

Schools Funding Forum 15th June 2023

ITEM 4

Subject Heading:

LA maintained schools' balances 2022-23

Report Author:

**Nick Carter – Principal Finance Officer
Schools**

Eligibility to vote:

**Representatives of LA maintained
schools**

SUMMARY

This report provides an analysis of the LA maintained school balances carried forward from 2022-23 into 2023-24.

RECOMMENDATIONS

That the Schools Funding Forum notes the report.

REPORT DETAIL

1. Year on Year Comparison of School Balances

The table below shows the total balances carried forward each year for the 36 primary and one special school that were LA maintained at the end of financial year 2022-23. Three pairs of schools operate a single budget across their federations.

	Total income £m	Total c/fwd balance £m	Balance as a % of income
2022-23	110.8	3.9	3.5%
2021-22	106.4	4.5	4.3%
2020-21	101.4	4.7	4.7%
2019-20	96.3	2.3	2.3%
2018-19	91.5	3.6	3.9%

2. Total value of school surpluses and deficits

Year	Total surpluses £m	Total deficits £m	Net balances £m
2022-23	5.3	1.4	3.9
2021-22	5.4	0.9	4.5
2020-21	5.8	1.1	4.7
2019-20	3.7	1.4	2.3
2018-19	4.3	0.7	3.6

3. School balances - percentage banding

	No. above 15%	No. between 10% & 15%	No. between 5% & 10%	No. between 0% & 5%	No. in deficit
2022-23	1	3	11	7	15
2021-22	1	4	11	12	9
2020-21	1	4	15	7	11
2019-20	0	2	15	6	16
2018-19	0	4	14	9	12

4. School in deficit – percentage banding

	No. above 10%	No. between 5% & 10%	No. between 1% & 5%	No. below 1%	Total No. in deficit
2022-23	0	6	8	1	15
2021-22	1	3	4	1	9
2020-21	1	4	4	2	11
2019-20	2	4	9	1	16
2018-19	1	1	7	3	12

5. Schools in deficit - duration

No. of years	No. of schools in deficit
> 5	5
5	3
4	1
3	
2	
1	6
Total	15

6. Schools with balances above 10% - duration

No. of years	No. of schools above 10%
> 5	1
5	
4	
3	11
2	1
1	
Total	4

The local authority will be in discussion with both LA maintained schools with balances above 10% and also those that are unable to set a balanced budget in 2023-24.

7. Breakdown of school income and expenditure

Appendix A shows the breakdown of school income and expenditure for LA maintained schools in 2022-23 by Consistent Financial Reporting category together with the change from 2021-22 and the change from 2019-20, the last pre pandemic year.

High Needs stop-up funding rose by 31% in 2022-23 with Pupil Premium funding rising by 11%. Receipts from absence insurance fell by 26% but still remain 32% above pre pandemic levels. Income from contributions to visits rose by 44% but were still 21% below 2019-20 levels. Donations fell by 25% last year and have fallen by 46% since 2019-20.

Expenditure on directly employed teaching staff rose by 2.8% but with a 23% rise in expenditure on agency teachers the overall cost of teaching staff rose by 3.4%.

Expenditure on directly employed education support staff rose by 14%, a combination of the additional staff required to support pupils with an EHCP and the April 2022 pay award. Agency education support staff costs rose by 63% resulting in a 17% rise in the cost of education support staff overall. The cost of other support staff rose by between 8% and 11% largely as a result of the pay award.

Expenditure on energy rose by 62% with most schools on contracts that fixed energy prices between April 2022 and March 2023.

Expenditure on learning resources rose by 19.5% last year but was still only 8% higher than in 2019-20. Expenditure on ICT fell by 16% whilst capital expenditure on ICT fell by 44%.

Comparison of school income and expenditure 2022-23 to 2021-22

CFR category	2022-23 £	2021-22 £	Change £	Change %	2019-20 £	Change 2019-20 to 2022-23 £	Change %
Revenue income							
I01 Funds delegated by the LA	89,597,767	85,094,280	4,503,487	5.3	77,105,098	12,492,669	16.2
I02 Funding for sixth form students	358,581	382,060	-23,479	-6.1	353,600	4,981	1.4
I03 High needs top up funding	10,799,987	8,270,467	2,529,520	30.6	6,437,754	4,362,233	67.8
I04 Funding for ethnic minority pupils	100,345	0	100,345	-	0	100,345	-
I05 Pupil premium	4,955,037	4,449,928	505,109	11.4	4,690,914	264,123	5.6
I06 Other government grants	82,870	142,606	-59,736	-41.9	161,571	-78,701	-48.7
I07 Other grants and payments received	127,380	137,031	-9,651	-7.0	149,595	-22,215	-14.9
I08a Income from letting premises	465,137	404,577	60,560	15.0	396,304	68,833	17.4
I08b Other income from facilities and services	1,649,080	1,679,372	-30,292	-1.8	1,364,814	284,266	20.8
I10 Receipts from supply teacher insurance	569,523	768,386	-198,863	-25.9	432,038	137,485	31.8
I11 Receipts from other insurance claims	2,155	37,175	-35,020	-94.2	9,887	-7,732	-78.2
I12 Income from contributions to visits etc.	908,103	630,541	277,562	44.0	1,148,658	-240,555	-20.9
I13 Donations and/or voluntary funds	226,771	304,647	-77,876	-25.6	417,218	-190,447	-45.6
I15 Pupil focused extnd sch funding/grants	47,748	6,833	40,915	598.8	37,305	10,444	28.0
I18a-d Additional grant for schools	4,654,203	4,139,823	514,380	12.4	3,613,514	1,040,689	28.8
Total revenue income	114,544,687	106,447,727	8,096,960	7.6	96,318,271	18,226,416	18.9
Revenue expenditure							
E01 Teaching staff	50,562,528	49,169,960	1,392,568	2.8	44,014,437	6,548,091	14.9
E02 Supply teaching staff	233,713	273,453	-39,740	-14.5	185,768	47,945	25.8
E03 Education support staff	27,512,543	24,102,397	3,410,146	14.1	21,792,524	5,720,019	26.2
E04 Premises staff	3,642,909	3,373,766	269,143	8.0	3,145,271	497,638	15.8
E05 Administrative and clerical staff	6,230,241	5,617,779	612,462	10.9	5,462,105	768,136	14.1
E07 Cost of other staff	3,613,377	3,335,975	277,401	8.3	3,179,744	433,632	13.6
E08 Indirect employee expenses	340,778	301,214	39,564	13.1	318,132	22,646	7.1
E09 Staff development and training	395,465	381,404	14,061	3.7	342,783	52,682	15.4
E10 Supply teacher insurance	469,392	454,283	15,109	3.3	448,003	21,389	4.8
E12 Building maintenance and improvement	1,142,196	1,181,641	-39,445	-3.3	917,623	224,573	24.5
E13 Grounds maintenance and improvement	155,674	134,287	21,387	15.9	133,015	22,659	17.0
E14 Cleaning and caretaking	846,370	835,381	10,989	1.3	693,053	153,317	22.1
E15 Water and sewerage	273,640	237,297	36,343	15.3	244,241	29,399	12.0
E16 Energy	1,799,285	1,111,644	687,641	61.9	1,174,684	624,601	53.2
E17 Rates	1,389,532	1,445,476	-55,944	-3.9	1,423,101	-33,569	-2.4
E18 Other occupation costs	507,143	498,473	8,670	1.7	433,504	73,639	17.0
E19 Learning resources	3,289,127	2,751,914	537,213	19.5	3,053,316	235,811	7.7
E20 ICT learning resources	645,962	765,880	-119,918	-15.7	681,654	-35,692	-5.2
E21 Examination fees	1,120	928	193	20.8	2,325	-1,205	-51.8
E22 Administrative supplies	868,375	872,848	-4,473	-0.5	725,916	142,459	19.6
E23 Other insurance premiums	183,584	157,487	26,097	16.6	128,931	54,653	42.4
E24 Special facilities	42,092	27,452	14,640	53.3	133,730	-91,638	-68.5
E25 Catering supplies	3,064,880	2,818,297	246,583	8.7	2,715,043	349,837	12.9
E26 Agency supply teaching staff	2,074,277	1,688,699	385,578	22.8	1,547,458	526,819	34.0
E27a Agency education support staff	2,335,338	1,436,393	898,945	62.6	931,380	1,403,958	150.7
E27b Brought in prof services - curriculum	1,721,036	1,671,659	49,377	3.0	1,673,260	47,776	2.9
E28a Brought in prof services - other	1,271,960	1,204,009	67,951	5.6	1,186,518	85,442	7.2
E29 Loan interest	36,759	48,116	-11,357	-23.6	7,905	28,854	365.0
E30 Revenue contribution to capital	792,309	735,412	56,897	7.7	971,657	-179,348	-18.5
Total revenue expenditure	115,441,605	106,633,525	8,808,080	8.3	97,667,080	17,774,524	18.2
Net revenue expenditure	896,918	185,798	711,119		1,348,809	-451,892	
Capital income							
CI01 Capital income	1,219,137	493,533	725,604	147.0	463,286	755,851	163.1
CI04 Direct revenue financing	792,309	735,412	56,897	7.7	971,657	-179,348	-18.5
Total capital income	2,011,446	1,228,945	782,501	63.7	1,434,943	576,503	40.2
Capital expenditure							
CE02 New build, conversion and renovation	1,001,779	890,597	111,182	12.5	1,089,325	-87,546	-8.0
CE03 Vehicles, plant, equipment	402,508	313,525	88,983	28.4	247,490	155,018	62.6
CE04 ICT	135,980	242,456	-106,476	-43.9	479,248	-343,268	-71.6
Total capital expenditure	1,540,267	1,446,578	93,689	6.5	1,816,062	-275,795	-15.2
Net capital spend	-471,179	217,634	-688,813		381,120	-852,299	