

Wiltshire Council

School Funding Working Group: 25 September 2023

Schools Forum: 5 October 2023

Schools Revenue Surplus and Deficit Balances 2022/23

Introduction

1. This report presents the position of revenue balances for Wiltshire maintained schools as at the 31 March 2023 and identifies those in surplus and deficit.
2. The net surplus balances for the financial year 2022/23 are £12.2 million with 104 schools holding surplus balances of £14.4 million and 12 schools in deficit to a value of £2.2 million.
3. In October 2022, members considered a report on schools' balances and deficits as at the 31 March 2022. In that report the net surplus balances were £13.3 million with 110 schools holding surplus balances of £15.9 million and 13 schools in deficit to a value of £2.56 million.
4. The number of LA maintained schools has decreased from 126 to 123 between 31 March 2022 and 31st March 2023. The data in this report does not include those schools which converted during the financial year.

Main considerations

5. The movement in net revenue balances over the last 3 financial years is shown in the following table: -

	2020/21	2021/22	2022/23	2022/23 Balances as % of 2022/23 Budget Share %	Increase/ Decrease from 2021/22 £	Increase/ Decrease from 2021/22 %
	£	£	£			
Primary	11,042,554	11,319,252	10,106,595	10.79	1,212,657	10.71
Secondary	-545,039	708,889	1,067,840	5.92	358,951	50.64
Special	1,173,283	1,325,008	1,050,387	9.83	274,621	20.73
	11,670,798	13,353,150	12,224,822	26.54	1,846,229	*82.08

*NB: this represents the total percentage increase in all schools' balances between 2021/22 and 2022/23.

6. Reporting of net revenue balances can obscure the underlying trend of gross revenue surplus and deficit balances. For transparency, the gross balances are identified below:

	Surplus balances			Deficit balances		
	2020/21 £	2021/22 £	2022/23 £	2020/21 £	2021/22 £	2022/23 £
Primary	11,821,389	12,199,527	10,865,244	-778,835	-880,274	-758,649
Secondary	1,398,129	2,396,774	2,525,619	-1,943,168	-1,687,885	-1,457,779
Special	1,173,283	1,325,008	1,050,387	0	0	0
Total	14,392,800	15,921,419	14,441,250	-2,722,003	-2,568,160	-2,216,429

7. **Appendix 1**, attached to this report details the revenue surplus and deficit balances for individual maintained schools. (For Special Schools, their income comprises Place funding plus Top Up funding for the year.)

8. As part of the dedicated school's grant (DSG) assurance framework, the DfE may ask local authorities to provide additional information where:

- a) the authority has 5% of schools that have had a surplus of 15% or more for the last 5 years and where the individual surplus is least £10,000 each year. Authorities will only be asked for more information if at least 3 schools meet the criteria.
- b) the authority has 2.5% of its schools in deficit by 2.5% or more for the last 4 years and where the individual annual deficit is at least £10,000.

9. **Appendix 2** - analyses the 2022/23 revenue balances to categorise those that are classified as:

- In surplus and above 15% of school budget share
- in surplus but below 15% of school budget share
- in deficit

10. **Appendix 3** - demonstrates the Authority may trigger an investigation from the DfE, as described in 8a above, by identifying that 13 schools, (9.8%) have held revenue balances of 15% or more of their school budget share for the last 5 years.

11. **Appendix 4** - demonstrates the Authority may trigger an investigation from the DfE, as described in 8b above, by identifying that 4 schools, (3.3%) have held deficit balances of more than 2.5% and £10,000 for the last 4 years.

Key points

12. The net revenue balance of £12.2 million in 2022/23 has decreased by £1.1 million (8.91%) from the 2021/22 balance of £13.3 million.

13. Analysis of the gross revenue surplus and deficit balances reveals that between 2021/22 and 2022/23 surplus balances have decreased by 9% and deficit balances have decreased by 8.6%.

14. The number of schools in deficit is 12 and the value of the deficits has decreased by £0.36 million from £2.57 million in 2021/22 to £2.21 million in 2022/23.
15. The number of schools in surplus has remained the same at 110 in 2022/23. The value of surpluses has decreased by £1.48 million, from £15.92 million in 2021/22 to £14.44 million in 2022/23.
16. The appendices highlight that the Authority may trigger an investigation from the DFE due to the number of schools holding excess revenue or deficit balances.

Indicative Position for 2023-24

17. Whilst its impossible to provide a definitive figure for maintained school balances as at the end of the 2023-24 year, based upon budget template returns received, the forecast position is a drop in balances to around £8m.

Proposals

18. Schools Forum members are invited to comment on this report.

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