

## Wiltshire Council

School Funding Working Group: 23 September 2024

Schools Forum: 17 October 2024

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### Schools Revenue Surplus and Deficit Balances 2023/24

#### Introduction

1. This report presents the position of revenue balances for Wiltshire maintained schools as at the 31 March 2024 and identifies those in surplus and deficit.
2. The net surplus balances for the financial year 2023/24 are £11.3 million with 95 schools holding surplus balances of £13.1 million and 14 schools in deficit to a value of £1.9 million.
3. In October 2023, members considered a report on schools' balances and deficits as at the 31 March 2023. In that report the net surplus balances were £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.
4. The number of LA maintained schools has decreased from 116 to 109 between 31 March 2023 and 31 March 2024. 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: -

	2021/22	2022/23	2023/24	2023/24 Balances as % of 2024/24 Budget Share %	Increase/ Decrease from 2022/23 £	Increase/ Decrease from 2021/22 %
	£	£	£			
Primary	11,319,252	10,106,595	8,574,285	9.34%	-1,532,310	-15.16%
Secondary	708,889	1,067,840	1,426,229	6.76%	358,389	33.56%
Special	1,325,008	1,050,387	1,267,494	8.74%	217,107	20.67%
	<b>13,353,150</b>	<b>12,224,822</b>	<b>11,268,007</b>	<b>26.54</b>	<b>-956,815</b>	<b>*-7.83</b>

\*NB: this represents the total percentage increase/decrease in all schools' balances between 2022/23 and 2023/24.

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		
	2021/22 £	2022/23 £	2023/24 £	2021/22 £	2022/23 £	2023/24 £
Primary	12,199,527	10,865,244	9,414,278	-880,274	-758,649	-839,993
Secondary	2,396,774	2,525,619	2,443,267	-1,687,885	-1,457,779	-1,017,038
Special	1,325,008	1,050,387	1,267,494	0	0	0
<b>Total</b>	<b>15,921,419</b>	<b>14,441,250</b>	<b>13,125,038</b>	<b>-2,568,160</b>	<b>-2,216,429</b>	<b>-1,857,031</b>

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:
- 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.
  - 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 2023/24 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 9 schools, (8.2%) 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, (3.7%) 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 £11.3 million in 2023/24 has decreased by £0.9 million (8.91%) from the 2022/23 balance of £12.2 million.
13. Analysis of the gross revenue surplus and deficit balances reveals that between 2022/23 and 2023/24 surplus balances have decreased by 9.1% and deficit balances have decreased by 16.2%.

14. The number of schools in deficit is 14 and the value of the deficits has decreased by £0.36 million from £2.2 million in 2022/23 to £1.9 million in 2023/24.
15. The number of schools in surplus has dropped to 95 in 2023/24. The value of surpluses has decreased by £1.32 million, from £14.44 million in 2022/23 to £13.13 million in 2023/24.
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 2024-25**

17. Whilst its impossible to provide a definitive figure for maintained school balances as at the end of the 2024-25 year, based upon budget template returns received, the forecast position is a drop in balances again in 2024-25, however with the Teachers Pay Award, the recently announced Core Schools Budget Grant and a pending Autumn Statement at the end of October, all coming out post-budget returns, the future is less predictable.

### **Proposals**

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

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Report Author: Grant Davis  
Schools Strategic Financial Support Manager  
Contact: Tel.: 01225 718587  
E-mail: [grant.davis@wiltshire.gov.uk](mailto:grant.davis@wiltshire.gov.uk)