

NORTH LINCOLNSHIRE COUNCIL

SCHOOLS FORUM

SCHOOLS OUTTURN FINANCIAL YEAR 2021-22

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To inform the Schools Forum of the outturn of individual school budgets and the overall financial position of North Lincolnshire maintained schools at the close of financial year 2021-22.

2. BACKGROUND INFORMATION

- 2.1 Individual school budgets for 2021-22 amounted to £64.310M for maintained secondary, primary, special and PRUs. In addition, maintained schools carried forward balances of £6.217m from 2020/21.
- 2.2 Actual expenditure by maintained schools in 2021-22 was £63.690m, resulting in an in-year contribution to reserves of £0.638m.

3. OPTIONS FOR CONSIDERATION

- 3.1 Three long-standing deficit budget situations were cleared in 2021-22; one Secondary school, one Primary school and one Primary federation of three schools.
- 3.2 At the end of 2021-22 there are four school budgets with deficit balances. One school has a small deficit (less 1%) and has submitted a plan to clear this in 2022-23. One Primary federation has ended the year with a -2.7% balance and has submitted a Budget Plan to clear the deficit within one year.
- 3.3 Two Primary schools have deficit balances of over 2% and have submitted Budget Plans which do not return their budgets to balance across a forecast of all 3 years.

- 3.4 Of 44 school budgets, 16 have increased or maintained their surplus balances including those reducing or removing their deficit balances. Four schools hold excessive positive balances (over 15% of the school budget). Those who have held such balances for two years have therefore been asked to provide further details of the intended use of these surplus reserves.

4. ANALYSIS OF OPTIONS

- 4.1 The value of the total carry forward for all schools has increased by £0.638M and is 1% of total school budget share. Schools had a more stable financial year with lessening effects of the pandemic and continued to be able to access additional funding eg for excessive sickness absence and for activities related to pupil catch-up.
- 4.2 The two schools with unresolved deficit positions both are working with the Finance Specialist – Schools to find solutions and will submit application for licensed deficit in accordance with the Scheme of Finance where necessary.
- 4.2 The School Finance team will continue to support all schools and governors in their budget monitoring in accordance with the Scheme for Financing Schools.
- 4.3 Schools with surplus reserves have provided details of their intentions:
- Contribution to capital works and play equipment for pupils including use of Sport/PE grant
 - Modernisation of therapy equipment and IT infrastructure
 - Smoothing the gap between falling NOR and school funding
 - Providing cover during periods of maternity leave and staffing uncertainties
 - Teaching staff to return to split year groups KS1 & KS2
 - Teaching support for high needs cohort
 - Decorating & refurbishment
 - Furniture and carpets
 - IT and copier equipment
 - Upgrade to outdoor spaces for social, learning and sport including fencing, resurfacing and equipment
 - Window replacement
- 4.4 School balances are included on the National Schools CFR return and committed and uncommitted balances are reported.

5 FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 The increase to reserves of £0.638m brings the total value held in individual schools to £6.855m. The DSG carry forward for 2021.22 amounts to £1.705m, the DSG Reserve is therefore now £5.57M.

- 5.2 The scheme of finance states that the maximum proportion of the collective balances held by the authority, which will be used to back the licenced deficit arrangement will not exceed 50%.
- 5.3 Deficit balances held by schools now totals £0.128M a reduction of £0.239M from 2020-21 and is within the tolerances stated in the Scheme for Financing Schools.
- 5.4 Details of the carry forward balances for the last three years are shown at appendix 1.

6 OTHER IMPLICATIONS

- 6.1 There are no other implications to this report.

7 RECOMMENDATIONS

- 7.1 It is recommended that the Schools Forum note the contents of this report.

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Date: 28 June 2022

Background Papers used in the preparation of this report – none