

NORTH LINCOLNSHIRE COUNCIL

SCHOOLS FORUM

SCHOOLS OUTTURN FINANCIAL YEAR 2022-23

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 2022-23.

2. BACKGROUND INFORMATION

- 2.1 Individual school budgets for 2022-23 amounted to £66.653m for maintained secondary, primary and special schools. In addition, maintained schools carried forward balances of £6.856m from 2021/22.
- 2.2 Actual expenditure by maintained schools in 2022-23 was £66.339m, resulting in an in-year contribution to reserves of £0.314m.

3. OPTIONS FOR CONSIDERATION

- 3.1 Four school budgets started the financial year 2022-23 with short-term deficit balances to recover. All set Plans to balance by March 2023 and therefore none had Licensed Deficits.
- 3.2 At the close of 2022-23 seven primary school budgets have a deficit balance including three from the previous year.
- 3.3 Six schools now hold balances of over 15% of their budgets, of these two have been at this level for at least two years and have therefore been asked to explain their spending intentions and clarify if these are contractual commitments.

4. ANALYSIS OF OPTIONS

- 4.1 The value of the carry forward for all schools has increased by £0.314m in-year and the total value is £7.170m. The total deficits are (£0.372m) and full details are provided at appendix 1.
- 4.2 The deficits have arisen for different reasons with a combination of several factors e.g. the cost of covering long term sickness absence, restructuring senior leadership teams, reduced admission numbers, increased energy costs and higher than expected pay awards. Some schools also had unexpected repairs and maintenance and alternative provision costs.
- 4.3 Three schools have set budget plans to repay their deficit within 2023-24. One school has submitted a Plan to balance by March 2025 and three schools require Licensed Deficits for three years, balancing in March 2026.
- 4.4 The School Finance team will continue to support all schools and governors in their budget monitoring in accordance with the Scheme for Financing Schools.
- 4.5 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
 - Teaching support for high needs cohort
 - Decorating & refurbishment
 - Furniture, kitchen equipment and carpets
 - IT, whiteboard and copier equipment
 - Upgrade to outdoor spaces for social, learning and sport
 - Costs of covering absences – leadership and teaching
 - Contingent reserves for pay awards and energy costs
 - Staffing for additional class for AYr 2023-24
- 4.6 School balances are included on the National Schools Consistent Financial Reporting (CFR) return and committed and uncommitted balances are reported.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 The increase to reserves of £0.314m brings the total value held in individual schools to £7.170m. The DSG carry forward for 2022-23 amounts to £1.732m, the DSG Reserve is therefore now £6.860m.
- 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 (£0.377m) an increase of £0.244m from 2021-22 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.

STRATEGIC LEAD (FINANCE SERVICEDESK)

Church Square House
High Street
SCUNTHORPE
North Lincolnshire
DN15 6NL
Author: Rosie Maughan
Date: 15 June 2023

Background Papers used in the preparation of this report – none