

Report to:	Schools Forum
Date of Meeting(s):	29th June 2023
Subject:	Delegated budget balances 22-23 update
Report of:	Colette Dutton – Director Children and Families
Contact Officer:	Mark Rotheram Strategic Finance Manager Kirsten Reid Group Finance Manager
Summary:	To provide information on estimated outturn position statements provided by schools for their 2022-23 year end.
Recommendation(s):	For members of note and discuss.
Implications:	
<i>What are the financial implications?</i>	N/A
<i>What are the staffing implications?</i>	N/A
Risks:	N/A

Please list any appendices:-

Appendix 2 – Delegated budget balances update

1. Introduction

- 1.1 The delegated budget balances for the schools were reported at the meeting on 18th May 2023. The reserves for nine schools were in deficit at the year end. Members requested further information on the accuracy of the estimated outturn position as calculated by schools earlier in the financial year.

2. Estimated year end reserves

- 2.1 Schools are required to provide annual budget statements each year as well as a longer-term outlook for the following two years. These reports are submitted to the LA in May.
- 2.2 The submissions are reviewed with any errors or concerns reported to the school for correction. There are challenges faced by schools in preparing budgets and long-term forecasts in calculating costs for future years. Due to the current economic climate, it can be particularly difficult to estimate staffing and energy costs. As these comprise most of a school's annual expenditure, where a school has few reserves left, it can quickly move to a deficit reserves position.
- 2.3 At the start of 22/23 two schools had deficit reserves. One school was no longer in deficit at the year end. The other school managed to partially reduce their deficit and their results were better than anticipated.
- 2.4 Eight of the nine schools had not estimated that they would be in deficit. The table below summarises the results from 96 schools.

Variance to predicted results	Number of schools
+/- 50%	29
+/- 100%	22 including 1 school in deficit
+/- 300%	45 including 8 schools in deficit

- 2.5 The appendix also shows how the forecasting for the 23/24 financial year changes as schools acquire information and update their predictions. The latest predictions are that 18 schools will be in deficit or with £0 balances by the close of the current financial year. Schools setting licensed deficit balances are supported to work towards a balanced budget.

3. Recommendations

- 3.1 To continue to monitor and support schools in their budget setting and long-term planning and to manage schools with licensed deficits to enable them to move towards balanced budgets over the next 2-3 years.