

MEETING	SCHOOLS' BUDGET FORUM
DATE	30 September 2024
TITLE	Schools' Balances Financial Year 2023/24
PURPOSE	Presented for information
RECOMMENDATION	To accept the report
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1 **School Balances**

- 1.1 Appended is the pattern of school balances over the last 5 years, which includes balances as at 31 March 2024 (**appendix 1**).

Note a summary of schools' balances since prior to COVID -

31 March	primary	middle	secondary	special	total	+ / -	
2017	£2,018,515		£816,787	£43,230	£2,878,532		
2018	£2,743,045	£425,372	£893,695	-£43,633	£4,018,479	£1,139,947	
2019	£2,481,037	£484,789	£973,687	£60,860	£4,000,373	-£18,105	
2020	£2,469,193	£398,894	£1,428,560	£36,343	£4,332,991	£332,617	
2021	£5,847,190	£656,128	£3,848,722	£401,222	£10,753,263	£6,420,272	COVID
2022	£9,123,329	£843,785	£6,066,267	£661,596	£16,694,977	£5,941,715	COVID
2023	£6,573,803	£820,853	£3,980,691	£541,680	£11,917,027	-£4,777,950	
2024	£4,980,580	£811,962	£2,161,056	£588,473	£8,542,071	-£3,374,957	

Note the effect of the COVID years on balances. Over the last two years there has been a significant reduction in balances and it is expected that there will be further reduction by the end 2024/25.

This is the national pattern. Wales' school balances are yet to be published by Welsh Government, but work by the authorities accountants shows a reduction of £95million in balances between March 2023 and March 2024.

- 1.2 3 primary schools and 3 secondary schools had a deficit at the end of the 2023/24 financial year.

2 Use of Balances Guidance Plan

- 2.1 The Education Department has the power to instruct the governing body on how to spend the element of their balances that exceeds the £50,000 threshold for Primary Schools and £100,000 for Secondary and Special Schools. In the absence of any specific provision in the Regulations, the £100,000 threshold has also been applied to Middle Schools.
- 2.2 The implementation procedure remains the same as in previous years -
- every school with balances of over 5% or with balances above the threshold to complete a questionnaire on the proposed use of balances
 - dependent on the content of the questionnaire and a possible discussion with the school, the Education Department can direct schools on how to apply the balances
 - review that the school has applied the balances in line with the direction of the Education Department and if not to deduct the money
 - officers were given the opportunity to suggest how a school could best invest balances to improve itself

3. Conclusion

- 3.1 Schools are using balances to support present pupils. Further balances are being applied as schools set 2024/25 budgets and the forecast is a further significant reduction by the end of this financial year. The use of balances to set budgets either has the effect of delaying cuts that will have to be implemented in the future, or to bridge a period where an increase in funding in the near future is projected.

4. Recommendation

- 4.1 **The Education Department and Finance Department should work closely with schools to make prudent use of the substantial balances available in 2024/25.**
- 4.2 **The Education Department and the Finance Department should continue to monitor schools' budgets.**