School balances 2023-24

School’s closing balances 2023-24

19/06/2024

**Executive Summary**

This report informs Schools Forum of maintained school provisional balances as at 31 March 2024

**Details of recommendations and timescales for decisions:**

Schools Forum are asked **discuss and comment on** any of the issues raised in the report.

**Appendix to this report:**

Individual school revenue balances for 2022-23 and 2023-24, with in-year movement of value and as a percentage. Schools which meet the revenue surplus monitoring thresholds of over the 5%, 8% and 12% (as per the balance control policy) are highlighted.

## Background

* 1. Schools receive their delegated budget share based upon the formula factors and components agreed in the Tower Hamlets Schools Funding Formula. In addition, significant revenue grant funding is managed by schools. Grant conditions usually allow schools to carry forward unspent income, despite the assumption that it should be spent on the pupils at the school each year.
	2. Revenue surplus and deficit balances are compared nationally as a percentage of total income available, thus allowing a comparison between schools in different areas with varied funding levels.
	3. All schools via their governing body have delegated powers and responsibilities to manage and deploy their financial resources at a local level in accordance with the locally agreed aims and objectives as outlined in the School Improvement Plan (SIP), aimed at achieving the best outcomes for pupils.
	4. Within the framework of Tower Hamlets’ Scheme for Financing Schools (see Section 5), schools are permitted to carry-forward any year-end surplus/deficit recorded at 31 March, to the following financial year.
	5. Schools successfully completed the year end process and data verification by the end of April 2024, by working with the local authority over the easter holiday.
1. **Schools Revenue Position**
	1. Overall, the school cumulative revenue balances at the end of the 2023/24 financial year have ***decreased*** by **£0.952 mill (-3%)** to **£32.7m**. The year-end position illustrated school by school, is shown in Appendix 1 and the position by school sector in Table 1.

**Table1. Revenue Balances carried forward by sector: 2022-23 to 2023-24.**

|  |  |  |  |
| --- | --- | --- | --- |
| **School phase** | **2022-23** | **2023-24** | **22/23 to 23/24 movement** |
|   | **£k** | **£k** | **£k** | **(%)** |
| Nursery | 184 | -82 | -266 | -145% |
| Primary  | 11,759 | 12,081 | 322 | 3% |
| Secondary | 14,423 | 14,638 | 215 | 1% |
| Special | 7,277 | 6,054 | -1,223 | -17% |
|   | **33,642** | **32,690** | **-952** | -3% |

* 1. Schools in financial risk: 6 schools were in a revenue deficit position at the end of 2022-23 (total value of -£1,055 mill). Of the deficit schools 2 have achieved a revenue surplus at the end of 2023-24, the others have increased the deficit, and one nursery school has closed.

In 2023-24, 10 schools were in a deficit position at a total value of -£1,968 mill., 5 had been in surplus last year.

* 1. A total of 20 schools have a surplus balance of over 12% of the total income available, 35 pass the 8% threshold and 45 the 5% threshold.
	2. Schools will be expected to upload the CFR reports to the government site by the end of June, this will then form part of the national benchmarking programme available to schools.

