**AGENDA ITEM 3**

**Title of report: Provisional School Balances 2022-23**

**Author of the paper:** S Walsingham

**Officer to present the paper to School Forum:** Kay Goodacre

**Details on who has been consulted with on this paper to date:**

**Exec Summary:**

This report informs Schools Forum of maintained school provisional balances as at 31 March 2023.

**Action required:**

Schools Forum is invited to **discuss and comment on** any of the issues raised in the report.

**Appendices to this report:**

Appendix 1 Individual school revenue balances for 2021-22 and 2022-23, 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.

1. **Purpose of Report**
	1. To provide School Forum members with the provisional school balances position recorded as at 31 March 2023.
2. **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, and capital funding. 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. At this stage in the year, the final closing balances are yet to be confirmed. The figures in this report should be treated as provisional.
	3. 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.
	4. 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.
	5. 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.
3. **Schools Revenue Position**
	1. Overall, the school revenue balances at the end of the 2022/23 financial year have provisionally ***decreased*** by **£1.018m (-3%)** to **£33.5m**. The year-end position illustrated school by school, is shown in Appendix 1 and the position by school sector in Table 1.

**Table1. Provisional Revenue Balances carried forward by sector: 2021-22 to 2022-23.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   | 2021-22 | 2022-23 | Revenue movement |  |
|  School phase |  |  | **21/22 to 22/23** |  |
|   | £000 | £000 | £000 | (%) |
| Nursery | 475 | 34 | - 442 | -93% |
| Primary  | 12,889 | 11,757 | - 1,131 | -9% |
| Secondary | 13,890 | 14,423 | 533 | 4% |
| Special | 7,224 | 7,246 | 22 | 0% |
|   | **34,478** | **33,460** | **-1,018** | **-3%** |

**School Revenue Deficits**

* 1. The number of deficit schools has remains at ***seven*** at the end of 2022-23. However, this overall number contains 2 schools that had a surplus at the end of last year and have moved into a deficit, and two who have moved out of a deficit position since last year. The total value of deficit schools at the end of 2022-23 has increased from -£1.04m to -£1.2m.
	2. The overall nursery and primary cumulative surpluses have reduced, whilst the secondary cumulative surpluses remain strong, and with the exception of two schools, have increased. The special school surpluses have remained static overall and are not considered a risk for this year.
	3. Two schools underwent a merger with other schools in 2022-23, both with deficits at the end of the 2021-2022.
1. **School Capital position**
	1. The capital balances reduced by £338k (16%) from the equivalent closing position in 2021-22. Not all schools manage capital funding locally, the capital funding for voluntary schools will generally be held by the diocese.

**Table2. Provisional Capital Balances carried forward by sector: 2021-22 to 2022-23.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|   School phase | 2021-22  | 2022-23 | Capital movement 21/22 to 22/23 | Capital movement 21/22 to 22/23  |
|  | (£000) | (£000) | (£000) | (%) |
| Nursery | 109.9 | 133 | 23 | 21% |
| Primary  | 1,150.50 | 1,587 | 437 | 38% |
| Secondary | 482.1 | 617 | 135 | 28% |
| Special | 422.5 | 166 | - 257 | -61% |
|   | **2,165.00** | **2,503.14** | **338.14** | **16%** |

1. **Monitoring thresholds and balance control mechanism**
	1. The Department for Education (DfE) published Financial Management Framework document outlines how the DfE intend to challenge and scrutinise local authorities and schools in certain areas. The framework focuses on three key aspects:
* The reported year-end position of the total Dedicated Schools Grant (DSG);
* The reported position of schools completing the Schools Financial Value Standard (SFVS); and
* The reported position of surplus school balances held.
	1. Tower Hamlets schools are required to submit quarterly monitoring information, which includes a projection of the year end position, and should evidence progress or potential further financial risk.
	2. The overall revenue balance, as a percentage of the total income as recorded in the provisional outturn stands at 10%. The schools finance team will work with schools, challenging and supporting assumptions to mitigate risk and to evaluate sustainability.
	3. All primary, nursery and special schools should have a plan to use the surplus over 8%; all secondary schools should likewise have a plan for the use of a surplus over 5%. The number of schools with an uncommitted surplus balance of over 12% is currently at 7.

**Table 3 listing the number of schools that qualify for the ”plan” thresholds:**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Number of schools: | all schools | over 8% threshold | over 5% threshold | over 12% threshold | Uncommitted over 12% |
| Nursery | 5 | 2 |  | 2 | 1 |
| Primary  | 55 | 24 |  | 11 | 3 |
| Secondary | 10 |  | 8 | 6 | 1 |
| Special | 5 | 5 |  | 4 | 2 |
|  | **75** | **31** | **8** | **23** | **7** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| School | 2021/22 Revenue balance | Rev surplus 21-22 | 2022/23 C/F ProvisionalRevenue balance | rev surplus 22-23 |
| Alice Model | 24,333 | 4% | - 106,811 | -20% |
| Childrens House | 299,425 | 30% | 403,692 | 42% |
| Columbia Market | 233,046 | 34% | 103,531 | 20% |
| Old Church | -512,207 | -50% | - 708,076 | closing |
| Rachel Keeling | 430,868 | 64% | 341,228 | 61% |
|  |  |  |  |  |
| Arnhem Wharf | 73,080 | 1% | 176,219 | 3% |
| Bangabandhu | 53,666 | 2% | 268,633 | 7% |
| Ben Jonson | 22,429 | 0% | 187,918 | 3% |
| Bigland Green | 1,071,213 | 29% | 919,044 | 24% |
| Blue G F Infant | 223,214 | 9% | 202,224 | 8% |
| Blue G F Junior | 208,670 | 8% | 261,022 | 9% |
| Bonner | -215,691 | -3% | 9,782 | 0% |
| Canon Barnett | 4,319 | 0% | 1,589 | 0% |
| Cayley | 791,060 | 20% | 381,485 | 9% |
| Chisenhale | -61,234 | -2% | 102,157 | 3% |
| Christchurch | 176,170 | 11% | 2,302 | 0% |
| Columbia | 354,811 | 11% | 126,920 | 4% |
| Cubitt Town Primary | 595,415 | 21% | 328,648 | 6% |
| Elizabeth Selby | 180,551 | 9% | 248,658 | 12% |
| English Martyrs | 23,425 | 1% | - 85,025 | -5% |
| Globe | 180,551 | 5% | - 64,485 | -2% |
| Hague | 139,553 | 7% | 105,237 | 5% |
| Halley | 145,138 | 8% | 26,956 | 2% |
| Harbinger | -22,466 | -1% | - 40,183 | -2% |
| Harry Gosling | 364,264 | 11% | 347,217 | 10% |
| Hermitage | 199,852 | 8% | 276,996 | 10% |
| John Scurr | 504,002 | 16% | 540,403 | 15% |
| Kobi Nazrul | 113,320 | 7% | 100,594 | 5% |
| Lansbury Lawrence | 255,310 | 7% | 378,268 | 9% |
| Lawdale | 177,632 | 10% | 183,201 | 10% |
| Malmesbury | -53,353 | -1% | - 97,654 | -3% |
| Manorfield | 342,491 | 6% | 267,510 | 4% |
| Marion Richardson | 273,285 | 8% | 145,714 | 4% |
| Marner | 587,875 | 11% | 452,100 | 8% |
| Mayflower | 311,875 | 10% | 236,293 | 7% |
| Mowlem | 147,185 | 9% | 214,912 | 11% |
| Old Palace | 452,887 | 15% | 511,303 | 15% |
| Olga | 262,734 | 6% | 21,453 | 0% |
| Osmani | 325,790 | 10% | 353,945 | 10% |
| Our Lady & St Joseph  | 689,354 | 20% | 411,392 | 11% |
| Seven Mills | 213,552 | 11% | 128,832 | 6% |
| St Agnes | 156,707 | 10% | 91,482 | 5% |
| St Anne & Guardian As | 239,380 | 10% | 298,770 | 12% |
| St Edmund | 90,548 | 5% | 36,177 | 2% |
| St Elizabeth | 130,540 | 5% | 25,460 | 1% |
| St Johns | -117,676 | -9% | - 102,890 | -8% |
| St Lukes | 50,913 | 2% | 6,928 | 0% |
| St Mary / St Michael | 330,514 | 11% | 327,956 | 10% |
| St Paul / St Luke | 193,378 | 13% | 129,755 | 7% |
| St Pauls Whitechapel | 65,994 | 4% | 25,839 | 1% |
| St Peters | 231,474 | 12% | 279,451 | 14% |
| St Saviours | 90,379 | 5% | 172,600 | 9% |
| Stepney Greencoat | 122,117 | 9% | 62,863 | 5% |
| Stepney Park  | 1,143,387 | 19% | 1,163,672 | 18% |
| Stewart Headlam | 40,547 | 2% | 293,673 | 13% |
| Thomas Buxton | 153,726 | 4% | 93,972 | 3% |
| Virginia | 201,283 | 12% | 287,226 | 15% |
| Wellington | 78,037 | 2% | 117,232 | 3% |
| William Davis | -65,601 | -4% | 15,216 | 1% |
| Woolmore | 640,965 | 13% | 800,439 | 15% |
|  |  |  |  |  |
| Bishop Challoner Boys | 1,538,194 | 28% | 1,656,559 | 30% |
| Bishop Challoner Girls | 1,179,396 | 15% | 1,244,141 | 16% |
| Bow | 1,275,543 | 10% | 1,448,908 | 12% |
| CFGS | 431,960 | 3% | 429,511 | 3% |
| George Green | 1,202,845 | 10% | 400,059 | 3% |
| Langdon Park | 919,079 | 9% | 1,391,484 | 13% |
| Morpeth | 2,229,032 | 16% | 1,783,641 | 12% |
| Oaklands | 956,196 | 11% | 1,451,149 | 15% |
| Stepney All Saints  | 1,378,685 | 11% | 1,992,048 | 14% |
| Swanlea | 2,778,873 | 23% | 2,625,368 | 21% |
|  |  |  |  |  |
| Beatrice Tate | 815,736 | 23% | 496,810 | 11% |
| Bowden House | 798,206 | 23% | 664,791 | 20% |
| LEAP | 1,261,327 | 21% | 1,329,206 | 21% |
| Phoenix | 3,829,006 | 25% | 3,950,910 | 24% |
| Stephen Hawking | 519,981 | 12% | 804,527 | 17% |
| TOTAL | **34,478,065** |  |  **33,460,079**  |  |