Report of the Director of Finance

Item 4. School Balances 2023/24

Schools Forum – 10 July 2024

1. Purpose of the Paper

1.1 The purpose of the paper is to update members on the level of actual school balances for 2023/24 for maintained schools.

2. Background

2.1 All schools receive their delegated budget share based upon the Local Funding Formula.

2.2 All schools via their governing body have delegated powers and responsibilities to manage and deploy their financial resources in accordance with their agreed aims and objectives to achieve the best outcomes for pupils.

2.3 Maintained schools are permitted to carry forward any year end surplus/deficit recorded at the 31 March into the following financial year on the condition that they conform to the rules of the Balance Control Mechanism Scheme.

2.4 The Balance Control Mechanism Scheme is included in Oldham's Scheme for Financing Schools.

3. Oldham Final Position 2023/24

3.1 The tables below summarise school balances for the Financial Year 2023/24 by sector and the change in position from 2022/23. A total of 62 schools' balances are included in the table below.

Table 1 School Balances 2023/24

Sector	2022/23	2023/24	Movement	Percentage movement from 2022/23
Primary	£4,750,447	£4,942,489	£192,042	4.04%
Secondary	£3,352,113	£3,256,493	(£95,620)	(2.85%)
Special	£278,576	£379,214	£100,638	36.13%
Total Schools	**£8,381,136**	**£8,578,196**	**£197,060**	**2.35%**
Asset Purchase Scheme	£2	£2	£0	0%
Total	**£8,381,138**	**£8,578,198**	**£197,060**	**2.35%**

3.2 The table above identifies that school balances before the Asset Purchase scheme movement have increased overall by £0.197m or 2.35% compared to 2022/23. This excludes the Asset Purchase Scheme which represents funds currently loaned to schools.

3.3 School balances showed an in-year surplus of £8.578m at the end 2023/24 which includes a very small amount for the asset purchase scheme.

3.4 The above amount includes a total of £0.318m held on behalf of three schools who had converted to academies during the year but the balance had not yet been agreed and paid over to them as at year end.

3.5 Seven schools had deficit balances at the end of 2023/24 totalling £0.262m.

3.6 "S*urplus*" school balances are defined as balances which are greater than 12% of the current year's original school budget share for all schools (excluding pupil premium).

3.7 The table below summarises **surplus** school balances above the limits and the number of schools for 2023/24 by sector together with the change from 2022/23. Across all sectors, balances have increased by 46.22%.

Table 2 Surplus School Balanced 2023/24

Sector	2022/23 Surplus Balances	2022/23 No of schools	2023/24 Surplus Balances	2023/24 No of schools	Movement	Movement No of Schools
Primary	£329,837	5	£627,683	7	£297,846	2
Secondary	£899,171	2	£1,098,292	1	£199,121	(1)
Special	£25,368	1	£108,184	1	£82,816	0
Total	**£1,254,376**	**8**	**£1,834,159**	**9**	**£579,783**	**1**

3.8 The total surplus balances were £1.834m. Of the 9 schools with surplus balances, 6 have submitted an official plan to the LA to carry the balances forward. The deadline for submittal of Utilisation of Balances to the LA is 5th July so at the time of writing the report, we await submissions from the remaining 3 schools.

3.9 The decision regarding whether there will be any removal of surplus balances from schools will be reviewed once we have confirmation of whether acceptable plans have been submitted from each school to carry them forward.

4. Conclusion

4.1 Members of Schools Forum are asked to note the contents of this report a further update will be given at the next Schools Forum meeting.