

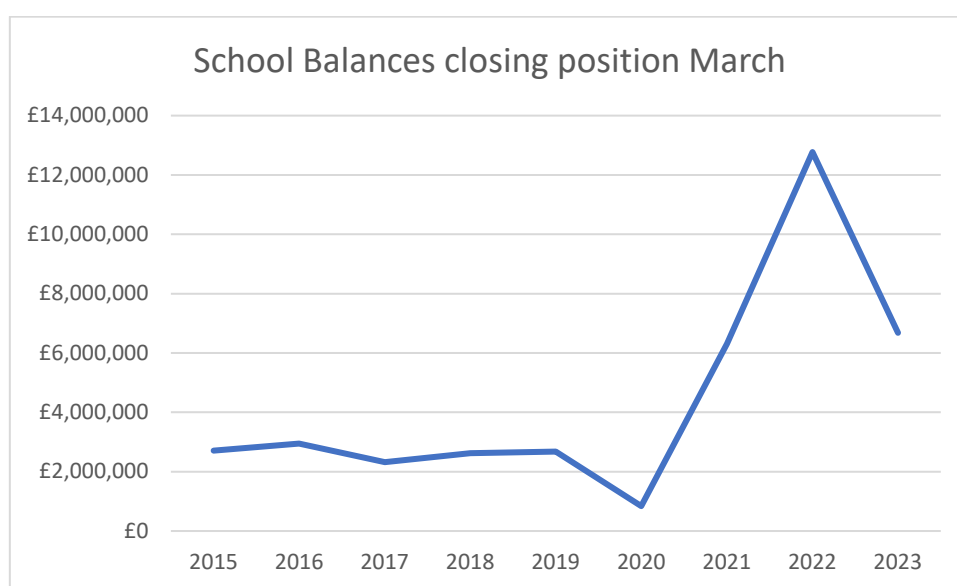
Budget Forum 14th June 2023 - School Balances Update

Background

School balances were totalling between £2M and £3M for a number of years, until March 2020 when balances reduced to £839k overall. At this point there were concerns that schools could fall into deficit budgets and that school balances overall could fall into deficit position.

However, the impact of the Covid 19 pandemic was favourable on school balances due to the closure of schools initially, and the vast amount of additional grant funding made available by Welsh Government. By March 2021, school balances had increased from £839,000 to £6.3M, and by March 2022 balances had increased further to £12.8M overall.

For the 2022/23 financial year, schools drew down just over £6M from balances to meet 2022/23 expenditure in excess of annual budgets. As a result, school balances reduced to £6.7M by 31st March 2023.



Schools are still working on the preparation of budgets and recovery plans for the 2023/24 financial year, and a projected outturn for March 2024 is not yet available, however it is worth noting that school balances will be soon be depleted if schools require to draw down in the 2023/24 financial year, the same level of funds required to balance 2022/23.

Closing position 2022/23

- Net school balances amounted to £6.7M at the end of the financial year, £2.68M in the primary sector, £466k 3-19 schools, £2.96M in the secondary sector and £575k for the special school.
- 9 schools (17%) out-turned in a deficit position at the end of the 2022/23 financial year. The individual deficits ranged from £6k to £588k. The total value of all deficits at the end of the financial year was £1.15M.
- 8 out of 44 primary schools (18%) ended the year in a deficit position.
- 1 out of 7 secondary schools (14%) ended the year in a deficit position.
- Net school balances at the end of the financial year amounted to 6% of the total budget share.
- 32 schools out-turned with balances in excess of 5% of budget share and 10 schools with balances in excess of 10% of budget share.

