**Budget Forum 8th June 2022**

**School Balances as at 31st March 2022.**

The Councils Fair Funding Scheme for Schools, the Schools Standards and Framework Act 1998, and the School Funding Wales Regulations 2010 specifies that any variances within the delegated school’s budget can be carried forward to the next financial year through school balances.

Total school balances over the last eight years are identified in the table below.

|  |  |  |
| --- | --- | --- |
| Year ending | School Reserves | Movement on Previous Financial year |
| 31.03.2015 | £2,708,131 |  |
| 31.03.2016 | £2,946,348 | +£238,217 |
| 31.03.2017 | £2,321,817 | -£624,531 |
| 31.03.2018 | £2,622,733 | +£300,916 |
| 31.03.2019 | £2,679,902 | +£57,169 |
| 31.03.2020 | £839,050 | **-£1,840,852** |
| 31.03.2021 | £6,311,159 | +£5,472,109 |
| 31.03.2022 | £12,771,230 | +£6,460,071 |
|  |  |  |

Between March 2015 and March 2019, balances fluctuated between £2.3M and £2.9M, until they dropped to £839k by the end of the 2019/20 financial year. At this point, it was estimated that schools could fall into an overall deficit position over the next few years.

However, a change occurred as the result of the Covid 19 pandemic in the 2020/21 financial year resulting in school balances rising by £5.47M in just one year to £6.3M. The favourable variance against the schools 2020/21 budget resulting in the increase in balances was caused by a combination of increased grant funding from Welsh Government, in addition to savings accumulated from the closure of schools including supply cover, teaching materials and exam fees.

At the end of the 2021/22 financial year, school reserves had increased by a further £6.46M and are now totalling £12.77M. The increase in school balances generated in the 2021/22 financial year is largely as a result of increased grant funding from the Welsh Government and the Central South Consortium. Some (but not all) of the grants awarded were to assist with covid recovery. The additional grants received by schools are summarised in the table below:

|  |  |
| --- | --- |
| Grant | Awarded to schools 2021/22 |
| School’s Revenue Maintenance Grant | £2,145,189 |
| Accelerated Learning Grant (Recruit Raise Standards and Recover) (Covid 19) | £2,879,916 |
| ALN covid recovery - Special school | £85,536 |
| Post 16 Learner Recovery, Transition and Centre Determined Grades Support | £1,075,772 |
| ALN New System funding | £287,807 |
| Winter of Wellbeing | £260,898 |
| **TOTAL** | **£6,735,118** |
|  |  |

The following information is noted

* 42 out of 45 (91%) of primary and nursery schools have a balance carried forward in excess of £50k
* All secondary and special schools have a balance carried forward in excess of £100k
* No schools out turned the 21/22 financial year in a deficit position
* 52 schools (95%) have a balanced carried forward in excess of 5%
* 41 schools (75%) have a balance carried forward in excess of 10%

Total School balances are shown at appendix A.

**Monitoring of school balances – next steps**

Schools will receive an email from the finance section requesting the completion of the “Planned use of balances returns” identifying precisely how balances carried forward will be spent over the 2022/23 and following financial years. This form must be submitted to the finance section by 30Th June 2022.

A copy of the template is attached at Appendix B.