

MEETING	SCHOOLS' BUDGET FORUM
DATE	12 December 2022
TITLE	Schools' Balances Financial Year 2021/22
PURPOSE	Presented for information
RECOMMENDATION	To accept the report
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1 **Final Accounts 2021/22**

1.1 Individual schools' balances as at 31 March 2022 is appended for your information (appendix 1).

1.2 Summary of schools' balances as at 31/03/2022 -

	percentage	31/03/2021	increase+/ reduction-	31/03/2022	percentage
Primary	15.91%	£5,847,190	+£3,278,112	£9,125,302	24.35%
Middle	11.54%	£656,128	+£187,657	£843,785	14.64%
Secondary	11.09%	£3,848,723	+£2,217,544	£6,066,267	16.69%
Special	9.52%	£401,222	+£260,374	£661,596	15.35%
Total	13.22%	£10,753,263	+£5,943,688	£16,696,951	19.90%

1.3 2021/22 has been another exceptional year given COVID-19. Grants were received to help schools recover following COVID-19, and to reimburse schools for staff absences.

1.4 Welsh Government grants were received in 2021/22 with the purpose of releasing resources for schools in 2022/23 and this has contributed towards the increase. The increase in Gwynedd schools' balances is not exclusive.

1.5 When setting 2022/23 budgets, schools have committed £7.5 million of the balances, with significant sums allocated for one off schemes.

1.6 No school was in deficit at the end of the financial year.

1.7 The total balances over 5% has increased from £6,738,553 at 31/03/2021 to £12,507,486 at 31/03/2022. Only one school does not have balances greater than 5%.

2 Use of Balances Guidance Plan

- 2.1 The Education Department has the power to instruct the governing body on how to spend the element of their balances that exceeds the £50,000 threshold for Primary Schools and £100,000 for Secondary and Special Schools. In the absence of any specific provision in the Regulations, the £100,000 threshold has also been applied to Middle Schools.
- 2.2 The implementation procedure remains the same as in previous years -
- every school with balances of over 5% or with balances above the threshold to complete a questionnaire on the proposed use of balances by 13 July 2022
 - dependent on the content of the questionnaire and a possible discussion with the school, the Education Department can direct schools on how to apply the balances by 30 September 2022
 - review that the school has applied the balances in line with the direction of the Education Department and if not to deduct the money by 31 December 2022
 - officers were given the opportunity to suggest how a school could best invest balances to improve itself
- 2.3 Appendix 1 highlights the sum of balances over the thresholds –
- 68 primary schools (varying between £1,588-£223,049 above £50k threshold)
 - 2 middle schools (varying between £234,295-£409,490 above £100k threshold)
 - 12 secondary schools (varying between £201,479-£874,226 above £100k threshold)
 - 2 special schools (varying between £218,168-£243,428 above £100k threshold)

3. Conclusion

- 3.1 The Welsh Governments' statistical release on schools' balances as at 31 March 2022 was published on the 27th of October (see link below). School balances across Wales have increased by £120.8 million between 2021 and 2022. Gwynedd had the highest balances per pupil of £1,012, followed by Ceredigion with £911 per pupil – two authorities with similar school numbers and rural areas.

[Reserves held by schools in Wales at 31 March 2022 \(gov.wales\)](https://gov.wales/reserves-held-by-schools-in-wales-at-31-march-2022)

4. Recommendation

- 4.1 **The Education Department and Finance Department should work closely with schools to make prudent use of the substantial balances available in 2022/23.**
- 4.2 **The Education Department and the Finance Department should continue to monitor schools' budgets.**