



NORTH YORKSHIRE SCHOOL FORUM

Date of meeting:	18th September 2025
Title of report:	School Balances 2024-25
Type of report: Delete as required	For Information
Executive summary: Including reason for submission	<p>This paper summarises the position of school balances as at 31st March 2025.</p> <p>It compares school balances as at 31st March 2025 with the previous year and summarises the movement in revenue balances between years and between types of school.</p> <p>The position of those schools which had a negative revenue balance as at 31st March 2025 is also identified.</p>
Budget / Risk implications:	None
Recommendations:	Schools Forum is asked to note the position of school balances as at 31st March 2025.
Voting requirements:	Not applicable
Appendices:	None
Report originator and contact details:	Howard Emmett – Assistant Director - Resources
Presenting officer: If not the originator	

1.0 PURPOSE OF THE REPORT AND SUMMARY

- 1.1 This paper provides information relating to school balances as at 31st March 2025.
- 1.2 As part of the DfE Consistent Financial Reporting Arrangements, all schools are required to analyse their financial year-end Local Management of Schools (LMS) balances over 5 different areas. The table below sets out school balances as at March 2025 and March 2024 analysed over the different categories defined by the DfE and sets out the movement in balances between the two financial years.
- 1.3 Whilst this provides a useful overall summary of school balances, the remainder of this report concentrates on Revenue Balances only (Committed, Uncommitted and Community Focused School revenue balances).

Schools (including Pupil Referral Units)

	March 2024	March 2025	Movement
	£'000	£'000	£'000
Committed Revenue Balance	615	787	172
Uncommitted Revenue Balance	11,773	12,176	403
Community Focused Extended Schools Balances	263	416	153
Total Revenue	12,651	13,379	728
Devolved Capital Balance	1,094	722	-372
Other Capital Balances	705	645	-60
Total Capital	1,799	1,367	-432
Total School Balances (Revenue and Capital)	14,450	14,746	296

Note: for comparative purposes the balances shown at March 2025 exclude schools that have converted to become Academies or closed during 2024/25.

18 September 2025 – Item 2.4
School Balances 2024-25

2.0 **SUMMARY OF KEY POINTS**

- 2.1 The Revenue Balances at 31 March 2025 are summarised below, together with a comparison with 2024. The balances are also expressed as a percentage of school delegated budgets.

MARCH 2024	PRIMARY & NURSERY	SECONDARY	SPECIAL	PRU	TOTAL
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Revenue Balances	13,863	158	-1,549	907	13,379
% of Revenue Budget	12.0%	0.3%	-14.4%	35.7%	7.3%
Comparison with 2024 Revenue Balance					
Increase (+) Decrease (-)	-152	902	-119	97	728

- 2.2 School Revenue Balances have increased by £728k from £12.65m to £13.38m. This represents an increase of 5.8% on the 2024 Revenue Balances. This figure represents 7.3% of local authority-maintained school budgets. The equivalent percentage reported in 2024 was 8.1%. Although the overall cash balance has marginally increased, the balance as a percentage of the associated school budgets has reduced. Whilst there has been a small decline in primary school balances, secondary school balances have increased and special school and PRU balances have remained relatively stable.
- 2.3 The projected cumulative revenue outturn position for future years, as reported in 2025-26 Start Budgets, reflects a decreasing trend as summarised below.

REVENUE BALANCES	PRIMARY & NURSERY	SECONDARY	SPECIAL	PRU	TOTAL
Actual Revenue Balance (March 2025)	13,863	158	-1,549	907	13,379
<u>Projected</u> Start Budget (March 2026)	9,684	-1,456	-1,871	670	7,027
<u>Projected</u> Start Budget (March 2027)	950	-4,048	-2,352	273	-5,177
<u>Projected</u> Start Budget (March 2028)	-13,670	-8,298	-3,411	-261	-25,640

NORTH YORKSHIRE SCHOOLS FORUM

18 September 2025 – Item 2.4

School Balances 2024-25

- 2.4 The overall outturn position reported at March 2025, is £6.85m higher than anticipated at the beginning of the financial year based on school 2024-25 Start Budget submissions. This trend applies to all school types. Details of the comparison are summarised below.

2024/25 PROJECTED REVENUE BALANCE	PRIMARY & NURSERY	SECONDARY	SPECIAL	PRU	TOTAL
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<u>Projected</u> Start Budget (March 2025)	9,056	-1,128	-1,928	526	6,526
<u>Actual</u> Revenue Balance (March 2025)	13,863	158	-1,549	907	13,379
	+4,807	+1,286	+379	+381	+6,853

- 2.5 At the time of setting the 2024-25 Start Budgets in Spring 2024, schools are likely to have adopted a cautious approach with regard to continued uncertainties regarding increasing cost pressures and the wider economic climate. This is likely to have been a factor in them anticipating that revenue balances would reduce to a greater extent at that time.
- 2.6 The LA continues to support schools around budgeting assumptions, with training provided for Heads, Governors and Bursars by the Financial Management for Schools Team to support schools in managing budget pressures.
- 2.7 The average Revenue Balance for all schools (excluding PRUs) is £77.9k compared to £74.0k in 2023/24 (excluding schools that converted to become Academies or closed during 2024/25).

3.0 REVENUE DEFICIT BALANCES

- 3.1 The Table below provides a summary of school revenue deficits over recent years and forecasted deficits for the current and future years.

18 September 2025 – Item 2.4
School Balances 2024-25

Financial Year	Primary (incl. Nursery)		Secondary		Special (incl. PRU)		Total	
	No. Schools In Deficit	Average Deficit £'000	No. Schools In Deficit	Average Deficit £'000	No. Schools In Deficit	Average Deficit £'000	No. Schools In Deficit	Average Deficit £'000
2015-16	22	-16.4	3	-325.7	0	0	25	-53.5
2016-17	21	-24.7	7	-242.5	2	-294.2	30	-93.5
2017-18	44	-22.2	9	-275.9	1	-967.8	54	-82.0
2018-19	35	-33.9	8	-384.6	4	-435.6	47	-127.8
2019-20	26	-45.4	6	-520.8	5	-584.0	37	-195.3
2020-21	11	-54.1	6	-596.5	5	-659.6	22	-339.7
2021-22	15	-54.0	5	-690.7	4	-473.4	24	-256.5
2022-23	21	-51.3	5	-672.5	5	-424.5	31	-211.7
2023-24	18	-46.1	4	-698.4	2	-849.3	24	-221.7
2024-25	22	-61.8	4	-572.6	1	-1,956.3	27	-176.7
2025-26*	21	-84.8	7	-395.5	3	-719.5	31	-216.4
2026-27*	60	-84.0	9	-484.6	6	-471.6	75	-163.0
2027-28*	102	-161.9	10	-858.6	7	-596.3	119	-246.0

*2025/2026 Start Budget submissions from LA maintained schools.

3.2 The above Table indicates an increase in the number of primary (including nursery) schools in deficit, no change to the number of secondary schools in deficit and a decrease in the number of special schools (incl. PRU) in deficit as at March 2025. Whilst overall the number of schools in deficit increased in 2024-25, the average level of budget deficit for all schools decreased compared to the 2023-24 level. The continued deterioration of the budget positions of the smallest rural secondary schools and special schools within North Yorkshire remains a significant concern.

3.3 The Local Authority utilises a number of measures to support schools facing financial difficulty:

- the use of a financial risk rating framework to determine the level of support, challenge and intervention undertaken at individual school level;
- meetings are held with the headteacher and Chair of Governors of schools forecasting an accumulated budget deficit in either the current or the next financial year, where no financial recovery is forecast to discuss the actions planned by the school to address the forecast budget deficit
- the escalation path for financial intervention, including the use of Notices of Financial Concern where deemed appropriate;
- the undertaking of School Resource Management reviews in individual schools where this has been identified as an appropriate intervention through the risk rating process. The reviews are either undertaken through the DfE School Resource Management Adviser (SRMA) programme or by a multi-service team including School Improvement, Inclusion and a SRMA.
- review of the Schools Financial Value Standard (SFVS) for schools facing financial difficulties
- continuing the promotion of school collaboration and the sharing of best practice in terms of effective resource management between schools
- continuing to undertake research into small school financial effectiveness to identify and share best practice

18 September 2025 – Item 2.4

School Balances 2024-25

- the provision of Headteacher and Governor finance briefings and training
 - continuing to lobby DfE for fairer funding for North Yorkshire schools, especially in relation to small, rural secondary schools.
- 3.4 22 Primary and Nursery Schools, 4 Secondary Schools and 1 Special School had negative revenue balances as at 31st March 2025, a total of 27 schools compared to 24 schools as at 31st March 2024.
- 3.5 Three of these schools had an approved Licensed Deficit Agreement in place which had been agreed with the Local Authority and the School's Governing Body.
- 3.6 A further 21 schools were working with the Local Authority to develop actions to improve their financial position in order to return to an overall budget surplus; 8 of the schools had a LA Notice of Financial Concern so were subject to additional financial controls by the local authority.
- 3.7 Three schools ended the year with unexpected budget deficits having previously forecasted surplus positions at the start of the year.

4.0 CAPITAL DEFICIT BALANCES

- 4.1 Four primary schools, one secondary school and one special school had negative capital balances as at 31st March 2025; a total of six schools compared to four schools as at 31st March 2024. Of those schools with a capital deficit, three are planning to return to surplus by March 2025.
- 4.2 Of the remaining three schools with a deficit, one is forecasting a balance of £0.2k, one is forecasting in excess of £13k, and one in excess of £49k by March 2026.
- 4.3 Those schools forecasting a deficit by March 2026 will be contacted to seek an explanation and ensure there is an action plan in place to reduce the deficit and return to a balanced position no later than March 2029.

5.0 RECOMMENDATION

- 5.1 Schools Forum is asked to note the position of school balances as at 31st March 2025.

SIR STUART CARLTON
Corporate Director – Children & Young People's Service