NORTH YORKSHIRE SCHOOL FORUM

Date of meeting:	24th September 2026
Title of report:	**School Balances 2025-26**
Type of report: Delete as required	For Information
Executive summary: Including reason for submission	This paper summarises the position of school balances as at 31st March 2026. It compares school balances as at 31st March 2026 with the previous year and summarises the movement in revenue balances between years and between types of school. The position of those schools which had a negative revenue balance as at 31st March 2026 is also identified.
Budget / Risk implications:	None
Recommendations:	Schools Forum is asked to note the position of school balances as at 31st March 2026.
Voting requirements:	Not applicable
Appendices:	None
Report originator and contact details:	Howard Emmett – Assistant Director - Resources
Presenting officer: If not the originator	Sally Dunn, Head of Finance – Schools & Early Years

NORTH YORKSHIRE SCHOOLS FORUM

24 September 2026 – Item 2.4

School Balances 2025-26

1.0 PURPOSE OF THE REPORT AND SUMMARY

1.1 This paper provides information relating to school balances as at 31st March 2026.

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 2026 and March 2025 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 2025	**March 2026**	**Movement**
	£'000	**£'000**	**£'000**
Committed Revenue Balance	719	694	-25
Uncommitted Revenue Balance	11,316	12,860	1,544
Community Focused Extended Schools Balances	410	451	41
Total Revenue	**12,445**	**14,005**	**1,560**
Devolved Capital Balance	713	967	254
Other Capital Balances	606	121	-485
Total Capital	**1,319**	**1,088**	**-231**
Total School Balances (Revenue and Capital)	**13,764**	**15,093**	**1,329**

Note: for comparative purposes the balances shown at March 2025 and March 2026 exclude schools that have converted to become Academies or closed during 2025/26.

2.0 SUMMARY OF KEY POINTS

2.1 The Revenue Balances at 31 March 2026 are summarised below, together with a comparison with 2025. The balances are also expressed as a percentage of school delegated budgets.

MARCH 2026	PRIMARY & NURSERY	SECONDARY	SPECIAL	PRU	TOTAL
	£'000	£'000	£'000	£'000	£'000
Revenue Balances	15,109	120	-1,533	309	**14,005**
% of Revenue Budget	12.5%	0.2%	-16.1%	17.9%	**7.3%**
Comparison with 2025 Revenue Balance Increase (+) Decrease (-)	1,499	-38	191	-92	**1,560**

2.2 School Revenue Balances have increased by £1,560k from £12.4m to £14.0m. This represents an increase of 12.5% on the 2025 Revenue Balances. This figure represents 7.3% of local authority-maintained school budgets. The equivalent percentage reported in 2025 was also 7.3%. Although the overall cash balance has increased, the balance as a percentage of the associated school budgets has remained stable. Whilst there has been an increase in primary and special school balances, secondary school and PRU balances have remained relatively stable.

2.3 The projected cumulative revenue outturn position for future years, as reported in 2026-27 Start Budgets, reflects a decreasing trend as summarised below.

REVENUE BALANCES	PRIMARY & NURSERY	SECONDARY	SPECIAL	PRU	TOTAL
Actual Revenue Balance (March 2026)	15,109	120	-1,533	309	**14,005**
Projected Start Budget (March 2027)	12,713	-1,112	-1,434	219	**10,385**
Projected Start Budget (March 2028)	5,491	-3,723	-1,483	46	**330**
Projected Start Budget (March 2029)	-7,824	-8,944	-2,013	-201	**-18,982**

2.4 The overall outturn position reported at March 2026, is £7.81m higher than anticipated at the beginning of the financial year based on school 2025-26 Start Budget submissions. This trend applies to all school types. Details of the comparison are summarised below.

2025/26 PROJECTED REVENUE BALANCE	PRIMARY & NURSERY	SECONDARY	SPECIAL	PRU	TOTAL
	£'000	£'000	£'000	£'000	£'000
Projected Start Budget (March 2026)	9,465	-1,456	-2,020	208	**6,197**
Actual Revenue Balance (March 2026)	15,109	120	-1,533	309	**14,005**
	+5,644	+1,576	+487	+101	**+7,808**

2.5 At the time of setting the 2025-26 Start Budgets in Spring 2025, 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 £88.9k compared to £78.2k in 2024/25 (excluding schools that converted to become Academies or closed during 2025/26).

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.

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	16	-76.3	4	-576.2	1	-1,829.2	21	-255.0
*2026-27**	*22*	*-59.7*	*5*	*-633.7*	*3*	*-529.9*	*30*	*-202.4*
*2027-28**	*44*	*-82.1*	*5*	*-939.9*	*6*	*-281.6*	*55*	*-181.9*
*2028-29**	*88*	*-145.0*	*11*	*-837.0*	*6*	*-402.0*	*105*	*-232.1*

**2026/2027 Start Budget submissions from LA maintained schools.*

3.2 The above Table indicates a decrease in the number of primary (including nursery) schools in deficit, no change to the number of secondary schools or special schools (incl. PRU) in deficit as at March 2026. Whilst overall the number of schools in deficit decreased in 2025-26, the average level of budget deficit for all school phases increased compared to the 2024-25 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

- 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.

4.0 CAPITAL DEFICIT BALANCES

4.1 Two primary schools, one secondary school and one special school had negative capital balances as at 31st March 2026; a total of four schools compared to six schools as at 31st March 2025. Of those schools with a capital deficit, three are planning to return to surplus by March 2027. The remaining school with a deficit is forecasting a balance of £45k by March 2027.

5.0 RECOMMENDATION

5.1 Schools Forum is asked to note the position of school balances as at 31st March 2026.

EL MAYHEW
Corporate Director – Children & Young People's Service