

Title:	Updates on Schools Financial Position 2024-25
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1- Purpose of Report

The Schools Finance Update provides management with a clear, timely overview of financial positions for the year ended 31 March 2025. It outlines the local authority's planned actions to support schools facing financial challenges, highlights the key drivers of financial risk, and sets out how the authority will collaborate with schools to redesign delivery models—covering curriculum, staffing, and timetabling—to restore and sustain financial stability.

2- Financial Overview by School Type (2024-25)

Across all phases, the overall financial position for the year ended 31 March 2025 reflects significant pressure on revenue balances. The combined opening position for all schools was negative, and in-year movements have deepened this challenge, resulting in a larger aggregate deficit at year-end.

Primary schools represent the largest cohort and show the widest variation in financial health. While some schools achieved modest surpluses, the phase overall ended in a substantial deficit (£1.382m). This indicates structural budget pressures, particularly around staffing and operational costs, which remain high relative to income growth.

Secondary schools also closed the year in deficit (£0.641m), though the scale is less pronounced than in the primary phase. These schools typically manage larger budgets, but cost drivers such as energy, catering, and agency supply staff have eroded gains from delegated funding.

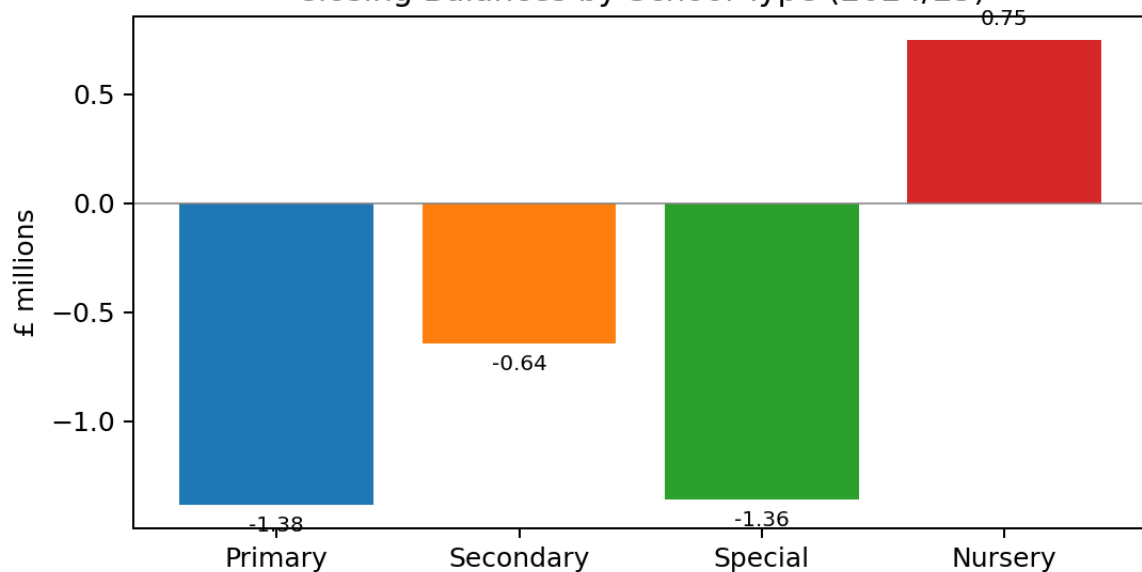
Special schools continue to experience acute financial stress. Despite targeted funding streams, the complexity of provision and high staffing ratios have led to persistent deficits (£1.358m). Additional grant allocations have not fully offset rising costs in specialist support and facilities.

Nursery schools are the only group to report an overall surplus (£0.749m). This reflects relatively stable funding and effective cost control, though the margin is narrow and sensitive to changes in pupil numbers and early years funding policy.

Actuals for 2020 to 2025



Closing Balances by School Type (2024/25)



Phase Overview by school type.

School Type	Closing Balance	Schools in Deficit	≥ £100k Deficit	RAG Rating
Primary	£-1,382,119	25 / 55 (45.5%)	15 / 55 (27.3%)	Red
Secondary	£-641,186	3 / 5 (60.0%)	3 / 5 (60.0%)	Red
Special	£-1,357,877	4 / 5 (80.0%)	4 / 5 (80.0%)	Red
Nursery	£ 748,995	1 / 3 (33.3%)	0 / 3 (0%)	Amber

Action list for the council: phase-level recovery plans,

- Prioritise recovery plans for schools with high deficits, focusing on those above £100k.
- Strengthen budget monitoring and forecasting, particularly for cost lines linked to utilities and staffing.
- Explore opportunities to increase local income through lettings and extended services, while maintaining affordability for the community.
- Engage with funding authorities to review allocations for phases under greatest pressure, notably special schools.
- tighter monitoring of E16 (Energy), E25 (Catering supplies), E26 (Agency supply), and options to grow local income responsibly.

3- Local Authority Plan of Action to support schools

3.1 Immediate Support

- Data Validation & Transparency
 - Ensure all schools have accurate staffing cost data and income forecasts in the ICFP model.
- Financial Health Alerts
 - Share RAG dashboards with Headteachers and Governors.
 - Prioritise Red schools (>80% staffing) for urgent intervention.
- Spending Control
 - Invitation to schools for SiFD focus group meetings by the LA
 - Issue guidance on agency spends freeze, non-essential procurement hold, and energy-saving measures.

3.2 Medium-Term Actions

- ICFP Training & Benchmarking
 - Deliver workshops for Heads, SBMs, and Governors on:
 - Staffing % benchmarks (target 70–75%).
 - Class size optimisation and timetable efficiency.
 - Share comparative dashboards so schools can benchmark against peers.
- Deployment Reviews
 - Support schools to review TA/HLTA allocation, non-contact time, and cover arrangements.
- Income Generation
 - Help schools access lettings opportunities, wraparound care funding, and grants.
 - Marketing for community use of premises.

3.3 Strategic Support (Next Budget Cycle)

- Curriculum & Staffing Planning workshops and training
 - We will offer LA-led curriculum planning workshop to align staffing with pupil numbers.
 - Embed ICFP guardrails in budget approval (e.g., staffing % thresholds).
- Digital Tools
 - Provide access to ICFP dashboards and timetable optimisation software.