

# Pwyllgor Llywodraethu ac Archwilio 15 Gorffennaf 2022

## Cyllidebau Ysgolion

Mae'r adroddiad hwn yn rhoi'r wybodaeth ddiweddaraf am strategaeth a sefyllfa'r awdurdod lleol gydag ysgolion a gynhelir yn wynebu neu'n rhagweld diffyg yn y gyllideb. Mae'n dilyn cyflwyniad blaenorol a wnaed i'r Pwyllgor Archwilio.

## Yr Argymhellion / Penderfyniadau Allweddol Sydd Eu Hangen:

Y sefyllfa bresennol o ran cyllidebau ysgolion mewn ysgolion cynradd, uwchradd ac arbennig.

## Y Rhesymau:

Yn dilyn cyflwyniadau blaenorol yn amlinellu dulliau'r Awdurdod Lleol o fonitro cyllidebau ysgolion, mae'r adroddiad hwn yn darparu sefyllfa diwedd blwyddyn ariannol ar gyfer ysgolion cynradd, uwchradd ac arbennig yn Sir Gaerfyrddin.

**Ymgynghorwyd â'r pwyllgor craffu perthnasol: NADDO**

**Angen i'r Cabinet wneud penderfyniad: NAC OES**

**Angen i'r Cyngor wneud penderfyniad: NAC OES**

**YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO:**  
Cynghorydd Glynnog Davies

<b>Y Gyfarwyddiaeth:</b> <b>Enw Pennaeth y Gwasanaeth:</b> <b>Aneirin Thomas</b>  <b>Awdur yr Adroddiad: Susannah Nolan, Randal Hemingway, Aneirin Thomas</b>	<b>Swyddi:</b> <b>Pennaeth Gwasanaethau Addysg a Chynhwysiad</b>	<b>E-bost:</b> <a href="mailto:arthomas@sirgar.gov.uk">arthomas@sirgar.gov.uk</a>
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## Governance & Audit Committee

15 July 2022

### School Budgets

#### Background

The Authority distributes funding to maintained Schools according to a formula which corresponds with regulations prescribed by the Welsh Government. The budget is then delegated to the Governing Body of the School concerned; the budget must be controlled in line with the Scheme for the Financing of Schools which sets out the broad responsibilities of the School and the Authority.

All Schools within the Authority are responsible for managing their annual budget and controlling expenditure.

There are currently 95 Primary Schools, 12 Secondary Schools, and 2 Special Schools within the Authority area.

This report provides an update on deficits and surpluses of school budgets at the end of the 2021/22 financial year.

#### School Delegated Budgets – Year End Balances Summary

	March 2019	March 2020	March 2021	March 2022
<b>TOTAL (DEFICIT)/ SURPLUS £'000s</b>	(393)	(2,001)	7,266	15,205
<b>Number of Primary schools in deficit</b>	39	44	23	17
<b>Number of Secondary schools in deficit</b>	7	6	4	2
<b>Number of Special schools in deficit</b>	1	1	1	1

#### Financial Position 2018-2019

- Overall schools' **Surplus** / Deficit at 31.3.19 = **-£3,224,669** / £3,618,005

£393,336 net deficit

- Total **Surplus** / Deficit for Primary at 31.3.19 = **-£1861,817** / £1,688,361  
**-£173,456 net surplus**
- Number of primary schools in **surplus** / deficit at 31.3.19  
**59 Surplus** / 39 Deficit
- Number of secondary / special schools in **surplus** / deficit at 31.3.19  
**7 Surplus** / 7 Deficit

#### **Financial Position 2019-20**

- Overall schools' **Surplus** / Deficit at 31.3.20 = **-£3,677,201** / £5,678,217  
£2,001,016 net deficit
- Total **Surplus** / Deficit for Primary at 31.3.20 = **-£1,787,526** / £2,528,703  
£741,177 net
- Number of primary schools in **surplus** / deficit at 31.03.20  
**51 Surplus** / 45 Deficit
- Number of secondary / special schools in **surplus** / deficit at 31.3.20  
**7 Surplus** / 7 Deficit

#### **Financial Position 2020-21**

- Overall schools' **Surplus** / Deficit 31.3.21 = **-£11,023,393** / £3,757,762  
**-£7,265,631 net surplus**
- Total **Surplus** / Deficit for Primary 31.3.21 = **-£5,717,515** / £1,396,196  
**-£4,321,319 net surplus**
- Number of primary schools in **surplus** / deficit at 31.3.21  
**73 Surplus** / 23 Deficit
- Number of secondary / special schools in **surplus** / deficit at 31.3.21  
**9 Surplus** / 5 Deficit

#### **Financial Position 2021-22**

- Overall schools' **Surplus** / Deficit 31.3.22 = **-£18,306,818** / £3,101,861  
**-£15,204,957 net surplus**
- Total **Surplus** / Deficit for Primary 31.3.22 = **-£8,832,774** / £1,258,465  
**-£7,574,309 net surplus**
- Number of primary schools in **surplus** / deficit at 31.3.22  
**78 Surplus** / 17 Deficit
- Number of secondary / special schools in **surplus** / deficit at 31.3.22  
**11 Surplus** / 3 Deficit

A significant amount of work has gone into understanding the current and projected financial position of Carmarthenshire schools.

During 2021/22, when aggregate primary school balances increased by £3.2m (approximately 5% of formula funding), there were 19 primary schools with an "in-year" deficit. 13 of these had 80 or fewer pupils, with an average overspend of 13% in year.

Out of 20 schools which require a licenced deficit for 2022/23, 13 (65%) have below 80 pupils. The average licenced deficit forecast for these schools is 32% of their formula funding.

### **Impact of grant funding during 2021-22**

Schools have been able to take advantage of significant additional grant funding released during the pandemic. This has impacted positively on several school budgets this year and into next year.

School budgets have significantly benefitted from the following factors:

- Additional Grant funding from WG, both during the year (e.g. Additional Learning, RRRS) as well as specific grants late in the financial year (e.g. ALN COVID received in February, Caretaking & Cleaning grant funding)
- Reduced activities normally funded from non capitation budgets e.g. school trips
- Covid related absence cover have been claimable from WG hardship fund.

DETAILED REPORT ATTACHED ?	YES
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## IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: Aneurin Thomas

Head of Education and Inclusion

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
<b>NONE</b>	<b>NONE</b>	<b>YES</b>	<b>NONE</b>	<b>YES</b>	<b>NONE</b>	<b>NONE</b>

### 1. Finance

- Annual budgets are not managed appropriately.
- The risk of budgets being misrepresented; and
- The risk of non-compliance with the Schools Standards Framework Act 1998 and the School Funding (Wales) Regulations 2010.
- A risk of increasing deficit budgets not being managed by schools and Governing Bodies.

### 5. Risk Management Issues

The risks considered in the review are as follows:

- Annual budgets are not managed appropriately;
- The risk of budgets being misrepresented; and
- The risk of non-compliance with the Schools Standards Framework Act 1998 and the School Funding (Wales) Regulations 2010.

# CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

No consultation required.

Signed: Aneirin Thomas

Head of Education and Inclusion

1. Scrutiny Committee: Not Applicable

2. Local Member(s): Not Applicable

3. Community / Town Council: Not Applicable

4. Relevant Partners: Not Applicable

5. Staff Side Representatives and other Organisations: Not Applicable

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

**THERE ARE NONE**

Title of Document	File Ref No.	Locations that the papers are available for public inspection
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