



Committee report

Committee	SCHOOLS FORUM
Date	17 JULY 2025
Title	2024-25 SCHOOL BALANCES (MAINTAINED SCHOOLS)
Report of	DIRECTOR OF CHILDREN'S SERVICES AND DIRECTOR OF FINANCE

EXECUTIVE SUMMARY

1. This report provides an update in the movement of individual maintained school balances as at 2024-25 financial year end (March 2025), alongside information on the indicative budget planning for 2025-26. Details of individual school balances are included in Appendix A.
2. The Isle of Wight [Scheme for financing schools \(iow.gov.uk\)](http://iow.gov.uk) determines the financial compliance requirements of local maintained schools with the key section 4 being the main controls linked to the treatment of surplus and deficit balances.

SCHOOLS 2024-25 OUTTURNS

3. Isle of Wight maintained schools have devolved bank accounts and individual stand-alone accounting systems which add to year end responsibilities alongside easter holidays, and now business as usual tight closedown deadlines. Despite this, all schools worked hard with the Education Finance team to complete the closedown requirements on time.
4. The overall balance on the current active 38 maintained schools brought forward from 2023-24 was a positive (net surplus) of £3.306 million. 2024-25 reduced to a net surplus position of just under £3 million which, although this shows that schools are using up their reserves, was considerably better than the original May 2024 budget plans that indicated the overall balance would reduce to £1.3 million in 2024-25.
5. The number of schools in deficit however increased from 9 to 11 out of 38 schools (29%). Three schools previously with unlicensed deficits managed to end the year with surplus balances i.e. Holy Cross, Niton and St Helens Primary Schools, however Barton, Bembridge, Godshell, St Mary's and Summerfields Primary Schools all entered into new cumulative deficits during 2024-25.

Table 1: Cumulative School Positions (excluding closed or academy conversion schools)

Cumulative Balances					In Year
Year:	21-22	22-23	23-24	24-25	25-26
Surplus	33	34	29	27	25
Deficit	5	4	9	11	13
TOTAL Schools	38	38	38	38	38
Total Value	£1,228,672	£2,187,571	£3,306,043	£2,993,074	£262,818

6. Once again a significant proportion of schools (53%) operated through 2024-25 on an in-year deficit position. On speaking with schools, many commented on pressures relating to reducing pupil numbers, pay award and support for children with EHCPs.
7. 71% of schools experienced an outturn of an improved position compared to their May 2024 budget submissions, some of which saw significant movement and can be evidenced in some cases as prudent budgeting as well as the announcement of additional DfE grant funding in the summer term (Core Schools Budget Grant CSBG).

SCHOOLS FINANCIAL VALUE STANDARD (SFVS) 2024-25

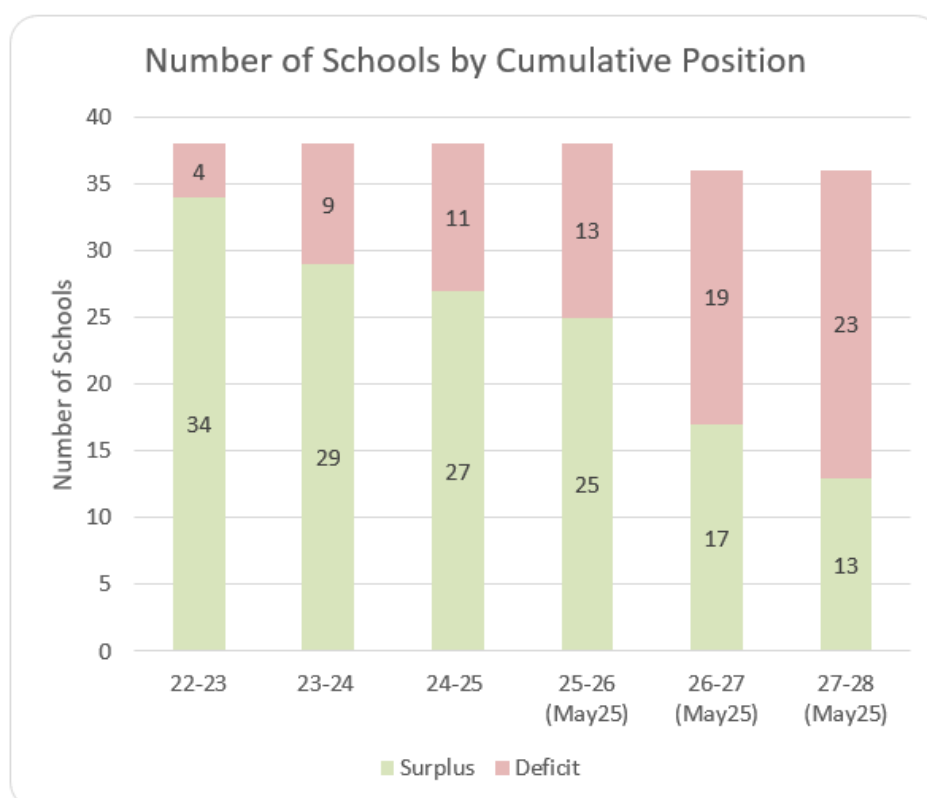
8. The SFVS return is an annual mandatory 30 question statement completed by governors to self-assess their finances and provide assurance to the Local Authority that they have secure financial management in place for all 38 maintained schools. All schools completed and submitted their return for 2024-25 to the Local Authority on time.
9. The Chief Financial Officer assurance statement was submitted to the DfE on 19 May 2025 and no compliance issues have been received back to date.

SCHOOL BUDGET PLANS MAY 2025

10. The normal submission deadline of 31 May continued this year. All schools submitted governor approved three-year budget plans on time and in the required format.
11. Schools are under continued pressure to balance budgets and working towards matching in-year expenditure with in-year income to evidence longer term sustainability and financial viability. There are continued future year risks and uncertainty in particular on pay award, reducing pupil number, non-pay inflation and all other areas.
12. Submitted budget plans suggest the number of schools in deficit for 2025/26 will increase from 11 to 13. Of the six primary schools who had unlicensed deficits in 2024/25, only one, Summerfields Primary, is expecting to come out of deficit in 2025/26. The LA are currently working with the other schools to provide support and recommendations for savings.
13. School Resource Management Advisor support was confirmed for two of the schools.

14. As in previous years, a high proportion of schools (53%) predict year 2 deficits in 2025/26. All schools that have a future year deficit acknowledged this position and stated that they will take action to address it. Education Finance is monitoring the position and will request regular budget monitoring from the schools that are at risk of going into deficit.
15. In year 3, 64% of schools are forecast to be in a deficit position consistent with previous year 3 estimates, but this information should be treated with extreme caution until more certainty around funding and pay awards is established in upcoming budget revisions, alongside already planned actions being implemented by schools.

Chart 1: Cumulative School Positions (excluding closed or academy conversion schools)



16. Under the current Scheme for Financing Schools, each school must submit a 3-year budget plan each May (refreshed in November) and the licensing of deficits must satisfy these main recovery / timing criteria.
 - A deficit budget must not be set without the prior approval of Education Finance (Senior Finance Business Partner) and the school must produce a clear plan to recover the deficit within 3 years, i.e., enter a cumulative surplus position in year 3.
 - In exceptional circumstances, it may be possible to extend the recovery period to up to 5 years with the approval of the Director of Childrens Services (DCS), i.e., enter a cumulative surplus position in year 5.

- Under no circumstances is a school allowed to remain in deficit for 5 or more years without either a notice of concern being issued, or the schools delegated budget being suspended.

SCHOOL CHALLENGE & SUPPORT

17. With 38 maintained schools, individualised knowledge, communication, support and challenge is key in monitoring the financial health of schools. In addition to this there is continued use of the internal 5-point RAG rating system applied to all maintained schools, to group the local authority's risk assessments of each schools' financial health depending on the level of concern.
18. Each school is given a rating, considering forecast and historic surplus or deficit positions, alongside softer knowledge of school business manager interactions, non-financial risks, school improvement status. 68% of schools are within lower risk categories and therefore general budget monitoring or keep in touch communication with schools is followed. The authority considers a variety of interventions when approaching schools to ensure they remain financially sustainable, these may include:
 - a) Writing to governors for an explanation of the school budget strategy.
 - b) Increasing the level of authority level budget monitoring.
 - c) Requesting a formal recovery plan is produced, detailing the strategies, costed with timelines to achieve a balanced budget position.
 - d) Joint meetings between the school, finance and school improvement teams to consider budget assumptions, staffing structures, efficiencies, and value for money of any proposals.
 - e) Submitting requests to the DfE for a School Resource Management Advisor deployment, to enable a dedicated individual school review.
 - f) The issuing of a Notice of Concern requiring the school to undertake a range of actions that further increase local authority oversight, support and challenge.
19. The Director of Childrens Services continues to complete an annual review of budget plan submissions which results in a combination of the above actions. This year's review is due to be completed at the beginning of July 2025 and will be followed up by planned individual communications to the relevant schools (Christ the King College, The Bay CE School, Arreton St George's Church of England Primary, Barton Primary, Bembridge Church of England Primary, Brighstone CE Aided Primary, Broadlea Primary, Godshill Primary, Greenmount Primary, Oakfield CE Aided Primary, St Helens Primary and St Marys Catholic Primary schools).

20. The following business as usual activities assist in the local authority duty to robustly monitor school finances and budgets.
- a) Education Finance participation in school business manager network meetings and school improvement briefings.
 - b) The long-standing School Reorganisation Panel (including Service Director, Strategic Manager of Human Resources and Senior Finance Business Partner) consider business cases for school restructures, operating virtually providing some challenge to issues such as redeployment and value for money on redundancies whilst linking to budget recovery plans.
 - c) Use of the expanded set of DfE tools by the local authority and schools to compare and monitor school finances, including the Financial Benchmarking and Insights Tool.
 - d) Regular cross department review meetings including Finance, School Improvement, Admissions and Asset Management, sharing intelligence and ensuring support and challenge has appropriate awareness of the full implications as well as the individual school circumstances.

ACADEMY DATA

21. Academy data is outside of the local authority remit, but relevant information on balances, income, expenditure and other non-financial data can be accessed through the [DfE Financial Benchmarking and Insights Tool](#). The current reporting period is up to 2023-24 financial year (August 2024).

Academy Revenue Reserves as at 31.08.2024				
School Name	Local Authority	School Type	Number of Pupils	Amount
The Island Free School	Isle of Wight	Free School	623	£1,208,000
Ryde Academy	Isle of Wight	Academy Sponsor Led	1480	£1,118,621
Cowes Enterprise College, An Ormiston Academy	Isle of Wight	Academy Sponsor Led	1256	£732,012
St Francis Catholic and Church of England Primary Academy	Isle of Wight	Academy Sponsor Led	177	£50,791
St Blasius Shanklin CofE Primary Academy	Isle of Wight	Academy Sponsor Led	192	£158,197
Lanesend Primary School	Isle of Wight	Academy Converter	423	£45,679
Northwood Primary School	Isle of Wight	Academy Converter	199	£42,000
Medina College	Isle of Wight	Academy Converter	1271	£621,551
Carisbrooke College	Isle of Wight	Academy Converter	603	£680,838

RECOMMENDATIONS

1. That Schools Forum notes the school balances position for the Isle of Wight local authority maintained schools.

APPENDICES ATTACHED

Appendix A – School Balances History and 2025-26 Forecast

BACKGROUND PAPERS

DfE Financial Benchmarking and Insights Tool

<https://financial-benchmarking-and-insights-tool.education.gov.uk/>

Contact Point: Irina Rowan, Senior Finance Business Partner – Childrens Services, Isle of Wight Council ☎ 01983 821000 e-mail: irina.rowan@iow.gov.uk

ASHLEY WHITTAKER
Director of Children's Services

CHRIS WARD
Director of Finance

	O	Z	AA	AB	AC	CF	C	CI
1	Isle of Wight Council - Maintained Schools Balances 2025-26							APPENDIX A
2		Historic Cumulative Balances				May25 Budget Plans		
3								
4	School	22-23 Balance c/fwd. (+surplus - deficit)	23-24 Balance c/fwd. (+surplus - deficit)	24-25 Balance c/fwd. (+surplus - deficit)		25-26 In Yr. Position (+surplus - deficit)		Mar26 Budget Plan
5	Arreton St George's Church of England Controlled Primary School	64,203	104,631	106,149		-120,786		-14,637
6	Barton Primary School	246,492	150,878	-48,782		10,503		-38,279
7	Bembridge Church of England Primary School	11,035	22,429	-95,366		-145,040		-240,406
8	Binstead Primary School	246,010	257,704	222,371		-36,642		185,729
9	Brading Church of England Controlled Primary School	269,825	461,031	425,427		-163,172		262,255
10	Brighstone Church of England Aided Primary School	25,963	-35,474	-70,783		-44,580		-115,363
11	Broadlea Primary School	73,590	86,692	29,556		-98,027		-68,471
12	Carisbrooke Church of England Controlled Primary School	486,542	577,001	533,084		-41,935		491,149
13	Cowes Primary School	26,039	-27,351	-250,679		-197,692		-448,371
14	Dover Park Primary School	233,937	318,563	245,916		-46,351		199,565
15	Freshwater & Yarmouth Church of England Aided Primary School	45,056	39,189	73,179		-44,812		28,367
16	Gatten and Lake Primary School	141,286	153,153	155,379		29,765		185,144
17	Godshill Primary School	12,565	9,426	-181,069		-100,662		-281,731
18	Greenmount Primary School	-54,489	-79,090	-63,430		19,448		-43,982
19	Gurnard Primary School	318,204	251,321	219,089		-92,699		126,390
20	Haylands Primary School	296,740	267,256	293,028		-189,672		103,356
21	Holy Cross Catholic Primary School	36,338	-8,100	1,443		5,039		6,482
22	Hunnyhill Primary School	47,390	76,737	116,055		-61,594		54,461
23	Nettlestone Primary School	89,950	85,436	95,603		-73,094		22,509
24	Newchurch Primary School	119,035	96,044	36,487		-29,990		6,497
25	Newport Church of England Aided Primary School	200,245	129,359	152,135		-99,343		52,792
26	Nine Acres Primary School	309,957	395,204	499,472		-93,625		405,847
27	Niton Primary School	-19,295	-19,520	1,015		27,814		28,829
28	Oakfield Church of England Aided Primary School, Ryde	96,849	-111,020	-137,617		-174,315		-311,932
29	Queensgate Foundation Primary	241,918	231,912	196,117		-104,486		91,631
30	Shalfleet Church of England Primary School	88,584	42,490	35,555		-16,052		19,503
31	St Helens Primary School	1,698	-1,717	906		-44,116		-43,210
32	St Mary's Catholic Primary School	28,000	23,961	-8,629		-75,191		-83,820
33	St Saviour's Catholic Primary School	58,797	31,245	105,615		-51,710		53,905
34	St Thomas of Canterbury Catholic Primary School	54,907	51,243	55,535		-22,044		33,491
35	Summerfields Primary School	2,233	14,479	-6,979		15,463		8,484
36	Wootton Community Primary School	58,682	58,296	56,609		-8,783		47,826
37	Wroxall Primary School	135,056	160,366	90,818		-85,782		5,036
38	Primary	3,993,342	3,813,774	2,883,210		-2,154,164		729,046

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39								
40	The Bay Church of England School	-1,514,537	-1,213,657	-1,394,858		18,365		-1,376,493
41	Christ The King College	-1,113,235	-701,594	-575,790		54,983		-520,807
42	Secondary & All-through	-2,627,771	-1,915,251	-1,970,648		73,348		-1,897,300
43								
44	Medina House	466,293	515,504	726,614		-301,106		425,508
45	St. Georges	258,290	615,011	842,292		-154,423		687,869
46	Special	724,583	1,130,515	1,568,906		-455,529		1,113,377
47								
48	Lionheart School (formerly Island Learning Centre)	97,417	277,004	511,606		-193,911		317,695
49	Alternative	97,417	277,004	511,606		-193,911		317,695
50								
51	TOTAL	2,187,571	3,306,043	2,993,074		-2,730,256		262,818
52								
53	Numbers of Schools by position (excluding any historic academy conversions)							
54	Surplus:	34	29	27		8		25
55	Deficit:	4	9	11		30		13
56	TOTAL:	38	38	38		38		38
57								
58	% of Schools by position (excluding any historic academy conversions)							
59	Surplus:	89%	76%	71%		21%		66%
60	Deficit:	11%	24%	29%		79%		34%
61								
62	Value of position by Sector							
63	Primary	3,993,342	3,813,774	2,883,210		-2,154,164		729,046
64	Secondary & All-through	-2,627,771	-1,915,251	-1,970,648		73,348		-1,897,300
65	Special	724,583	1,130,515	1,568,906		-455,529		1,113,377
66	Alternative	97,417	277,004	511,606		-193,911		317,695
67	TOTAL	2,187,571	3,306,043	2,993,074		-2,730,256		262,818