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# Schools: Deficit Recovery

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**Report being considered by:** Schools Forum on 14<sup>th</sup> July 2025

**Report Author:** Elizabeth Griffiths

**Item for:** Information **By:** All Maintained Schools Representatives

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## 1. Purpose of the Report

- 1.1 To report on the outturn position of the ten schools (Aldermaston, Brimpton, Hermitage, Kennet Valley, Pangbourne, Spurcroft, St Finians, St John & St Nicolas Federation, St Josephs and Woolhampton) that set a deficit budget in 2024/25.
- 1.2 To report on four schools (Bucklebury, Enborne, The Kite Federation and Theale) closing 2024/25 with an unlicensed deficit.

## 2. Recommendation

- 2.1 That the report be noted.

## 3. Introduction

- 3.1 Schools are permitted to set a deficit budget if they meet certain conditions. This is termed a licensed deficit. The conditions of a licensed deficit are set out in the Scheme for Financing Schools (the legal contract the Council has with schools) and include the following statement, "The recommended length over which schools may repay the deficit, i.e. reach at least a zero balance, with appropriate mechanism to ensure that the deficit is not simply extended indefinitely, is three years. The maximum length of repayment is five years."
- 3.2 If the conditions are not met by the school, the Council has the power to issue a Notice of Concern, which ultimately could mean removal of a school's delegation.
- 3.3 This report provides details of ten schools which set a deficit budget for 2024/25. There are an additional four schools that ended 2024/25 with unlicensed deficits.
- 3.4 Ten schools set a licensed deficit budget for 2024/25 totalling £873.5k deficit.
- 3.5 Four schools ended the financial year with unplanned deficits on their main school budgets totalling £343.7k.
- 3.6 The total value of deficit balances on main school budgets at the end of 2024/25 was £995.8k (£652.1k licenced + £343.7k unplanned).

## 4. West Berkshire Strategy for Schools in Deficit

- 4.1 In the financial year 2024/25 the Council operated a strategy aimed to minimise the number and size of deficits. It is in two parts:
  - (1) Procedures to support schools to reduce/eliminate or avoid a deficit.
  - (2) Intervention for schools not meeting their deficit recovery plan.

4.2 Approval of a licensed deficit required the school to do the following:

- (1) Submit monthly budget monitoring reports (M3 and then M6 to M11 inclusive) and supporting documents.
- (2) Submit a copy of draft and final governor meeting minutes (including Part 2) where the budget is discussed.
- (3) To attend meetings with the local authority when requested to address any budget concerns
- (4) Submit deficit recovery progress reports when requested.
- (5) Submit five year detailed deficit recovery plan.
- (6) Take part in:
  - a) any review the Local Authority commissions on the school's budget deficit position and recovery plan, including a Schools Resource Management Advisor deployment and,
  - b) the introduction and use of any additional analysis and data tools deemed appropriate including Integrated curriculum and financial planning (ICFP).

4.3 In 2024/25 the Council's Schools Finance team provided resource to work with the schools that were operating in a deficit and to offer support to those who were likely to enter a deficit position.

## **5. 2024/25 Outturn Position - Licensed Deficit Schools**

5.1 Ten schools had a Main School Budget (MSB) licensed deficit in 2024/25, totalling £873.5k deficit. The final outturn position for these schools was a closing position of £591.4k deficit. A summary is shown in the table below.

5.2 The combined position at year end is £282.1k better than budget. Two school ended the year with a surplus rather than a deficit; a difference of £129.8k. Five schools ended the year with a lower deficit than budgeted, a reduction of £183.1k. The remaining five schools ended the year with deficits £30.7k higher than planned.

## Schools: Deficit Recovery

SCHOOLS/FEDERATIONS WITH LICENSED DEFICITS IN 2024/25		Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
Surplus / (Deficit)		1	2	3	3-1	3-2
1	Aldermaston Primary School	(£78,670)	(£63,632)	(£47,526)	£31,144	£16,106
2	Brimpton Primary School	(£26,190)	(£31,740)	(£24,864)	£1,326	£6,876
3	Hermitage Primary School	(£50,810)	(£19,522)	(£40,499)	£10,311	(£20,976)
4	Kennet Valley Primary School	(£34,620)	(£37,578)	£1,800	£36,420	£39,378
5	Pangbourne Primary School	(£154,450)	(£113,970)	(£88,050)	£66,400	£25,920
6	Spurcroft Primary School	(£228,260)	(£168,254)	(£154,340)	£73,920	£13,914
7	St Finian's Primary School	(£66,930)	(£78,377)	(£75,444)	(£8,514)	£2,933
8	St John Infant & St Nicolas Junior Federation	(£34,440)	(£2,516)	£58,895	£93,335	£61,411
9	St Joseph's Primary School	(£180,930)	(£188,629)	(£182,853)	(£1,923)	£5,776
10	Woolhampton Primary School	(£18,230)	(£45,175)	(£38,500)	(£20,270)	£6,675
<b>Total</b>		<b>(£873,530)</b>	<b>(£749,394)</b>	<b>(£591,382)</b>	<b>£282,148</b>	<b>£158,012</b>

### (1) Aldermaston

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Aldermaston Primary School	£94,133	£76,480	£2,263	(£47,526)	(£49,789)

The final outturn position was a £47.5k deficit, which is £31.1k better than the original budgeted deficit of £78.7k.

Schools with a Licensed Deficit in 2024/25 Surplus / (Deficit)	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
Aldermaston Primary School	(£78,670)	(£63,632)	(£47,526)	£31,144	£16,106

### (2) Brimpton

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Brimpton Primary School	£11,308	(£30,834)	(£14,162)	(£24,864)	(£10,703)

The final outturn position was a £24.9k deficit, which is £1.3k better than the original budgeted deficit of £26.2k.

Schools with a Licensed Deficit in 2024/25 Surplus / (Deficit)	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
Brimpton Primary School	(£26,190)	(£31,740)	(£24,864)	£1,326	£6,876

(3) Hermitage

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Hermitage Primary School	(£7,151)	£1,911	(£13,311)	(£40,499)	(£27,188)

The final outturn position was a £40.5k deficit, which is £10.3k better than the original budgeted deficit of £50.8k.

Schools with a Licensed Deficit in 2024/25 Surplus / (Deficit)	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
Hermitage Primary School	(£50,810)	(£19,522)	(£40,499)	£10,311	(£20,976)

(4) Kennet Valley

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Kennet Valley Primary School	£82,901	£50,592	£3,875	£1,800	(£2,075)

The final outturn position was a £1.8k surplus, which is £36.4k better than the original budgeted deficit of £34.6k.

Schools with a Licensed Deficit in 2024/25 Surplus / (Deficit)	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
Kennet Valley Primary School	(£34,620)	(£37,578)	£1,800	£36,420	£39,378

(5) Pangbourne

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Pangbourne Primary School	£3,804	£520	(£77,778)	(£88,050)	(£10,272)

The final outturn position was a £88.1k deficit, which is £66.4k better than the original budgeted deficit of £154.5k.

Schools with a Licensed Deficit in 2024/25 Surplus / (Deficit)	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
Pangbourne Primary School	(£154,450)	(£113,970)	(£88,050)	£66,400	£25,920

(6) **Spurcroft**

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Spurcroft Primary School	(£79,302)	(£138,281)	(£199,639)	(£154,340)	£45,299

The final outturn position was a £154.3k deficit, which is £73.9k better than the original budgeted deficit of £228.3k.

Schools with a Licensed Deficit in 2024/25 Surplus / (Deficit)	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
Spurcroft Primary School	(£228,260)	(£168,254)	(£154,340)	£73,920	£13,914

(7) **St Finians**

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
St Finian's Primary School	£0	(£33,935)	(£87,161)	(£75,444)	£11,716

The final outturn position was a £75.4k deficit, which is £8.5k worse than the original budgeted deficit of £66.9k.

Schools with a Licensed Deficit in 2024/25 Surplus / (Deficit)	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
St Finian's Primary School	(£66,930)	(£78,377)	(£75,444)	(£8,514)	£2,933

(8) **St John & St Nicolas**

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
St John & St Nicolas Federation	£74,283	£11,214	(£47,172)	£58,895	£106,067

The final outturn position was a £58.9k surplus, which is £93.3k better than the original budgeted deficit of £34.4k.

Schools with a Licensed Deficit in 2024/25 Surplus / (Deficit)	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
St John Infant & St Nicolas	(£34,440)	(£2,516)	£58,895	£93,335	£61,411

(9) **St Josephs**

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
St Joseph's Primary School	(£7,173)	(£85,585)	(£158,621)	(£182,853)	(£24,233)

The final outturn position was a £182.9k deficit, which is £1.9k worse than the original budgeted deficit of £180.9k.

Schools with a Licensed Deficit in 2024/25 Surplus / (Deficit)	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
St Joseph's Primary School	(£180,930)	(£188,629)	(£182,853)	(£1,923)	£5,776

(10) **Woolhampton**

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Woolhampton Primary School	£23,094	£39,782	(£133)	(£38,500)	(£38,367)

The final outturn position was a £38.5k deficit, which is £20.3k worse than the original budgeted deficit of £18.2k.

Schools with a Licensed Deficit in 2024/25 Surplus / (Deficit)	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
Woolhampton Primary School	(£18,230)	(£45,175)	(£38,500)	(£20,270)	£6,675

**6. Schools ending 2024/25 with unplanned deficits**

6.1 Four schools ended the financial year 2024/25 with an unlicensed deficit.

Schools ending 2024/25 with an Unplanned Deficit Surplus / (Deficit)		Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
		1	2	3	3-1	3-2
11	Bucklebury Primary School	£40	(£10,994)	(£3,790)	(£3,830)	£7,204
12	Enborne Primary School	£9,880	£509	(£14,048)	(£23,928)	(£14,557)
13	The Kite Federation	£3,360	(£77,471)	(£91,131)	(£94,491)	(£13,660)
14	Theale Primary School	£9,870	(£114,993)	(£234,747)	(£244,617)	(£119,754)
<b>Total</b>		<b>£23,150</b>	<b>(£202,949)</b>	<b>(£343,717)</b>	<b>(£366,867)</b>	<b>(£140,767)</b>

(11) Bucklebury

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Bucklebury Primary School	£2,712	(£18,734)	£21,238	(£3,790)	(£25,029)

The final outturn position was a £3.8k deficit, which is £3.8k worse than the budgeted surplus of £40.

Schools ending 2024/25 with an Unplanned Deficit Surplus / (Deficit)	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
Bucklebury Primary School	£40	(£10,994)	(£3,790)	(£3,830)	£7,204

(12) Enborne

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Enborne Primary School	£3,574	£0	(£32,598)	(£14,048)	£18,550

The final outturn position was a £14k deficit, which is £23.9k worse than the budgeted surplus of £9.9k.

SCHOOLS/FEDERATIONS WITH LICENSED DEFICITS 2023/24	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
Surplus / (Deficit)					
Enborne Primary School	£9,880	£509	(£14,048)	(£23,928)	(£14,557)

(13) The Kite Federation

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
The Kite Federation	(£37,097)	£73,182	£58,193	(£91,131)	(£149,324)

The final outturn position was a £91.1k deficit, which is £94.5k worse than the budgeted surplus of £3.4k.

SCHOOLS/FEDERATIONS WITH LICENSED DEFICITS 2023/24	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
Surplus / (Deficit)					
The Kite Federation	£3,360	(£77,471)	(£91,131)	(£94,491)	(£13,660)

(14) **Theale**

School Balance History	Main School Budget Balance				Inc/Dec 23/24 to 24/25
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Theale Primary School	£37,384	£8,626	(£39,994)	(£234,747)	(£194,753)

The final outturn position was a £234.7k deficit, which is £244.6k worse than the budgeted surplus of £9.9k.

SCHOOLS/FEDERATIONS WITH LICENSED DEFICITS 2023/24	Budget (Main School Budget)	P9 Forecast	Closing balance	Variance Original MSB to Closing Balance	Variance P9 Forecast to P13 Closing Balance
<b>Surplus / (Deficit)</b>					
Theale Primary School	£9,870	(£114,993)	(£234,747)	(£244,617)	(£119,754)

**7. Decisions for Consideration**

7.1 None

**8. Proposals**

8.1 None

**9. Conclusion**

9.1 None

**10. Consultation and Engagement**

10.1 Schools included in the report have been consulted.

**11. Heads Funding Group Recommendation**

N/A for information only