
Schools: Deficit Balances FY 2025/26

Report being considered by: Schools' Forum

Date of Meeting: 13th July 2026

Report Author: Kirsty Bray/Edith Cheng

Item for: Discussion/Comment **By:** All Maintained Schools Representatives

1. Purpose of the Report

- 1.1 To report on the outturn of the thirteen schools that set a deficit budget for 2025/26.
- 1.2 To report on two schools closing 2025/26 with an unplanned deficit.

2. Recommendation

- 2.1 There are no recommendations arising from this report. Its purpose is to provide School Forum members with information on the financial position and outcomes of schools operating with a deficit budget during the 2025/26 financial year.

Is the Schools' Forum required to make a decision as part of this report or subsequent versions due to be considered later in the meeting cycle?	
Yes: ☐	No: ☒

3. Introduction and Background

- 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 para 7.9 of 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".

- 3.2 This report provides details of fifteen schools that ended 2025/26 with deficits.

Of the fifteen schools ending 2025/26 with deficit balances, ten operated under approved licensed deficit arrangements, three had planned but unlicensed deficits, and two schools reported unplanned deficits at year end.

- (1) Planned deficits: Thirteen schools set a planned deficit budget for 2025/26 totalling £1,293,564 deficit. Ten of which were licensed, the remaining three schools' deficits were planned but not licenced due to some financial uncertainty.
-

- (2) Unplanned deficits: Two additional schools, budgeted in surplus, ended the financial year with unplanned deficits on their main school budgets totalling £64,658.

3.3 The total value of the deficit balances on main school budgets at the end of the 2025/26 was £1,385,511 (£1,320,853 planned and £64,658 unplanned).

3.4 If the conditions of a licensed deficit are not met by the school, or if the school has unlicensed/unplanned deficit, the Council has the power to issue a Notice of Concern, which ultimately could mean removal of a school's delegation.

4. Local Authority Approach to Licensed Deficits

4.1 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 licenced deficit required the school to complete the following:

- (1) Submit monthly budget monitoring reports (M3 and then M6 to M11 inclusive) and supporting documents.
- (2) To attend meetings with the local authority when requested to address any budget concerns.
- (3) Submit five-year detailed deficit recovery plan.
- (4) 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).

5. 2025/26 Outturn Position – Planned Deficit Schools

5.1 Thirteen schools had a Main School Budget (MSB) planned deficit in 2025/26, totalling £1,293,564 deficit. The final outturn position for these schools was £1,320,850 deficit which is £27,286 greater than budgeted. A summary is shown in the table below.

Schools: Deficit Balances FY 2025/26

SCHOOLS/FEDERATIONS WITH PLANNED DEFICITS IN 2025/26		Budget (MSB)	P9 Forecast	Closing Balance 2025/26	Variance Original MSB to Closing Balance	Variance P9 Forecast to Closing Balance
Surplus / (Deficit)						
		1	2	3	3-1	3-2
1	# Brimpton	(£20,335)	(£4,865)	(£4,662)	£15,673	£203
2	# Chieveley	(£25,647)	(£34,899)	(£64,877)	(£39,230)	(£29,978)
3	Hermitage	(£96,194)	(£132,488)	(£190,567)	(£94,373)	(£58,079)
4	KVPS	(£25,426)	(£33,364)	(£30,519)	(£5,093)	£2,845
5	Pangbourne	(£160,875)	(£160,681)	(£111,155)	£49,720	£49,526
6	Purley	(£39,089)	(£44,281)	(£24,456)	£14,633	£19,825
7	St Finians	(£40,900)	(£43,690)	(£62,952)	(£22,051)	(£19,262)
8	St Joes	(£173,294)	(£190,513)	(£175,149)	(£1,855)	£15,364
9	Spurcroft	(£134,503)	(£131,423)	(£130,215)	£4,288	£1,208
10	The Burghfield Common Federation	(£206,071)	(£94,043)	(£156,150)	£49,921	(£62,107)
11	# The Kite	(£301,743)	(£255,006)	(£260,929)	£40,814	(£5,923)
12	Theale	(£52,547)	(£86,133)	(£101,947)	(£49,400)	(£15,814)
13	Woolhampton	(£16,940)	(£4,191)	(£7,275)	£9,665	(£3,084)
TOTAL		(£1,293,564)	(£1,215,575)	(£1,320,850)	(£27,288)	(£105,276)

(#) unlicensed deficits

(1) Brimpton (#)

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
Brimpton	£11,308	(£30,834)	(£14,162)	(£24,864)	(£4,662)	£20,202

The final outturn position was a £4.6k deficit, which is £15.6k better than the original budgeted deficit of £20.3k.

(2) Chieveley (#)

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
Chieveley	£59,104	£75,856	£90,251	£52,760	(£64,877)	(£117,637)

The final outturn position was a £64.8k deficit, which is £39.2k worse than the original budgeted deficit of £25.6k.

(3) Hermitage

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
Hermitage	(£7,151)	£1,911	(£13,311)	(£40,499)	(£190,567)	(£150,068)

The final outturn position was a £190.5k deficit, which is £94.3k worse than the original budgeted deficit of £96.2k.

(4) Kennet Valley

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
KVPS	£82,901	£50,592	£3,875	£1,800	(£30,519)	(£32,319)

The final outturn position was a £30.5k deficit, which is £5.1k worse than the original budgeted deficit of £25.4k.

(5) Pangbourne

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
Pangbourne	£9,804	£520	(£77,778)	(£88,049)	(£111,155)	(£23,106)

The final outturn position was a £111.1k deficit, which is £49.7k better than the original budgeted deficit of £160.8k.

(6) Purley

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
Purley	£64,326	£74,704	£45,390	£14,829	(£24,456)	(£39,285)

The final outturn position was a £24.5k deficit, which is £14.6k better than the original budgeted deficit of £39.1k

(7) St Finians

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
St Finians	0	(£33,935)	(£87,161)	(£75,444)	(£62,952)	£12,492

The final outturn position was a £62.9k deficit, which is £22k worse than the original budgeted deficit of £40.9k

(8) St Josephs

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
St Joes	(£7,173)	(£85,585)	(£158,621)	(£182,853)	(£175,149)	£7,704

The final outturn position was a £175.1k deficit, which is £1.8k worse than the original budgeted deficit of £173.3k

(9) Spurcroft

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
Spurcroft	(£79,302)	(£138,281)	(£199,639)	(£154,340)	(£130,215)	£24,125

The final outturn position was a £130.2k deficit, which is £4.3k better than the original budgeted deficit of £134.5k

(10) The Burghfield Common Federation

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
The Burghfield Common Federation	£133,145	£189,310	£183,632	£13,171	(£156,150)	(£169,321)

The final outturn position was a £156.2k deficit, which is £49.9k better than the original budgeted deficit of £206.1k

(11) The Kite (#)

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
The Kite	(£37,097)	£73,182	£58,193	(£91,131)	(£260,929)	(£169,798)

The final outturn position was a £260.9k deficit, which is £40.8k better than the original budgeted deficit of £301.7k

(12) Theale

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
Theale	£37,384	£8,626	(£39,994)	(£234,747)	(£101,947)	£132,800

The final outturn position was a £101.9k deficit, which is £49.4k worse than the original budgeted deficit of £52.5k

(13) Woolhampton

School Balance History	Main School Budget Balance					Increase / Decrease
	2021/22	2022/23	2023/24	2024/25	2025/26	24/25 to 25/26
	£	£	£	£	£	£
Woolhampton	£23,094	£39,782	(£133)	(£38,500)	(£7,275)	£31,225

The final outturn position was a £7.3k deficit, which is £9.6k better than the original budgeted deficit of £16.9k

6. 2025/26 Outturn Position – Unplanned Deficit Schools

SCHOOLS/FEDERATIONS WITH UNPLANNED DEFICITS IN 2025/26		Budget (MSB)	P9 Forecast	Closing Balance 2025/26	Variance Original MSB to Closing Balance	Variance P9 Forecast to Closing Balance
Surplus / (Deficit)						
		1	2	3	3-1	3-2
1	Brightwalton	£1,070	(£25,464)	(£24,731)	(£25,801)	(£1,070)
2	Bucklebury	£2,840	(£11,907)	(£39,927)	(£42,767)	(£2,840)

(1) Brightwalton

The final outturn position was a £25.8k deficit, which is £26.9k worse than the original budgeted surplus of £1.1k

(2) Bucklebury

The final outturn position was a £42.7k deficit, which is £45.5k worse than the original budgeted surplus of £2.8k

7. Consultation and Engagement

Section 151 Officer

Service Director for Education and Special Educational Needs and Disabilities (SEND)

8. Conclusion

This report provides the outturn position for fifteen schools that ended 2025/26 with deficit balances. Thirteen schools entered the year with planned deficit budgets, ten of which had licensed deficits, and two additional schools ended the year with unplanned deficits. The total value of deficit balances on main school budgets at 31 March 2026 was £1.386m.

The report is presented to Schools Forum for information and to support ongoing oversight of schools operating with deficit balances and recovery plans.

9. Appendices

None