

CUMBERLAND COUNCIL SCHOOLS FORUM
Report Title: Maintained School Balances 2026/27
Meeting date: 10 September 2026
Report of: Emma Hamer, Assistant Director – Education, SEND & Inclusion

1.0 Executive Summary

- 1.1 This report presents a summary of the projected maintained schools balances. Based on school budget plans submitted in May 2026 the net deficit balance is projected to be £9.019m as at 31 March 2027. This comprises of 91 schools proposing surplus balances totalling (£6.061m) and 32 schools proposing deficit balances totalling £15.080m.
- 1.2 In accordance with the LA Scheme for Financing Schools and policy for schools with deficit budgets, the Local Authority reviews the financial position of maintained schools and PRUs with a licensed deficit agreement and a summary report is provided to the Schools Forum.

2.0 Strategic Planning and Equality Implications

- 2.1 Managing the level of school balances is supportive of the Council Plan outcome “to improve the health and wellbeing of its residents” and the priority to “address inequalities and enable its residents to access opportunities that will empower them to achieve their goals.”

3.0 Recommendation

- 3.1 The Schools Forum is asked to note the projected school balances for maintained schools.

4.0 Background

- 4.1 Maintained schools are required to submit a three-year budget plan each year by the 31 May to the finance team. These plans are reviewed to check that the funding assumptions made are reasonable and that the expenditure plans are achievable. A

summary report is provided to the Assistant Director, Education, SEND & Inclusion who approves the budgets. Those schools that submit a budget that cannot be approved, because they are forecasting a deficit balance or for other reasons, are required to re-submit a revised budget by 31 October. Schools that propose a deficit budget in May must apply for a licensed deficit and return a forecast year-end outturn as at 30 September and 31 December. In accordance with LA Scheme for Financing Schools a summary report is provided to Schools Forum.

- 4.2 Although not all schools are required per the scheme to submit a budget in October it is good practice for schools to take this opportunity to review their budget again to ensure they are on track for the year.

5.0 Projected Maintained School Balances 2026/27

- 5.1 As at 31 March 2026 the provisional net deficit balance for maintained schools was (£7.597m), subject to finalising of the local authority accounts. Based on schools' own projections from their May budget submissions the net deficit balance is predicted to become a deficit balance of (£9.019m) as at 31 March 2027, an increase of £1.422m compared to the 2025/26 financial year, but an improvement of £2.923m in comparison to the October 2025 budget packs submitted. The table below shows a breakdown of these figures separately by surpluses and deficits:

	2025/26		May 2026 Budgets Submitted			
	Number of Schools	Total Value (£)	2026/27 Forecast		2027/28 Forecast	
	Number of Schools	Total Value (£)	Number of Schools	Total Value (£)	Number of Schools	Total Value (£)
Schools with Surpluses	82	5,877,508.00	91	6,060,982.00	85	4,243,771.00
Schools with Deficits	41	- 13,474,278.00	32	- 15,079,576.00	38	- 17,216,141.00
	123	- 7,596,770.00	123	- 9,018,594.00	123	- 12,972,370.00

- 5.2 The projections in the table above do not include balances for schools that have converted to Academies. To date one school have converted to academy status in the current financial year.
- 5.3 Of the 91 schools that are predicting surplus balances for 2026/27 a total of 57 schools are predicting balances in excess of the allowable 8% (primaries/ nurseries/ specials/ PRUs) and 5% (secondaries) thresholds.

6.0 Deficit Budget Submissions 2026/27

- 6.1 The number of schools with deficit balances is predicted to be 32 as at 31 March 2027. Of the 32 forecasting deficit balances from 2026/27 two of them are predicting to have a surplus balance at the end of 2027/28. 8 schools that that are forecasting deficit balances from 2026/27 are also predicting deficit balances at the end of 2028/29.

6.2 The proposed deficit balances by sector are as shown in the table below:

Sector	Number of Schools	Schools in Deficit as a Proportion of Schools in Phase	Total Deficit Balance (£m)
Secondary	6	86%	- 11.147
Primary (Including nurseries, special schools and PRUs)	26	22%	- 3.933
Total	32		- 15.080

6.3 Secondary schools continue to display the most significant budget difficulties with 6 out of 7 secondaries predicting deficit budgets in 2026/27. The 6 secondaries predicting deficit budgets in 2026/27 were in deficit in 2025/26 and the net deficit balance for these secondaries is predicted to increase by £1.964m.

6.4 In accordance with the LA Scheme for Financing Schools all deficit schools have been requested to submit Deficit Recovery Plans; of these ten remain outstanding and will continue to be chased by the school's finance team until received. All Deficit Recovery Plans which are received are reviewed by the team and if they fail to make the necessary savings for to obtain an 'in year' balanced budget additional work is required by the school.

7.0 Resource and Value for Money Implications

7.1 Resource and value for money implications are considered throughout this paper. If a maintained school with a deficit is to open as a sponsored academy, the deficit remains with the LA. School deficits are not an allowable charge on the LA's school's budget. However, regulations allow, with the approval of Schools Forum, for closing school balances including those that close as a maintained school and become a new sponsored academy to be funded from a de-delegated contingency budget.

1 September 2026

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