



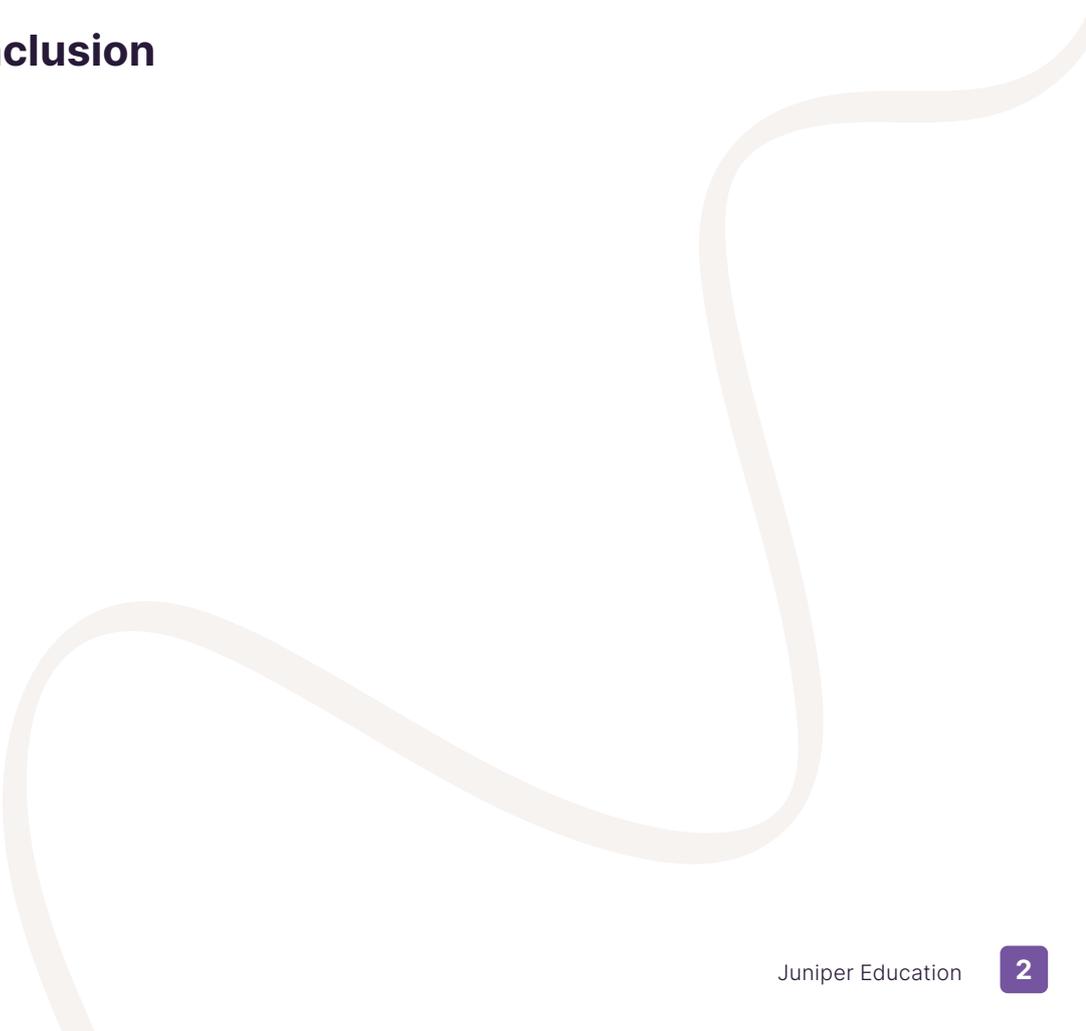
The School Deficit Recovery Framework

A Practical Guide for Schools & Trusts



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We see first-hand the impact mounting financial pressure has on the schools and trusts we work alongside every day.

Rising staffing costs, declining pupil numbers, growing SEND demands, national pay settlements and energy inflation have pushed many settings into long-term financial difficulty.

These are not short-lived fluctuations, but structural challenges. Many schools have overspent in several of the last six years by more than £1.8bn cumulatively, and according to [BESA's 2025 Fiscal Landscape report](#):

- **48%** of primary schools are forecasting a deficit budget in the current year
- **41%** of secondary schools expect to go into deficit
- **51%** of LA-maintained schools expect to go into deficit
- And **43%** of MATs expect to go into deficit

For school staff, particularly school business managers, CFOs, or finance officers who often work alone, the weight of responsibility can feel overwhelming. Decisions that appear numerical on a spreadsheet are often deeply personal, tied to colleagues and the areas of the school they know well.

This guide provides a clear framework to help schools understand, manage and resolve a financial deficit.

It is based on two real, anonymised case studies. School A and School B represent different situations, yet both demonstrate how the right support can help school budget holders gain financial clarity and move forward when faced with a deficit budget.

As school improvement partners, Juniper Education's specialist finance consultants, Helen Thomas and Nicole Ramsay, played central roles in supporting each school, and their insights have shaped this framework.



Introducing the Schools and the Experts

School A is a primary school with approximately 300 pupils in an area with high levels of socio-economic disadvantage, FSM eligibility, and increasing SEND pressures.

The finance manager has 25 years of experience in the role and is responsible for managing the school's budget. The school fell into a significant deficit when a budgeting oversight collided with rising staffing and statutory costs.



-£197,945

Deficit forecast at the **start** of the 3-year plan (23/24 FY)



£0

Deficit forecast at the **end** of the 3-year plan (25/26 FY)



Helen Thomas worked closely with School A and brought extensive experience in staffing analysis, LA processes and longer-term financial modelling.

As a qualified chartered accountant, Helen Thomas is the Finance Service Manager at Juniper Education, having been part of the organisation for around eight years. She originally joined through Essex County Council before its transition into Juniper and has since built extensive experience supporting schools and trusts with finance services.

School B is a one-form entry Church of England primary school serving around 200 pupils, experiencing a decline in pupil numbers. As expected, their falling roll impacted their funding income.

The finance manager identified these pressures in their budget planning process for the year.



-£70,000

Deficit forecast at the **start** of the process



+£20,000

Deficit forecast at the **end** of the process



Nicole Ramsay supported School B through complex scenario planning, LA scrutiny and the recalibration of assumptions to prevent the school sliding into deficit.

Currently in the Customer Success team, Nicole Ramsay previously spent five years in the Education Finance team, first as a finance consultant, before progressing to senior consultant and then Education Finance Consultancy Manager. Before joining Juniper, she worked in banking and built extensive governance experience, having served as a school governor and trustee since 2005. Her journey into the education sector began when she joined the governing board of her daughter's primary school, and she now continues her contribution to education as a trustee within a MAT.

Discovering the Deficit

Most schools do not suddenly fall into deficit. Instead, it typically becomes visible during the budgeting process or when three to five-year projections are developed.

School A:

The finance manager identified the deficit while building the budget for the next financial year. The school had included the predicted amount of pupil premium income for the year, but £231,660 of pupil premium expenditure had not been added. When the correct figures were applied, this put the school into a deficit position of £197,945. Other factors included staffing costs rising to 98% of the total budget share, leaving little room for essential expenditures. The situation worsened when the [Brazil versus Harper ruling](#) increased holiday pay for support staff. With nearly 70 support staff members, this further pressured an already overstretched budget.



School B:

The deficit was not yet present but was predicted. The finance manager could see in the three-year projection that pupil numbers were declining each year. This meant the school's income was expected to fall significantly while staffing commitments remained fixed. Over time, this would create a deficit unless addressed early.

The emotional impact of discovering a deficit can be severe. In both case studies, the staff members described the experience as isolating and stressful, particularly when managing staff expectations and redundancy discussions.

Many budget holders will feel pressure to ensure accuracy, knowing the impact incorrect forecasts can have on staffing and operational decisions. Carrying this responsibility alone in a small school setting can also contribute to the strain.



What Juniper consultants say: School finance staff often feel personally accountable for deficits, even though the causes are typically rooted in national funding structures.

Reasons for a forecast deficit could include:

- ✓ Staffing costs rising faster than income
- ✓ Falling pupil numbers reducing the annual budget share
- ✓ Budgeting inaccuracies such as overestimated expenditure, underestimated income or missing expenditure lines
- ✓ Requirements for SEND provision frequently exceed the funding provided, creating long-term cost pressures
- ✓ Statutory pay changes
- ✓ Legacy issues from previous leadership
- ✓ Delays in making difficult budgeting decisions from governing boards or SLT



Managing the Deficit

After a deficit is identified, the next step is to understand the financial position clearly and begin building a realistic plan. This phase requires structured modelling, honest conversations and careful decision-making.

Juniper Education consultants typically support schools in this phase by reviewing their three to five-year projections, checking staffing calculators and validating budget assumptions. This often reveals discrepancies between perceived and actual financial positions.

School A:

Helen worked with the finance manager in School A and identified that staffing costs were the core issue. The school's expenditure culture needed recalibration, and there were gaps in the way funding had been allocated. SEND funding pressures have also exacerbated the situation. In order for the school to keep its doors open, considerable difficult decisions were made. The finance manager and school leaders made the difficult decision to restructure staffing. Sixteen staff members were made redundant, and several TLRs were removed, although these took longer to take effect due to contractual notice periods. Additional cost-saving measures were introduced across resources and procurement, and the leadership team took on new responsibilities to keep operational areas running.

How Juniper supported the HR process:

While Juniper's finance team helped School A understand the level of savings required, as an existing customer of [Juniper's Education HR service](#), School A also had access to HR consultant support throughout the full redundancy and restructuring process.

Jennifer Asebi-Antwi, National HR Consultant, began by working closely with the headteacher and finance manager to understand the changes needed within the staffing structure. Together, they reviewed the existing model, identified where reductions were required, and created a clear business case outlining the reasons for the restructure and the roles affected.

Using Juniper's redundancy and restructuring toolkit, Jennifer guided the school through each formal stage of the process. She helped prepare consultation documents, letters, and timelines to ensure compliance with legal and procedural requirements. These changes were an important part of the school's plan to achieve long-term financial stability, and the final decision was ultimately made with the best interests of the school and pupils in mind.



School B:

At School B, Nicole observed that income figures were understated, with the falling roll identified as the main structural cause of future deficit risk. In this instance, falling-roll funding was not viable for this school, as declining student numbers were not expected to recover due to geographical factors.

School B's finance manager avoided deficit borrowing by recalibrating assumptions and implementing disciplined spending. For School B, maximising alternative income streams by reviewing the operations of the existing on-site nursery and making staffing changes such as adjustments to LSA hours significantly increased income, offering stability at a critical time.

Throughout this process, communication with governors and budget stakeholders was essential. Nicole attended meetings with the finance governor to support the finance manager, explained financial calculations in accessible terms and supported discussions that required evidence-based answers. This helped provide reassurance and transparency to decision-makers.

What Juniper consultants say:

'The consultancy process is designed to support school finance managers in doing a difficult and often isolated job. Many finance managers or SBMs in small schools work entirely on their own and have no colleagues at school who understand the complexity of budgeting, which makes the work both technically challenging and emotionally demanding. Even a MAT CFO with a team can feel isolated, with the responsibility for the budget across many school sites sitting solely with them. Juniper's finance consultants act as a trusted partner throughout the process. We provide reassurance, a second pair of eyes, and someone to talk through scenarios, helping budget holders validate their thinking and build confidence in the decisions they already know how to make.'

As consultants, we don't take over the job. Instead, we guide, clarify and challenge, supporting finance managers in presenting information to school leaders, governors and the local authority – as if they have a colleague working beside them.'



Resolving the Deficit

School A:

With the deficit-recovery plan in place, the local authority agreed a loan for School A, which was repaid earlier than expected, demonstrating both the effectiveness of the savings plan and the discipline applied throughout the recovery period. The school built a budget surplus, and with ongoing support from Juniper's finance team, including forecasting check-ins, contract reviews, and knowing when to push back on spending decisions, the finance manager strengthened governance practices and financial discipline across the school setting.

School A said:

“Juniper didn't demand anything. They didn't sit there and say, “You should do this or that.” They supported us and let us come back with the plan - they backed me and my decisions up. It was like having someone on my side in those budget meetings.”

School B:

In School B, the deficit was prevented entirely. Ahead of meetings with the LA, Nicole and the finance manager would meet to ratify numbers and challenge presumptions in a safe space. This meant that, in those meetings, the finance manager had confidence in their answers and predictions when scrutinised by the LA finance team. When the school eventually fixed its budget, the previously predicted deficit of around £70,000 had become a surplus of approximately £20,000. This placed the school in a stronger strategic position and allowed it to consider long-term organisational changes. Even after recovery, the finance manager continued to rely on Juniper's support when preparing future five-year plans.

School B said:

“It was reassuring to have Juniper Finance there to guide us and support us. Always seek help - do not go through it on your own.”

What Juniper consultants say:

‘If your school is facing a deficit, our advice is not to panic or deal with it alone. A deficit often feels personal, but most of the pressures causing it are outside your control. What matters is being open about the situation early so we can work through it together. Our role is to give you clarity, reassurance, and a second pair of eyes, helping you understand what can be changed and what cannot. With honest information and a realistic plan, deficits can be resolved. You are not on your own, and there is always a way forward.’



This walk-through outlines the stages of managing a deficit budget for schools and Trusts.

Juniper finance consultants can help with all parts of this process, whether you are looking for guidance as you progress through each stage or would like longer-term support post-deficit recovery.



Phase 1: Discover the Deficit

- ✓ Identify early warning signs
- ✓ Build a clear 3–5 year plan
- ✓ Diagnose root causes (staffing, roll numbers, SEND funding, pay awards)
- ✓ Begin early communication with the LA, governors and SLT



Phase 2: Manage the Deficit

- ✓ Stabilise the financial model
- ✓ Build scenarios with evidence
- ✓ Assess operational inefficiencies and staffing numbers
- ✓ Review contracts and procurement
- ✓ Explore alternative income generation
- ✓ Navigate funding for the deficit recovery plan – do you need to borrow from the LA or DfE?
- ✓ Communicate clearly and proactively with budget stakeholders



Phase 3: Resolve and Maintain

- ✓ Implement agreed actions
- ✓ Monitor your budget monthly
- ✓ Reforecast regularly
- ✓ Maintain staffing calculators and budget share awareness
- ✓ If using it, continue with consultant support on a maintenance basis
- ✓ Rebuild reserves and plan for resilience



Conclusion:

Financial deficit can feel overwhelming, but the experiences of both case study schools show that recovery is entirely achievable with the right support.

When schools understand the true drivers of their financial position and have access to specialist guidance, they can move from uncertainty to stability and rebuild their long-term financial health. The consultancy process gives finance managers and CFOs, head teachers, school business managers and MAT leaders clarity, confidence and a trusted partner throughout the journey, helping them make informed decisions and communicate them with assurance.

Juniper Education's finance consultants partner with schools at every stage. Their expertise, modelling and ongoing support ensure that deficit budget recovery is not simply a one-year fix for schools and trusts, but the foundation for stronger financial planning and leadership.



Find out more about Juniper Education's finance services team





Interested in learning more?

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