
Primary Schools in Financial Difficulty – Bids for Funding 2021/22

Report being considered by: Schools Forum on 14th March 2022

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Item for: Decision **By:** All Primary Maintained Schools Representatives

1. Purpose of the Report

- 1.1 To summarise the bids that have been received from schools to access funding from the 'Primary Schools in Financial Difficulty' de-delegated fund and recommended for approval by the Heads Funding Group.

2. Recommendation(s)

- 2.1 To approve the following bids:

(1)	St Finians RC Primary School	£2,492
(2)	Beenham Primary School	£6,600
(3)	Kintbury St Mary's Primary School-Covid 19	£31,134
(4)	Kintbury St Mary's Primary School-Pupil Numbers	£28,000

- 2.2 To approve an additional criteria for allocating funding to schools:

To allow extraordinary payments of up to £5k to be made if at the end of the maximum deficit recovery period of 5 years a school has a deficit balance of £5k or less and the school is able to submit a surplus budget for the following financial year.

- 2.3 To approve an extraordinary payment to St Finians RC Primary School of up to £5,000, to enable them to end their five year deficit.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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3. Introduction

- 3.1 Since April 2013, local authorities have been required to delegate to all schools the contingency previously held for schools in financial difficulty. Each phase in the maintained sector then has the option to de-delegate and pool this funding, with allocations made to schools that need it. This decision is made on an annual basis.

- 3.2 It was agreed at the Schools Forum meeting 10.12.18 that the Primary Schools in Financial Difficulty fund would in future be capped at £200k. The balance available

as at 01.02.22 is £170k. Payment of the bids below would reduce the balance available to £96.8k.

3.3 The criteria agreed by the Schools' Forum for allocating this funding to schools is as follows:

If a school has a deficit budget it can request additional support funding. If a school can meet all of the following criteria, a bid for additional funding can be made by the school to be considered by the Schools' Forum:

1. *The school has sought and followed the advice of the Schools' Accountancy Service **prior** to going into deficit*
2. *The school has (up to) a five year robust deficit recovery plan in place which has been discussed with and verified by the Schools' Accountancy Service.*
3. *Additional funding may be payable for one of the following exceptional unforeseen circumstances which has taken the school into deficit:*
 - a) Short term downturn in pupil numbers: expenditure to maintain current staffing structure where evidence can be provided that the numbers are likely to recover within a two to three year period and where downsizing of staff and resultant redundancy costs in order to balance the budget on a short term basis would not be an efficient use of resources.
 - b) Sudden permanent downturn in pupil numbers in a school causing concern (i.e. Ofsted category of notice to improve or worse): expenditure to maintain current staffing levels on a temporary basis where to reduce the staffing levels immediately in order to balance the budget would be detrimental to the recovery of standards in the short term.
 - c) Unforeseen sudden permanent downturn in pupil numbers: expenditure to cover staffing costs during a short term interim period whilst restructuring takes place and in order where possible to avoid redundancies (such as through natural wastage).
 - d) Redundancy payments, where the staffing reductions are required in order to balance the budget, but these costs would put the school further into a deficit position and take the school longer to recover the deficit.
 - e) Any other one off costs incurred on recovery of the deficit, such as specialist consultancy advice/support. (it was agreed by Schools' Forum on 11th July 2016 that where West Berkshire's Accountancy Service are engaged for such support, the cost can be charged direct to this fund without making a separate bid).
 - f) Covid -19 where the school's deficit is either wholly or in part a direct result of the financial impact of Covid-19
 - g) Covid-19 where the school's Main School Budget reserves were significantly impacted by Covid-19 related costs and/or loss of income unique to the school.
 - h) Bid for reimbursement of one-off redundancy costs incurred by schools not currently in deficit but required to restructure to avoid going into deficit.
 - i) Bid for reimbursement of unforeseen exceptional one-off expenditure which would result in schools not currently in deficit ending the year with an unplanned deficit.

In order to access this funding, a school will need to complete and submit an application to the WBC Schools' Accountancy who will arrange a panel (usually the next Heads Funding Group) to assess the application. The school will be invited to

present their case in person to the panel and answer questions. The panel will recommend the amount and duration of the financial support to Schools' Forum for approval or not.

- 3.4 Note that the decision to be taken by Schools' Forum is by Primary maintained school representatives only.

4. St Finians RC Primary

- 4.1 Summary:

Funding sought:	£2,492
In deficit:	Yes
First year of deficit:	2016
Year expected to come out of deficit:	2023
Previous SIFD bids:	£2,269 awarded 2020

- 4.2 Background:

The school has operated with a deficit budget since 2016, 2021/22 is its fifth year. If the school's bid is unsuccessful it will exceed the maximum length a school may operate with a deficit budget.

Extract West Berkshire Council Scheme for Financing Schools 2021: 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.

- 4.3 Bid:

The request is in respect of the financial impact of a resignation.

- (a) A mid-term resignation resulted in a need to find immediate support for a high special needs class. Additional costs were incurred for two months amounting to £2,492.
- (b) The bid meets the criterion of 3 (i) set by the Schools' Forum.

- 4.4 Financial detail:

	£		Pupils
2020/21 actual:	(20.7k)	deficit	186
2021/22 budget:	4.8k	surplus	194
2021/22 forecast P9:	(4.4k)	deficit	194

5. Beenham Primary School

5.1 Summary:

Funding sought:	£6,600
In deficit:	Yes
First year of deficit:	2016
Year expected to come out of deficit:	2021
Previous SIFD bids:	£25,430 awarded 2018 £9,000 awarded 2020

5.2 Background:

The school has operated with a deficit budget since 2016, 2021/22 is its fifth year.

Extract West Berkshire Council Scheme for Financing Schools 2021: 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.

5.3 Bid:

The request is in respect of the financial impact of an uninsured staff absence.

- (a) An unplanned long term teacher absence had to be covered externally costing £7k over budget.
- (b) The absence was not covered by the insurance policy.
- (c) The bid meets the criterion 3(i) set by the Schools' Forum.

5.4 Financial detail:

	£		Pupils
2020/21 actual:	(0.4k)	deficit	56
2021/22 budget:	1.2k	surplus	54
2021/22 forecast P9:	2.8k	surplus	54

- (a) The school had planned to end the last financial year (2020/21) with a small surplus of £101, but due to unplanned staff changes and the transfer of a deficit balance from the Out of Hours Club the school ended the year with a small deficit of £0.4k.
- (b) In 2021/22, the school planned to end the year with a small surplus balance of £1.2k. As a result of the unplanned staff cover, the forecast was a deficit of £7.9k.
- (c) During 2021/22, the schools has taken some Afghan children and has received funding for this. This has resulted in a forecast surplus of £2.8k, however, the funding is for the children and their additional needs including staffing and extra resources.

6. Kintbury St. Mary's Primary School - Covid

6.1 Summary:

Funding sought:	£31,100
In deficit:	Yes
First year of deficit:	2021
Year expected to come out of deficit:	2024
Previous SIFD bids:	£30,700 awarded 2019

6.2 Background:

This is the first year the school has operated with a deficit budget. It plans to come out of deficit 2023/24.

6.3 Bid:

The request is in respect of the financial impact of Covid-19 on the school's reserves.

(a) Four members of support staff were shielding on full pay and extra staff were required to cover the absence amounting to £34.5k. £3k covid workforce funding was received and has been deducted from the bid.

(b) The bid meets the criterion 3(g) set by the Schools' Forum.

6.4 Financial detail:

	£		Pupils
2020/21 actual:	30k	surplus	162
2021/22 budget:	(62k)	deficit	145
2021/22 forecast P9:	(49k)	deficit	145

7. Kintbury St. Mary's Primary School – Pupil Numbers

7.1 Summary:

Funding sought:	£28,000
In deficit:	Yes
First year of deficit:	2021
Year expected to come out of deficit:	2024
Previous SIFD bids:	£30,700 awarded 2019

7.2 Background:

This is the first year the school has operated with a deficit budget. It plans to come out of deficit 2023/24.

7.3 Bid:

The request is in respect unforeseen sudden permanent downturn in pupil numbers.

- (a) Pupil numbers have fallen by 14, from October 2019 census to October 2020 census.
- (b) The bid meets the criterion 3(c) set by the Schools' Forum.

7.4 Financial detail:

	£		Pupils
2020/21 actual:	30k	surplus	162
2021/22 budget:	(62k)	deficit	145
2021/22 forecast P9:	(49k)	deficit	145

8. St Finians RC Primary – Extraordinary Payment

8.1 Summary:

Extraordinary payment recommended:	£5,000
In deficit:	Yes
First year of deficit:	2016
Year expected to come out of deficit:	2023
Previous SIFD bids:	£2,492 recommended (see above) £2,269 awarded 2020

8.2 Background:

The school has operated with a deficit budget since 2016, 2021/22 is its fifth year. If the school's bid above for £2,492 is unsuccessful it will, based on P9 figures, leave a deficit forecast balance of £4.4k. If successful, the forecast would be £1.9k deficit.

Extract West Berkshire Council Scheme for Financing Schools 2021: 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.

8.3 Heads funding Group Proposal:

A sum of up to £5k be made available from the Primary School in Financial Difficulty fund, if that sum will clear the school's deficit in 2021/22 and allow the school to submit a surplus budget for 20212/23.

9. Recommendation and Conclusion

The Heads Funding Group recommend that;

- (1) The bids and extraordinary payment be approved.
- (2) The criteria agreed by the Schools' Forum for allocating this funding to schools be amended to allow extraordinary payments of up to £5k to be made.