

West Berkshire Council

Primary Schools in Financial Difficulty Fund (Maintained Only)

2023/24 Criteria

1. Background

- 1.1 Local authorities are required to delegate to all schools the contingency previously held for schools in financial difficulty. Each phase in the maintained sector has the option of de-delegating this funding to continue to have this funding centrally retained.
- 1.2 The maintained primary school members of the Schools Forum opted to continue to de-delegate this funding.
- 1.3 The Schools' Forum is required to set clear criteria for the allocation of this funding. The current criteria is set out below.

2. Primary Schools' In Financial Difficulty Fund Criteria (PSIFD) - Maintained Only

- 2.1 If a school has a deficit budget and meets all of the following criteria, a bid for funding from the PSIFD Fund can be made 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 a robust deficit recovery plan in place to recover the deficit over a maximum of five years, which has been discussed with and verified by the Schools' Accountancy Service.
 3. The school has experienced one of the following exceptional unforeseen circumstances which has taken the school into deficit:
 - **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.
 - **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.
 - **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).
 - **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.
 - **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 the PSIFD fund without making a separate bid).

2.2 Additional Criteria

- Schools not currently in deficit but required to restructure to avoid going into deficit, may make a bid for reimbursement towards their one-off redundancy costs.
- Schools not currently in deficit that incur unforeseen exceptional one off expenditure which would result in school ending the year with an unplanned deficit may make a bid towards these one off costs.
- Schools in their fifth and final year of deficit recovery, that expect to end that year with a deficit of less than £5k despite the school's best effort to clear the deficit and are able to submit a surplus budget for the following financial year may apply for the deficit balance to be cleared,

3. Applications

In order to access this funding, a school will need to complete and submit an application (Annex A) to WBC Schools Accountancy who will arrange for the application to be assessed by the Heads Funding Group (HFG). The school will be invited to present their case to HFG and answer questions. The HFG will also be provided with benchmarking information produced by Schools' Accountancy (which will be shared with the school prior to the meeting).

If the Heads Funding Group decides to recommend the application, the bid will progress to the next Schools Forum meeting for a final decision. If HFG do not support the application, the bid will not progress to the Schools Forum for consideration and there is no right of appeal.

If the Schools' Forum supports the bid, payment will be made shortly after.

If the Schools' Forum ask for additional information, the bid should go back to the HFG.

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ANNEX A: Application to the Primary Schools in Financial Difficulty (PSIFD) Fund 2023/24

Section A

School Name	
Funding sought	£
Is the school currently in deficit? (Delete as applicable) No – go to section B below	Yes / No
First year of deficit (whether licensed or not)	
Was the first year of deficit licensed? (Delete as applicable)	Yes / No
Year expect to come out of deficit	

Section B

In accordance with the criteria set by the Schools' Forum, the School is applying for financial support from the PSIFD Fund for the reasons below:

Tick box(es) as appropriate.

<p>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.</p>	
<p>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.</p>	
<p>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).</p>	
<p>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.</p>	
<p>Any other one off costs: incurred on recovery of the deficit, such as specialist consultancy advice/support. (where West Berkshire Council's Schools Accountancy Service are engaged for such support, the cost can be charged direct to the PSIFD fund without making a separate bid).</p>	
<p>Bid for reimbursement of one-off redundancy costs: incurred by schools not currently in deficit but required to restructure to avoid going into deficit.</p>	
<p>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.</p>	
<p>Bid for extraordinary payment of up to £5k: to be made if at the end of the maximum deficit recovery period (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.</p>	

Note that funding is available for exceptional circumstances only, and is unlikely to be considered for circumstances outside those listed above.

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**Section C
Background to the School's Deficit Budget**

a. Reasons for the current/projected budget deficit/decrease of reserves:

Please include financial year

b. What actions have been taken to date to minimise/recover the deficit/recoup the loss of reserves?

Please include date, action and outcome

c. What plans are in place/being considered to address the deficit/recoup the loss of reserves?

State which year each plan is expected to be implemented

**Section D
Funding being Sought**

a. Provide explanation on why additional funding is being sought (*in relation to the box(es) ticked in section B of this form and backed up by the information provided in sections C above and F below*).

b. Provide the amount of funding being sought with breakdown of how this has been calculated *e.g. cost of the redundancy or the posts to be maintained and in which financial years or details of expenditure and/or income at CFR level impacted by Covid-19 please include both the CFR codes were the school gained and lost.*

c. What will be the implication for the school if this additional funding is not available?
(e.g. steps the school will have to take to recover deficit and non financial impact on school)

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**Section E
Previous SIFD Bids
(successful and unsuccessful)**

Date of HFG meeting	Reason additional funding sought	Sum requested	Sum awarded

**Section F
Financial Information**

- i) attach your current 5 year budget plan to the application, which will **EXCLUDE** the additional funding being sought,
- ii) describe the assumptions, risks identified and whether or not key budget monitoring milestones have been achieved. Particular attention should be paid to Pupil number projections and staffing.

Table 1	Actual	Budget submitted				
	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Total Pupil No's for funding						
Teaching Staff FTE						
Support Staff FTE						
In Year Budget Balance £'000 (show deficit as minus)						
Cumulative Budget Balance £'000 (show deficit as minus)						
Funding Sought (£'000)						
Cumulative Budget Balance if funding sought is received £'000						

Assumptions made and risks identified for the following:

Pupil Numbers

Expenditure - please consider these and refer to them at CFR code level

Teaching staff
Support staff
Other

Income & Funding - please consider these and refer to them at CFR code level

Income
Funding

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Section G

WBC's Schools' Accountancy Service

Please answer the following questions

What budget advice was sought from WBC's Schools' Accountancy during the budget build?

Please give name of contact, dates and details below.

Was the draft budget submitted to WBC Schools Accountancy for checking prior to approval by governors?

Date submitted and date feedback received from WBC

Confirm what elements of feedback the school acted upon and when

Confirm elements of feedback the school did not act upon and why

If any issues were identified by WBC Schools Accountancy post submission of school's final budget but before upload to Agresso please detail them here, please indicate which the school has acted upon and when and those the school has not acted upon and why.

Confirm budget has been uploaded to Agresso and FMS and no issues remain outstanding with WBC Schools Accountancy.

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Section H

Other than WBC Schools' Accountancy service was the school's current 3/5 year budget plan/deficit recovery plan discussed with anyone else at WBC.

Please give dates and details below.

Discussion about any element of budget by school staff with any area of WBC other than Schools' Accountancy, to include discussions with School Improvement Advisors (e.g. HR re staff restructure, SIA re staff restructure and impact on curriculum of savings to be made)

State role/title of school staff member, member of staff at WBC and role, discussion point and date.

Note that in order to support the information provided on this form Schools' Accountancy will provide the latest benchmarking tables for the panel meeting.

	Signed	Dated
Headteacher		
Chair of Governors		

On completion, please e-mail this form and latest budget plan to:
sarah.reynard@westberks.gov.uk