

West Berkshire Schools' Forum	
Title of Report:	Funding for Primary Schools in Financial Difficulty
Date of Meeting:	9th June 2014
Contact Officer(s)	Ian Pearson / Claire White
For Decision	

1. Background

1.1 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 of de-delegating this funding to continue to centrally retain it.

1.2 Primary schools opted to de-delegate this funding in 2013/14, and again in 2014/15.

1.3 No bids were received in 2013/14, and there is the option to add the carry forward of the 2013/14 budget (£115,680) to the 2014/15 budget (£115,470). The total funding available in 2014/15 would therefore be £231,150.

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

If a school has a deficit budget it may be allocated additional support funding. If a school can meet 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' Finance Advisor 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' Finance Advisor.
3. Additional funding may be payable for one of the following exceptional unforeseen circumstances which has taken the school into deficit:
 - Payment to maintain current staffing levels to help cover a temporary downturn in pupil numbers, and evidence can be provided that the numbers are likely to recover within a 2 - 3 year period making downsizing of staff and resultant redundancy costs unreasonable.
 - Payment to maintain current staffing levels on a temporary basis in a school causing concern (i.e. Ofsted category of notice to improve or worse), where to reduce the staffing would be detrimental to the recovery of standards in the short term.
 - Payment to cover staffing costs during a short term interim period whilst restructuring takes place due to an unforeseen sudden permanent downturn in pupil numbers

- Redundancy payments, where the redundancies are required in order to balance the budget over a 3 – 5 year period, but these costs will put the school further into deficit if not met (as per the Severance Funding Policy).

In order to access this funding, a school will need to present in person (with the support of the Schools' Accountant) a case to a panel as agreed by Primary Heads, who after consideration of the case, will recommend the amount and duration of the financial support to Schools' Forum for approval or not.

1.5 Note that the decision to be taken by Schools' Forum is by Primary representatives only.

2. Funding Bids Received

2.1 One funding bid has recently been received - from the Ilsleys Primary School, totalling £38,667

2.2 The Ilsleys has requested funding to meet the cost of redundancy payments, which has caused them to close the 2013/14 year in deficit. The school has carried out significant work on restructuring and made staffing reductions in order to be able to operate on an annual basis within the funding available. The school is unable to recover the redundancy costs within a reasonable period without a short term detrimental effect on teaching and learning. The school has sought advice from finance over the last year in order to achieve a balanced budget position, and the Schools' Finance Manager is able to verify their budget plan and this bid. The criterion set by the Schools' Forum has therefore been met.

2.3 The school's Headteacher and Finance Officer attended the last meeting of the Heads Funding Group and presented their bid and answered a number of questions from the members present. Overall the members were satisfied with the schools explanations on its budget and future savings assumptions, and that to not support the bid would leave the school in deficit for a number of years unless further staffing cuts were made which would have a significant detrimental effect on the pupils.

Recommendation: To approve the bid from The Ilsleys.