

<b>West Berkshire Schools' Forum</b>	
<b>Title of Report:</b>	<b>Primary Schools in Financial Difficulty – Bid for Funding</b>
<b>Date of Meeting:</b>	<b>28<sup>th</sup> September 2015</b>
<b>Contact Officer(s)</b>	<b>Ian Pearson / Claire White</b>
<b>For Decision by Maintained Primary School Representatives</b>	

## **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. This decision is made on an annual basis.

1.2 Only Primary schools have opted to de-delegate this funding in 2015/16.

1.3 The current fund balance for 2015/16 is £233,960, which includes the carry forward of the unspent budget from 2014/15. No payments have so far been made in the current financial year.

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' 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 - funding to maintain current staffing structure where evidence can be provided that the numbers are likely to recover within a 2 - 3 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 – funding 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 – funding 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 will put the school further into a deficit position which cannot be recovered over a 5 year period.*

*In order to access this funding, a school will need to complete and submit an application to the WBC Schools' Finance Manager 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.*

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

## **2. Funding Bid Received from Kintbury Primary School**

- 2.1 A funding bid has been received from Kintbury Primary School totalling £18,677 to cover redundancy costs paid out in the current financial year.

2.2 Through its longer term budget planning, Kintbury School has been aware for the last three years of its requirement to restructure and reduce costs, and has been continually working towards this, bearing significant redundancy costs in the last 18 months. This is against a background of moving from a 'requires improvement' Ofsted rating in 2012 to 'good' in 2014. The main reasons for going into deficit is a reduction in the school's formula funding following the introduction of the new national formula in 2013/14; an overall reduction in pupil numbers; and a large proportion of pupils with high needs. They have been taking into account one particularly small year group which is moving through the school (8 compared to average of 24) whereby overall pupil numbers and thus funding should go back up from 2018/19 financial year which will bring the school back into an in-year balance (although the school would still be in a cumulative deficit without this additional funding to cover the redundancy costs). Actions taken include merging years 4 and 5 and significantly reducing the number of support hours.

- 2.3 The school has been receiving support for their budget planning from WBC Finance since 2014/15. The Schools' Finance Manager is able to verify that their current budget plan has been subject to scrutiny and that this bid meets the criterion (3d) set by the Schools' Forum.

- 2.4 The application and benchmarking information was considered by Heads Funding Group (HFG). A presentation was also made by the school at the meeting. HFG were satisfied with the schools explanation for the deficit and all the actions they had taken to reduce the current deficit and eliminate it moving forward. They also commended the school for the detail they had provided in their application.

### **Recommendation from Heads funding Group:**

To agree the bid from Kintbury and make payment of £18,677 to the school.