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# Primary Schools in Financial Difficulty – Bid for Funding 2018/19

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**Report being considered by:** Schools Forum on 16<sup>th</sup> July 2018

**Report Author:** Wendy Howells, Ian Pearson

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

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## 1. Purpose of the Report

- 1.1 To summarise a bid that has been received from a school in deficit to access funding from the 'primary schools in financial difficulty' de-delegated fund.

## 2. Recommendation

- 2.1 To recommend to Schools' Forum approval of the bid, with payment being the full amount sought of £32,106.

<b>Will the recommendation require the matter to be referred to the Council or the Executive for final determination?</b>	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 Primary schools have opted to continue to de-delegate this funding in 2018/19.
- 3.3 The budget for 2018/19 has been set with an initial budget of £120,020, which with Schools Forum agreement will increase to £379,120.
- 3.4 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 - 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 – 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 –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 and taking 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 11<sup>th</sup> 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).

*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 also be provided with benchmarking information produced by Schools' Accountancy (which will be shared with the school prior to the meeting). The panel will recommend the amount and duration of the financial support to Schools' Forum for approval or not.*

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

#### **4. Bid from Parsons Down Partnership**

- 4.1 An application has been received from Parsons Down Partnership. It is for £32,106 out of a total current year planned deficit of £80,785. This amount is to cover redundancy costs.
- 4.2 The Head Teacher attended the Heads Funding Group meeting on the 3<sup>rd</sup> July 2018 and gave a detailed explanation of the background to the bid. Questions were asked about the deficit recovery plan and were answered.
- 4.3 The school has gone into deficit mainly because pupil numbers have reduced and the senior leadership team previously put in place is no longer sustainable due to the reduction in the school's income.
- 4.4 The school has been undertaking work on their deficit recovery plan following the review meeting held with them in March and followed up in May, and the plans were set out in the bid. The bid meets the criterion (3d) set by the Schools' Forum.
- 4.5 2018/19 is the second year of the deficit. The school will be out of deficit by 2020/21 if the bid is approved.

## 5. Recommendation and Conclusion

- 5.1 The Heads Funding Group agreed to recommend that the bid be approved in full. The school has a robust deficit recovery plan including moving the school to a 2 form entry and restructure of staffing.
- 5.2 Approval of the bid will not clear the school's deficit, and they will still be required to implement the savings in their deficit recovery plan. Receipt of the funding will help repay the deficit in the year before the plan. If it is not approved this will inevitably increase the repayment period.