

Appendix C

West Berkshire Council Maintained Schools Primary Schools in Financial Difficulty Fund Criteria 2022/23

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 primary school members of the Schools Forum have 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. Maintained Primary Schools' In Financial Difficulty Fund Criteria

- 2.1 If a maintained primary 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. 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 this fund without making a separate bid).

3. **Additional Criteria**

- Schools in deficit at the end of the financial year where the deficit is wholly or in part the result of the impact of Covid-19.
- Schools not currently in deficit but whose Main School Budget reserves were significantly negatively impacted by Covid-19.
- 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.

4. **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 a panel (usually the next Heads Funding Group) to assess the application. The school will be invited to present their case 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 decide whether to recommend the request for financial support to Schools' Forum.

Annex A

Application to Access Funding from the Contingency for Primary Schools in Financial Difficulty 2022/23

School Name	
Are you currently in deficit? (Delete as applicable) No – go to section A 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	

A. In accordance with the criteria set by the Schools’ Forum, the School is applying for financial support from the Schools in Financial Difficulty Fund for the reasons below:

Tick box(es) as appropriate

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 11 th 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).	
Covid -19 where the school’s deficit is either wholly or in part a direct result of the financial impact of Covid-19	
Covid-19 where the school’s Main School Budget reserves were significantly impacted by Covid-19	
Bid for reimbursement of one-off redundancy costs incurred by schools not currently in deficit but required to restructure to avoid going into deficit.	
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.	

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

B. Background to the School's Deficit Budget

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

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

C. Funding being Sought

Provide explanation on why additional funding is being sought (in relation to the box(es) ticked in part A of this form and backed up by the information provided in parts B and E)

Provide the amount of funding being sought with breakdown by CFR code 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 impacted by Covid -19.

What will be the implication for the school if this additional funding is not available?

D. Previous SIFD Bids (successful and unsuccessful)

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

E. Financial Information

- For bids to be presented to Heads Funding Group meetings between 01st April and 31st October please complete Table 1.
- For all other bids please complete both Table 1 and Table 2.

In both cases

- attach your current 5 year budget plan to the application, which will **EXCLUDE** the additional funding being sought,
- describe the assumptions, risks identified and whether or not key budget monitoring milestones have been achieved (schools who have applied for a licensed deficit should refer to tabs 15, 16 and 17 of their completed WBC Deficit Budget License Application) Particular attention should be paid to Pupil number projections and staffing.

In Table 2

- state which forecast period has been used to complete table
- explain current year variances between Forecast and Budget and the basis of any changes that have been made to future years budgets

Table 1	Actual	Budget submitted				
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
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 Table 2	Forecast	Original	Revised budget based on forecast and

	STATE PERIOD	budget	updated information/plans			
	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27
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						

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

Explain current year variances between Forecast and Original budget

Explain the basis of any changes that have been made to future years budgets as a result of these variances or other known changes:

F. What budget advice has been sought from the Schools' Accountancy Service?

Please give dates and details below.

G. Has the school's current 5 year budget plan/deficit recovery plan been discussed with, checked (prior to approval by governors) and verified (post submission) by the WBC Schools' Accountancy Service?

Please give dates and details below:

Discussion about any element of budget by school staff with any area of West Berkshire council, (to include discussions with School Improvement Advisors).

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

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

Confirm budget has been uploaded to Agresso and no issues remain outstanding

Note that in order to support 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

The school will be invited to attend and present their application to a panel (usually the Heads Funding Group) who will consider the application and make a recommendation to the Schools' Forum for approval or not. The final decision rests with the Schools' Forum.