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# Primary Schools in Financial Difficulty: Bid for Funding 2021/22

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**Report being considered by:** Schools Forum on 24<sup>th</sup> January 2022

**Report Author:** Ian Pearson, Melanie Ellis

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

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## 1. Purpose of the Report

- 1.1 To summarise the bid for £50,981 that has been received from Spurcroft Primary School to access funding from the 'Primary schools in financial difficulty' de-delegated fund, and recommended for approval by Heads Funding Group.
- 1.2 Other bids were received and reviewed by Heads Funding Group, but it was agreed that they did not meet the criteria for approval. The bids have subsequently been withdrawn.

## 2. Recommendation

- 2.1 To approve the Spurcroft bid, with payment being capped at £30,000.
- 2.2 That only bids recommended by Heads Funding Group come to Schools Forum for approval.

<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 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 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 2021/22. The Primary Schools in Financial Difficulty Fund has been capped at £200k. The balance at the end of 2020/21 was £172.5k so £27.5k has been de-delegated in 2021/22.
- 3.3 The criteria agreed by the Schools' Forum for allocating this funding to schools is as follows:

*If a 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. 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).
  - f) **Additional Circumstance (from April 2018)**: Schools not currently in deficit but required to restructure to avoid going into deficit, may also make a bid for reimbursement towards their one-off redundancy costs.
  - g) **Additional Circumstance (from April 2019)**: Schools not currently in deficit that incur unforeseen exceptional one off expenditure which will result in school ending the year with an unplanned deficit may also make a bid.
  - h) **Additional Circumstance (2021/22 Only)**: Schools in deficit at the end of the 2020/21 financial year where the deficit is wholly or in part the result of the impact of Covid-19.
  - i) **Additional Circumstance (2021/22 Only)**: Schools not currently in deficit but whose Main School Budget reserves were significantly negatively impacted by Covid-19 related costs and/or loss of income unique to the school

*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.*

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

#### **4. Bid from Spurcroft Primary School**

- 4.1 The school is requesting £51k funding to cover exceptional costs relating to the impact on the school's Main School Budget of the transfer of the school's Out of Hours Club deficit balance at the end of the financial year 2020/21, which was the result of the financial impact of Covid-19. This transfer took the school into deficit.
- The school reached a £41k deficit in April 2021.
  - For 2021/22 the school set an £11k in-year surplus budget bringing the budgeted deficit to £30k.
  - At Period 8 the school is reporting an in-year deficit of £9k bringing the overall forecast deficit to £50k.
- 4.2 The school is seeking £50,981 from the SIFD fund to assist them with their financial recovery as it is also managing a falling pupil roll.
- 4.3 The bid meets the criterion 3h set by the Schools' Forum.
- 4.4 The full contribution would enable the school to recover from deficit by 2021/22, based on the Period 8 forecast.

#### **5. Recommendation and Conclusion**

- 5.1 Costs and losses have already been incurred causing the school to move into a deficit financial position. The Heads Funding Group recommend that the bid be approved with payment capped at £30,000 (the level of the 2021/22 budgeted deficit). The school is managing the financial impact of a falling roll, and the 2022/23 budget has been set with an in-year surplus.

#### **6. Appendices**

- 6.1 Appendix A – Equalities Impact assessment.

# Appendix A

## Equality Impact Assessment (EqIA) - Stage One

We need to ensure that our strategies, policies, functions and services, current and proposed have given due regard to equality and diversity as set out in the Public Sector Equality Duty (section 149 of the Equality Act 2010), which states:

- (1) A public authority must, in the exercise of its functions, have due regard to the need to:*
  - (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
  - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; This includes the need to:*
    - (i) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;*
    - (ii) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;*
  - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it, with due regard, in particular, to the need to be aware that compliance with the duties in this section may involve treating some persons more favourably than others.*
- (2) The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.*
- (3) Compliance with the duties in this section may involve treating some persons more favourably than others.*

The following list of questions may help to establish whether the decision is relevant to equality (the relevance of a decision to equality depends not just on the number of those affected, but on the significance of the impact on them):

- Does the decision affect service users, employees or the wider community?
- Is it likely to affect people with particular protected characteristics differently?
- Is it a major policy or a major change to an existing policy, significantly affecting how functions are delivered?
- Will the decision have a significant impact on how other organisations operate in terms of equality?
- Does the decision relate to functions that engagement has identified as being important to people with particular protected characteristics?
- Does the decision relate to an area with known inequalities?

- Does the decision relate to any equality objectives that have been set by the Council?

Please complete the following questions to determine whether a full Stage Two, Equality Impact Assessment is required.

<b>What is the proposed decision that you are asking the Schools' Forum to make:</b>	Award of Schools in Financial Difficulty funding
<b>Name of Service/Directorate:</b>	<b>Finance and Property/Resources</b>
<b>Name of assessor:</b>	Melanie Ellis
<b>Date of assessment:</b>	18.1.22

Is this a .... ?		Is this policy, strategy, function or service ... ?	
<b>Policy</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<b>New or proposed</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Strategy</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<b>Already exists and is being reviewed</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Function</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	<b>Is changing</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Service</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		

(1) What are the main aims, objectives and intended outcomes of the proposed decision and who is likely to benefit from it?	
<b>Aims:</b>	To award funds to a school as a result of covid
<b>Objectives:</b>	To prevent schools going into deficit
<b>Outcomes:</b>	School would have adequate funding
<b>Benefits:</b>	School would have adequate funding

(2) Which groups might be affected and how? Is it positively or negatively and what sources of information have been used to determine this? <i>(Please demonstrate consideration of all strands – Age, Disability, Gender Reassignment, Marriage and Civil Partnership, Pregnancy and Maternity, Race, Religion or Belief, Sex and Sexual Orientation)</i>			
<b>Group Affected</b>	<b>Potential Positive Impacts</b>	<b>Potential Negative Impacts</b>	<b>Evidence</b>
Age	none	none	
Disability	none	none	
Gender Reassignment	none	none	
Marriage and Civil	none	none	

Partnership			
Pregnancy and Maternity	none	none	
Race	none	none	
Religion or Belief	none	none	
Sex	none	none	
Sexual Orientation	none	none	
<b>Further Comments:</b>			

<b>(3) Result</b>	
<b>Are there any aspects of the proposed decision, including how it is delivered or accessed, that could contribute to inequality?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Please provide an explanation for your answer: no just reimbursing a school</b>	
<b>Will the proposed decision have an adverse impact upon the lives of people, including employees and service users?</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Please provide an explanation for your answer: no just reimbursing a school</b>	

If your answers to question 2 have identified potential adverse impacts and you have answered 'yes' to either of the sections at question 3, or you are unsure about the impact, then you should carry out a EqlA 2.

If an EqlA 2 is required, before proceeding you should discuss the scope of the Assessment with service managers in your area. You will also need to refer to the EqlA guidance and template – <http://intranet/index.aspx?articleid=32255>.

<b>(4) Identify next steps as appropriate:</b>	
<b>EqlA Stage 2 required</b>	Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
<b>Owner of EqlA Stage Two:</b>	
<b>Timescale for EqlA Stage Two:</b>	

Name: Melanie Ellis

Date: 18.1.22

Please now forward this completed form to Pamela Voss, Equality and Diversity Officer (pamela.voss@westberks.gov.uk), for publication on the WBC website