Appendix A – Schools Consultation Responses
Scheme for Financing Schools – issue 17

<u>1. Pangbourne Primary School</u>
We had our monthly Fin Comm today and I was tasked with our feedback on this consultation.

Very briefly, we have one major concern which is in reference to these changes :

6) Point 5.3.1 updated to remove requirement for a deficit school to submit a 5 year budget plan.
7) Point 5.3.1 updated to confirm that deficit schools should show deficit recovery in three-year period.
8) Point 5.15 updated to confirm notice of concern may be issued when a school does not have a robust plan to repay the deficit within a maximum of three years.

Given the deficit situation at PPS (and,we understand, many other WB primary schools) it appears both counter-productive and massively demotivating to implement a REDUCTION in the deficit recovery horizon to 3 years when many governing boards are battling to hit 5 years. Furthermore, to reinforce this threat with the punishment of a 'notice of concern' and all that implies for EXTRA WORKLOAD for Governors (and SLTs) in our view runs a very real risk of multiple resignations from these unpaid posts.

<u>2. Chieveley Primary School</u>
Please find below Chieveley Primary School's response to the consultation on the proposed Scheme for Financing Schools 2026/27, submitted on behalf of the Finance Committee and Governing Body.

- Paragraph 5.15: We would welcome clarification on how the "robust plan" test will be applied to schools whose deficit is driven by falling pupil numbers rather than financial mismanagement. Our current deficit recovery plan is forecast to return to surplus within the prescribed period, but with a narrow margin. Given the sensitivity of multi-year forecasts to factors outside the school's control; funding formula changes, pay awards, in-year pupil number movements, we would value reassurance that a single year's adverse variance pushing recovery back by one year would not, in itself, automatically trigger a notice of concern under criterion 5 (repayment period increasing) without a prior conversation with the school.
- Paragraphs 5.3.1 / 7.9: Could the authority clarify whether the three-year recovery period is assessed against a fixed reference point (e.g. the date a deficit was first identified or licensed) or recalculated at each annual forecast submission? This affects how schools like ours, recovering on a tight margin, should plan around the rolling nature of the requirement.
- Paragraph 5.3.1: We note the removal of the five-year budget plan requirement for deficit schools. While we understand the intent to reduce administrative burden, the five-year plan previously gave the authority visibility of the longer-term trajectory even where the three-year headline figure was tight. Would the authority be willing to confirm that schools may continue to

submit a longer, indicative forecast alongside the mandatory three-year plan, on a voluntary basis, where this would provide useful additional assurance?

- Paragraph 7.9: We note that since the last issue, five schools have left the maintained sector for academy status (Basildon, Compton, The Downs, John Rankin Infant & Nursery, and John Rankin Junior). As licensed deficits are backed by the collective surplus of school balances held by the authority on behalf of maintained schools, a reducing pool of contributing schools may in time reduce the capacity available to support deficit arrangements for those schools that remain maintained. We would welcome confirmation from the authority that this trend has been factored into ongoing planning, and that capacity to support existing and future licensed deficit arrangements is not expected to be constrained as a result.
- Paragraph 5.1.2: As a school operating under a licensed deficit, we already submit monthly budget monitoring reports to Schools Accountancy under the terms of paragraph 7.9, including forecasts from P6 onwards. We would ask the authority to confirm how the new universal requirement for P3, P6 and P9 forecasts interacts with this existing obligation, so that we can avoid duplication of effort for school finance staff.We would also question the value of a P3 forecast specifically. At that point in the year, schools will typically not yet have confirmation of support staff pay awards, which materially affects forecast accuracy. We would ask whether the requirement could begin from P6, in line with our existing licensed deficit reporting, or whether the authority sees a specific purpose for a P3 submission that we should be aware of.

We would be happy to discuss any of the above with the Schools Accountancy team ahead of our next budget submission in May 2027.

<u>3. Victoria Park Nursery</u>

Response to Consultation on the Proposed Scheme for Financing Schools

Thank you for sharing the consultation on the proposed Scheme for Financing Schools.

Please find below a collective response from the Chair of Finance, Headteacher, and School Business Manager at Victoria Park Nursery School.

We would welcome greater flexibility in how schools manage their financial resources. In particular, we would strongly support the removal of the clawback process, as this would enable schools to retain and reinvest surplus funds into their own development priorities in a timely and strategic way.

If removal is not possible, we would ask that West Berkshire Council consider increasing the level of surplus that schools are permitted to hold. This would provide a more realistic buffer given financial uncertainties and support longer-term planning.

Should the clawback process remain in place, we request that self-generated income—specifically income from fee-paying pupils and lettings—is included in clawback calculations. These funds are raised independently by schools and are critical to sustaining and enhancing provision.

In relation to financial reporting requirements, we would like to request the removal of P3 reporting to WBC. At this point in the financial year, Early Years funding allocations have neither been confirmed nor paid via the Early Years funding portal, meaning any figures reported are based solely on budget assumptions already submitted.

Additionally, we would ask that P6 reporting is also reconsidered. Maintained nursery schools are funded differently from primary schools and will typically have received

only one of three funding payments by this stage. As a result, reporting at P6 does not provide an accurate reflection of financial position until actual revenue streams are confirmed by WBC. We believe that P9 reporting would offer a much more reliable and meaningful picture of income and expenditure.
Finally, we would welcome clarification on the resourcing implications of these proposals. Specifically, does WBC have the additional capacity within Schools Accountancy Services to review the increased volume of budget reports without increasing the cost of the Finance Buyback service? If additional resource is required, it would be helpful to understand how these costs will be managed and who will bear them.

4. Burghfield St Mary's Primary School
Burghfield St Mary's C of E Primary School has reviewed the consultation documents and proposed amendments to the Scheme for Financing Schools 2026. We have no comments to make on the proposed revisions and are content with the updated Scheme.

5. St John & St Nicolas Schools Federation
St John and St Nicolas Schools Governors broadly agree with the scheme for financing schools but have the following concerns:

- More frequent reporting requirements for Imprest schools:
  Instead of reporting to the LA only at Period 9, we will now need to produce reports at Periods 3, 6, and 9. We are comfortable with P6 and P9; however, P6 still relies on a number of assumptions. We would suggest removing P3, as it is unlikely to provide a meaningful indication of the school's budget forecast and may lead to decisions being taken, which might be mitigated later in the period.
- Removal of the five-year forecast for deficit schools:
  Whilst, we understand the rationale of moving to a three year forecast for deficit recovery, this may put undue pressure on schools and could significantly worsen outcomes for pupils.

6. Birch Copse Primary School
Further to your message regarding the above consultation, the governing board has reviewed the document and have put forward the query below regarding an **inconsistency between paragraphs 4.3 and 15.1.**

Paragraph 4.3 reads as follows:

"Maintenance of schools

"The authority is responsible for maintaining the schools covered by the scheme, and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary-aided school where some of the expenses are, by statute, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in place under sections 45 to 53 of the act."

In lay terms, this means that WBC is responsible for the repair and maintenance of its schools - i.e., paying for repair and maintenance. This is logical given that schools are WBC property.

On the other hand, **paragraph 15.1** includes the following wording:

"Responsibility for repairs and maintenance

"The authority delegates funding for repairs and maintenance to schools. Only capital expenditure is retained by the authority. For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the authority for financial accounting purposes in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on local authority accounting. The authority uses a de-minimis limit of £10,000 for defining capital in its own financial accounts, this sum applies to the total cost of the scheme and not individual items. The same de minimis limit is used in defining what is delegated."

This raises two questions:

(a) Is the local authority responsible for maintaining schools and paying for repairs and maintenance, or not?
(b) If schools are responsible for repair and maintenance, who is responsible for deciding whether any proposal is a repair and maintenance job or a capital job?

<u>7. Hermitage Primary</u>
Thank you for sharing the draft Scheme for Financing Schools 2026/27.
Following review, we would like to formally register our disagreement with the proposed changes, particularly those relating to deficit recovery timelines and lack of understanding of operational realities of school.

1. Objection to tightening of the deficit recovery period

We do not agree with the reduction in the maximum deficit recovery period from five years to three years. The current scheme strikes an appropriate balance by setting a three-year recovery as the expectation, while allowing flexibility up to five years where justified by local circumstances. Removing this flexibility is, in our view, overly restrictive and not reflective of the realities schools are facing, including volatility in pupil numbers, increasing SEND and staffing pressures and limited ability to make rapid structural changes without educational impact. A fixed three-year recovery requirement risks forcing short-term decisions that are not in the best interests of pupils or long-term sustainability. We strongly believe that professional judgement and local context must remain central to deficit planning, and that the existing five-year maximum should be retained.

2. Concern regarding increasingly restrictive intervention framework

We are also concerned that the proposed changes represent a broader shift toward tighter compliance thresholds, earlier intervention triggers and more rigid assessment criteria without a corresponding increase in support offered to schools. While we recognise the importance of financial discipline, the current proposals appear to place greater emphasis on control and restriction rather than active partnership and support.

3. Need for a more proactive, supportive LA approach

We would like to see West Berkshire Council place greater focus on proactively supporting schools to improve their financial position, rather than primarily tightening the framework within which they operate. We would welcome a more hands-on support in financial planning and modelling, greater use of locally informed data (e.g. pupil trends), practical support to identify and deliver sustainable cost efficiencies and collaboration with schools to develop realistic, evidence-based recovery plans. A strengthened partnership approach would, in our view, be more effective than increasingly restrictive controls in achieving sustainable financial outcomes. This partnership would likely require an extension to the resources within the Schools Accountancy department at WBC. We note that the current team are already stretched to capacity and investment would be better sought in extending the team so they can more actively assist schools with practical and proactive support.

In summary, we do not support the move to a fixed three-year maximum recovery period, do not support the associated tightening of intervention thresholds but would strongly encourage a shift toward more proactive and practical LA support for schools

We remain committed to working collaboratively with the Local Authority and would welcome further discussion on how the scheme can better balance financial accountability with practical delivery and school sustainability.

8. Spurcroft Primary School

Thank you for the opportunity to comment on the proposed update to the Scheme for Financing Schools. The Governing Board of Spurcroft Primary School and Nursery discussed the update at our meeting on 24 June 2026. We have two points to raise.

1. Budget monitoring at P3, P6 and P9

We note the proposed change to paragraph 5.1.2, requiring all maintained schools to submit budget monitoring forecasts at P3, P6 and P9 within one month of each quarter end, rather than the current arrangement. We support the principle of regular and robust budget monitoring and would not object to reporting at P6 and P9.

However, we would ask the Council to reconsider the inclusion of P3 as a reporting point. In our experience, the P3 position is not yet sufficiently complete or reliable to support meaningful monitoring. By way of example, at the point P3 would fall due this year, teachers' pay awards had not yet been allocated, and our budget for the financial year had not been agreed by the Council or uploaded to Agresso or SBS, meaning the school is not in a position to monitor against an approved budget at that stage, regardless of the quality of its own internal record-keeping.

We would therefore ask that the Council put forward P6 and P9 as the reporting points for budget monitoring and reconsider the requirement to report at P3 until the underlying data, particularly pay awards and Council-approved budgets, is reliably available by that point in the year.

2. Deficit recovery period

We note the changes to paragraph 5.3.1, removing the requirement for a deficit school to submit a separate five-year budget plan, and confirming that deficit recovery should be shown within a three-year period, alongside the related update to paragraph 5.15 (Notice of Concern). We understand these to be clarifications of the Scheme's existing position at paragraph 7.9 (Licensed Deficits) rather than a new reduction in the recovery period.

As a school currently in a multi-year deficit recovery position, we would welcome the opportunity to discuss with the Council how this clarification applies to our own circumstances and would be grateful for any guidance the Council can offer schools in a similar position as this change takes effect.

9. Downsway Primary School

Having sent this document to our Governing Board, the only comment we have to return to you is a concern over the value of the submission of a budget monitoring forecast at P3. It was felt that as pay reviews are often not finalised at this point, it may not reflect the most accurate position.

10. St Pauls Roman Catholic Primary School

As a governing body and school leadership team we have the following comments to make on the proposals

Does the authority have the capacity for this level of scrutiny? E.g. We are now in p3 and our budget has still not been entered on to the system.

This feels a lot more stick than carrot, how will the authority ensue that schools feel supported rather than targeted

11. Yattendon Primary School

After consulting with Governors, our co-ordinated response is that the governors feel strongly against the proposal in 5.1.2 to submit full budget monitoring forecasts at P3 given this is so early into a new budget and the additional burden this would place on staff. Any figures would not be meaningful because at P3 we are usually not aware of pay awards for both teachers and support staff so the forecast would be very similar to the set budget at such an early stage in the financial year.

Governors were also not happy about the proposal that a school with deficit budget should be showing recovery within three years instead of five when in practice this could be unachievable given the ever-increasing costs for schools particularly in terms of staffing, WB service buybacks and energy.