
Primary Schools in Financial Difficulty – Bids for Funding 2020/21

Report being considered by: Schools Forum on 13th July 2020

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

1. Purpose of the Report

- 1.1 To summarise bid that have been received from Beenham Primary School and Purley CofE Primary School 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 £9,000 for Beenham and £18,500 for Purley.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	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 2020/21. The Primary Schools in Financial Difficulty Fund has been capped at £200k. The balance at the end of 2019/20 was £181k so £19k has been de-delegated in 2020/21.
- 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 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).
- 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.

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 Beenham Primary School

- The funding sought is for £9,000 in respect of £9,063 settlement and legal costs.
- The bid meets the criterion 3e set by the Schools’ Forum.
- The contribution would enable the school to recover from deficit by 2020/21.

4.1 The school went into a deficit budget position in April 2016 and needs to recover by the end of the 2020/21 financial year.

4.2 The school is requesting funding to cover exceptional costs relating to a long term staffing sickness, which was not covered by insurance due to the nature of the illness. The school is seeking £9,000 from the SIFD fund to enable them to stay on track with the recovery from their deficit budget position. The actual costs were higher but the school has managed to cover these by making savings in other areas.

5. Bid from Purley Primary School

- Funding sought £18,500. The request is in respect of £18,565 uninsured teacher absence costs.
- The bid meets the criterion 3g set by the Schools' Forum.
- The contribution would enable the school to avoid a redundancy cycle starting on return to school in September 2020.

5.1 The school is not in nor predicting a deficit in 2019/20 or 2020/21. The school has been accruing a carry forward to sustain itself with the forecast reduction in pupil numbers further to the school gaining primary status. The budget plan is forecasting the school to be in a deficit position from 2021/22.

5.2 The school is requesting funding to cover exceptional costs relating to a long term staffing issue. Some of the costs have been subject to an insurance claim but the remaining costs are not able to be claimed. The expenditure incurred was predominantly accrued during 2019/20 but are still being accrued.

6. Recommendation and Conclusion

6.1 The Heads Funding Group agreed to recommend that the bids be approved in full since the costs have already been incurred and have adversely contributed to the financial position.