

Item 4**TITLE OF REPORT: Contingency Funding Applications**

Purpose of the Report

The purpose of this report is to inform Schools Forum of the decision to provide contingency funding to three schools.

Background**White Mere Primary School**

White Mere Primary School has undergone significant management changes since 2015/16 when interim leadership arrangements were put in place due to the substantive head teachers sick leave. This was then followed by a period of soft federation with Carr Hill and the sharing of leadership costs, and further leadership absences. From September 2017 a new substantive full-time head teacher has been appointed, and the leadership structure has undergone a review.

During this turbulent time the school has incurred costs that were beyond the schools control and pushed the school into financial difficulties. At the start of 2017/18 the school set a deficit budget of £107k with little or no options to cut budgets. Essential expenditure was incurred in meeting health and safety needs and educational resources.

At the end of 2017/18 the school had a deficit on its budget of £101,358. This deficit was as a result of a number of costs outside the schools control: -

- Additional staffing and leadership costs £60,887 (supply insurance of £30,400 was not able to be claimed due to existing medical conditions)
- The loss of 7 year 3 and 4 pupils loss of income of £28,457
- Additional essential resources and health and safety repairs £12,591

Process

White Mere, with the assistance of the School Budget Support Service, have provided evidence to support their application for contingency funding. The contingency application was assessed against the contingency criteria (appendix 1). It was found that the school was in financial difficulty due to circumstances outside of their control. The application process was only concluded following the closure of 2017/18 accounting period to prevent any additional work in either an additional contingency payment or clawback of funding if the school had a closing school budget balance above zero.

Colleagues from EducationGateshead, HR Support and School Budget Support had input into the review process of the contingency application and fully support the application.

Hill Top Special School

The special school post 16 funding formula for 2016/17 was brought in line with pre 16 funding formula. This had an unintentional consequence of Hill Top losing £120,000 in funding from 2015/16 to 2016/17. It was envisaged that the school would require a contingency payment during 2016/17. Due to unexpected income the school closed 2016/17 with a small surplus. This was due to:-

- Income from supply insurance £87,928
- Over paid water rates from previous years £25,354

At the start of 2017/18 the school had a forecast budget deficit of £194,753. Throughout the year the school has worked hard to reduce costs including £92,575 on teaching assistants and £27,846 on teaching salaries. Some of these savings have been offset by overspends on supply teachers and supply insurance.

The outturn for 2017/18 resulted in an £95,220 deficit, however Hill Top School continues to make savings in order to work towards setting a balanced budget.

Process

Hill Top, with the assistance of School Budget Support Service have provided evidence to support their application for contingency funding. The contingency application was assessed against the contingency criteria (appendix 1). It was found that the school was in financial difficulty due to circumstances outside of their control. The application process was only concluded following the closure of 2017/18 accounting period to prevent any additional work in either an additional contingency payment or clawback of funding if the school had a closing school budget balance above zero.

Colleagues from EducationGateshead, HR Support and School Budget Support had input into the review process of the contingency application and fully support the application.

Rowlands Gill Primary School

Rowlands Gill Primary School substantive head teacher went on sick leave in May 2017, and an interim head has been in post from this time. The payment of two head teacher salaries has put a substantial strain on the schools budget. The school outturn for 2017/18 is £53,836 which is less than the expenditure on either the substantive or the interim head teacher.

Process

Rowlands Gill with the assistance of School Budget Support Service have provided evidence to support their application for contingency funding. The contingency application was assessed against the contingency criteria (appendix 1). It was found that the school was in financial difficulty due to circumstances outside of their control. The application process was only concluded following the closure of

2017/18 accounting period to prevent any additional work in either an additional contingency payment or clawback of funding if the school had a closing school budget balance above zero.

Colleagues from EducationGateshead, HR Support and School Budget Support had input into the review process of the contingency application and fully support the application.

Proposal

It is proposed that Schools Forum notes the allocation of funding to the following schools:-

- White Mere Primary School £101,358
- Hill Top Special School £95,220
- Rowlands Gill Primary School £53,836

Recommendations

It is recommended that School Forum notes the funding provided to the above schools.

For the following reasons:

- To provide contingency funding to White Mere, Hill Top and Rowlands Gill schools for financial difficulty due to circumstances outside of their control.

CONTACT: Carole Smith ext. 2747

Appendix 1

Contingency Funding Criteria Agreed October 2016

The LEA will retain centrally contingency funding that **could** provide in-year support to schools for:

1. Cost pressures specifically identified and caused by a relatively large numerical change in pupil numbers, especially if it relates to a single age-group, where the change is outside the control of the governing body and where the timing of the change in circumstances prevents no opportunity to the school to plan accordingly (e.g. housing demolition or compulsory purchase orders, or reorganisation).
2. The correction of significant errors in the data or in the application of the resource allocation formula.
3. Emergency costs arising from incidents outside the control of the governing body of the school (e.g. flood or fire damage). The money allocated for these purposes will be earmarked for specific use.
4. The provision of additional resources or other special support, temporarily, in response to a school as described in the DfE guidance "Schools Causing Concern" issued March 2016, and in accordance with Section 44 of the Education Act 2005, sections 60, 61 and 62 of the Education and Inspections Act 2006.
5. For in-year allocations to schools in respect of pupils with new or revised statements of SEN /Education Health and Care Plan, or for these pupils transferring between schools within the LEA.
6. Schools that are in financial difficulty, and can demonstrate that they have taken all reasonable measures to address financial issues, and that the current financial difficulties are not as a result of financial mismanagement. Schools must apply the LEA's "Model of Reasonableness" before making an application to demonstrate that they meet the criteria.

If contingency is given and a school ends the same financial year with a surplus the contingency payment, or a proportion of it, will be clawed back.