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**SUBJECT:** Support for Schools in Financial Difficulties (formerly Intervention Fund)

**DATE:** 9<sup>th</sup> March 2016

**RECIPIENT:** Schools Forum

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## Background

At the School Forum meeting in January 2016 it was agreed that:

- £100,000 would be de-delegated from maintained mainstream schools to support schools in financial difficulties
- a set of criteria governing the use of this fund and options for 2016/17 allocations will be presented to the next meeting of Schools Forum
- Special Schools will be given an opportunity to contribute to the fund. An email with detail of expected contribution has been sent to all special schools head teachers.

## Forecast Spend 2015/16 and 2016/17 allocation

The forecast spend against 2015/16 fund is £219,000, leaving a balance of £87,000 to be carried forward to 2016/17. If the current forecast position does not change at year end, this will mean the total 2016/17 budget will be £187,000 for allocation as shown in table below.

	<b>2015/16</b>	<b>2016/17</b>
Base Budget	£100,000	£100,000
One-off Carry Forward from 2014/15	£206,000	£0
Total 2015 16 Budget	£306,000	
Total Agreed Commitments	£219,000	
Potential Carry forward	(£87,000)	£87,000
<b>Total 2016/17 Budget</b>		<b>£187,000</b>

## Criteria

1. This fund has been historically available to support schools in financial difficulties. This should remain the key purpose of the agreed funding.

In considering requests from schools for assistance, school balances will be taken into account. If the level of balances exceeds 5% of a secondary schools' current year budget share and 8% at primary, then requests will normally be refused, unless it can be demonstrated that once ear-marked reserves are taken into account, balances fall below these percentages.

2. All schools that contributed to this de-delegated fund or will be contributing through buy back will be entitled to support from this fund.
3. Intervention support, linked to the outcomes of the Schools Monitoring Group meetings may also be needed for individual schools. In the first instance a bid should be made by one of the Teaching Schools to National College for Teaching and Leadership (NTCL) to enable them to provide this support as part of their remit. If resources cannot be accessed this way, then this fund could be used to provide additional support in these circumstances.
4. Any support provided to a school will be on a non-recurring basis.
5. The maximum amount available for any school would be £20,000.
6. If there is an unallocated / unspent balance at year end that will be carried forward to next financial year.
7. It is important to note that any allocation from this fund will be based on current status of local authority maintained schools. If the status of a school changes in future to an academy or a free school, it will be the Council's intention to clawback all funds in full before the school changes its status and these funds will need to be paid by the school or sponsor before conversion. This clawback will be net of the amount paid less the de-delegated contribution made by school. Any clawed back sums will be added back to this fund and will be subject to the criteria outlined in this paper for reallocation.
8. This fund will not provide assistance for any capital related issues, any further assistance required by growing schools in addition to the growth fund they may have received and additional staffing.
9. The School Forum will be regularly updated on a quarterly basis.
10. The decision on allocating funding rests with the Principal Officer for Education & Early Years.

## **Options**

1. Allocate the fund to all schools with financial difficulties based on forecast position at the start of financial year once schools have updated their 2016/17 budget plans in May. However if this option is agreed, this will mean no funds will be left for any other commitments against any additional schools with financial difficulties.
2. The schools apply through a bidding process once their half yearly budget plans are updated in September / October. Should a school believe that their

financial circumstances warrant further consideration and financial support under exceptional circumstances, then a business case will need to be submitted to the Principal Officer for Early Years & Education for such consideration. Any submission will need the support of the school's governing body. It will need to be reviewed by the Finance Manager and Principal Accountant for Early Years & Education prior to formal consideration by Principal Officer.

The timing of the bidding process will be key because there may not be enough funds available for the bids being submitted later in the year.

It is worth noting that whichever option is agreed, in addition to the criteria outlined above, there will be additional requirements such as a robust recovery plan showing detail of proposed actions taken by school to achieve a balance budget position.

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