

## REPORT OF THE HEAD OF EDUCATION & LEARNING AND COUNTY TREASURER

### Financial Intervention Panel (Schools) – Annual Report 2015/16

#### 1. **Governing Bodies are responsible for:**

- i) Taking any remedial actions required to secure an in-year balanced budget
- ii) Having a 3 – 5 year strategic plan to secure high quality educational provision for children within a balanced budget
- iii) Taking timely remedial action when three year budget plan does not balance
- iv) Implementing appropriate action wherever possible to prevent redundancy and retain employment
- v) Ensure that plans submitted to FIPS are correct, robust and deliverable
- vi) Implementation of agreed actions following FIPS decisions
- vii) Ensuring the school participates in the Active Redeployment Programme when future budget difficulties are identified. This includes working pro-actively with the HR Direct Redeployment team at an early stage to place staff at risk of redundancy where possible, thereby retaining experienced staff in Devon and minimising the cost of redundancies.

#### 2. **Purpose of Financial Intervention Panel (Schools) (FIPS)**

- \* FIPS is an officer constituted group that has the function of scrutinising budgets and recovery plans of schools at financial risk.
- \* FIPS will consider Redundancy, Contingency, Compromise Agreement and Ending Fixed Term Contract requests along with Vulnerable Budgets requests to appoint.
- \* FIPS may signpost schools to appropriate strategies to support them in planning for long-term financial viability.

#### **As part of these responsibilities FIPS may:**

- i) Place a school on monthly monitoring or period review.
  - ii) Advise Devon County Council to issue a Notice of Concern or a School Financial Warning Notice (SFWN) or to withdraw delegation
  - iii) Instigate an Individual School Review (ISR) regarding future sustainability of a school and it's status e.g. Federation/ Closure
  - iv) Advise the that the school be placed on the Keys to Success Programme (Excellence for All)
  - v) Instigate a formal audit of the school's financial processes and/or a financial review
  - vi) Authorise recovery plans for schools using an "invest to save" model where strategies are sufficiently innovative and necessary to resolve underlying financial pressures for long term viability
  - vii) Pass on any significant concerns raised with the authority regarding financial processes around an Academy school in Devon to the Secretary of State.
- #### 3. **Analysis of submissions to FIPS**
- A full analysis of submissions and outcomes is attached to this report

#### 4. **Summary**

Support for schools in financial difficulty is funded from maintained schools de-delegated contingency, which is subject to annual consultation with maintained schools by phase. The Panel meticulously scrutinises every submission and will only award financial support when it is satisfied that the governing body has taken every action it possibly can to balance the budget. It should be noted that the contingency budget cannot over spend. If the call on it is greater than the funds available, the over spend will be carried forward to the following financial year and maintained schools will be asked to de-delegate more.

Where the Panel choose to provide support for a school in financial difficulty this may come in one of the following forms: leadership support, financial support, licence deficit or provide a loan.

With a challenging fiscal environment and the prospect of the National Funding Formula, significant changes to the way in which schools are funded and a cash flat DSG settlement, the role of FIPS has become much more pro-active in identifying and engaging with schools with vulnerable budgets at an early stage.

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Head of Education & Learning

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## SUBMISSIONS TO FIPS 2015/16

### Analysis of cases

#### Submissions from schools

The level of submissions remain at a similar level to previous years, however 8 of these cases has continued from 2014/15

	13/14	14/15	15/16
Redundancy	22	16	10
Contingency	6	18	7
Vulnerable budget	1		1
Licensed deficit *	1	4	5
Falling rolls application			1
Other cases incl c/f 14/15			8
<b>Total</b>	<b>30</b>	<b>38</b>	<b>32</b>

\* Licenced Deficits may be agreed as well as other action therefore counted twice or not included in others if separate application made.

#### Breakdown of school type

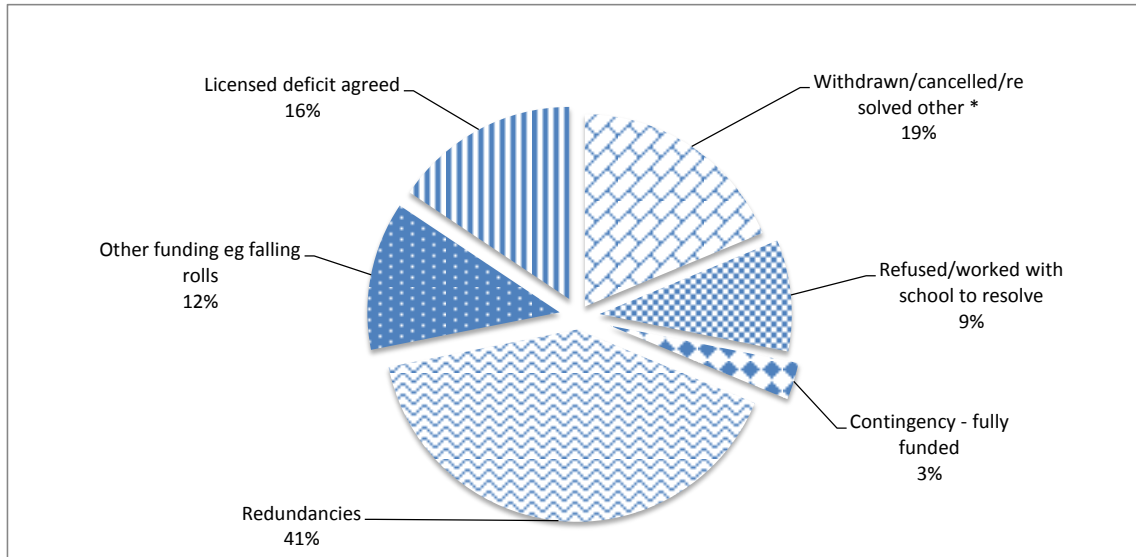
	2013/14		2014/15		2015/16	
	No.	%	No.	%	No.	%
Primary Schools	20	67	32	84	17	53
Secondary Schools	7	23	5	13	10	31
Special Schools	1	3	1	3	5	16 *
Nurseries/Childrens Centres	2	7	0	0	0	0
<b>Total</b>	<b>30</b>	<b>100</b>	<b>38</b>	<b>100</b>	<b>32</b>	<b>100</b>

\* NB 4 separate submissions from same school

#### Outcomes from cases submitted

	13/14	14/15	15/16
Withdrawn/cancelled/resolved other *	4	7	6
Refused/worked with school to resolve	1	5	3
Contingency - part funded	4	8	0
Contingency - fully funded		7	1
Redundancies	10	10	13
Unknown w/o further investigation	11	1	0
Other funding eg falling rolls			4
Licensed deficit agreed			5
<b>TOTAL</b>	<b>30</b>	<b>38</b>	<b>32</b>

\* Includes subsequent academisation



## All cases by school type & size

### Primary phase

Pupil Nos	2015/16			
	No. of schools*	% total	No. of cases	%
<30	11	2	4	24
30-52	25	11	4	24
53-60	10	3	0	0
61-90	48	19	0	0
91-120	38	14	0	0
121-150	19	6	1	6
151-180	25	9	0	0
181-210	25	7	2	12
>211	69	29	6	35
TOTAL	270	100	17	100

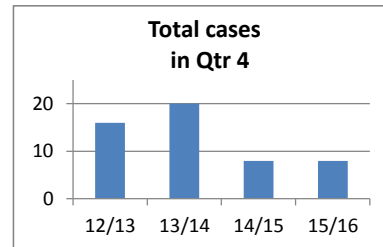
### Secondary phase

Pupil Nos	2015/16			
	No. of schools	% total	No. of cases	% total
11 – 16				
<750	6	35	4	400
>750	4	24	1	100
11 – 18				
<1200	6	35	4	400
>1200	1	6	1	10
Total	17	100	10	910

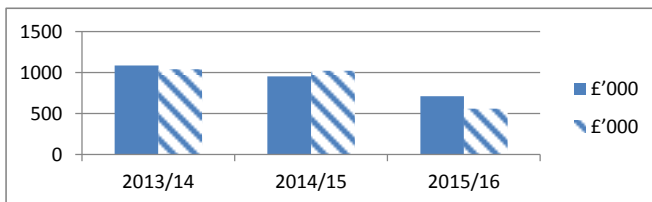
## Comparison of 4th quarter submissions

	12/13	13/14	14/15	15/16
Redundancy	6	11	2	8
Contingency	8	9	5	0
Vulnerable budget	2	0	0	0
Licensed deficit *	0	0	1	2
Falling rolls application				1
Total cases	16	20	8	8

\* LDs agreed as well as other action therefore may be counted twice (applies 14/15).

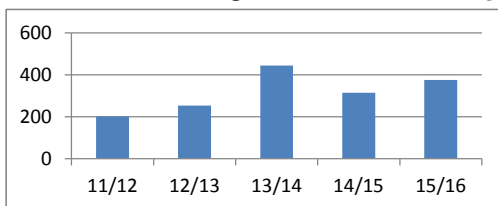


## BUDGET vs SPEND



	Budget £'000	FIPS Spend £'000
2013/14	1,086	1,042
2014/15	952	1,021
2015/16	712	560

## Total number of FIPS agenda items (relating to schools)



11/12	12/13	13/14	14/15	15/16
202	254	444	314	376

## Analysis of tasks undertaken

	15/16
NO. OF SCHOOLS ON MONTHLY MONITOR	30
NO. OF LETTERS SENT FROM FIPS	274
NO. OF PRE-NOTICE OF CONCERN/WARNINGS/SERIOUS CONCERNS LETTERS	8
NO. OF FIPS MEETINGS HELD	23
WORKSHOPS WITH SCHOOLS †	10
FRS REPORTS ANALYSED & QUERIED	125
BUDGET PLANS ANALYSED & QUERIED	232

† Does not include approx 20 meetings with/re 1 particular school