**Deficit Recovery Requirements for Schools**

**Requirement**

The Nottingham Fair Funding Scheme (paragraph 4.9.2) requires that all schools with a deficit are required to repay the deficit, normally in the following year. Deficit schools include:

* Any school that sets a deficit budget
* Any school with a deficit carry forward
* Any school that projects a deficit outturn position

To demonstrate how the deficit will be repaid all schools in this position are required to use the Medium Term Financial Planning (MTFP) tool to produce a Deficit Recovery Plan and a supporting Action Plan.

Deficit schools are required to submit monthly outturn statements by the deadlines published by the Schools Finance Support team and will receive cash monthly.

**Instructions on completing the action plan**

On the following page please list the planned actions required to achieve the balance forecast in the final year of your MTFP. For each action please include the amount of the saving, the year of the saving, date of action (& effect if different) and the person responsible. Remember that delays to implementing actions will result in delays to the school recovering from the deficit position and may result in a Notice of Concern being issued to the school’s governing body. When complete please submit the completed Deficit Recovery Plan and Action Plan to the Schools Finance Support team for review and approval.

**Monitoring the recovery plan**

The school is responsible for ensuring that the actions needed to achieve the plan are taken; the plan should be monitored on a regular basis, including reports to F&GPC and the full governing body. The school must notify the Schools Finance Support team **immediately** of any issues that may increase the deficit or prevent actions in the recovery plan being taken. An updated plan will then need to be supplied.

Schools Finance Support team will monitor the actions proposed to determine if the school’s Deficit Recovery Plan is on course.

**Assumptions**

Please list the assumptions that the recovery plan based on including pupil numbers and other related factors (eg effect of school reorganisation). Include details of any savings that are dependent on factors that are not fully in the school’s control (eg voluntary redundancies).

|  |  |  |
| --- | --- | --- |
| Year | Pupil numbers | Source |
| 2020-21 |  |  |
| 2021-22 |  |  |
| 2022-23 |  |  |

**Other assumptions** (please list)

**DEFICIT RECOVERY ACTION PLAN (Confidential)**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **School Name:** | | | | | | |
| **Period covered by Deficit Recovery Plan:** | | | | | | |
| **Action** | **Detail** | **Amount of saving (£)** | **Year of saving** | **Date of action** | **Date of effect (if different)** | **Responsible** |
| *(eg reduce by one temp TA)* | *(eg TA contract ends Sept 19)* | *(eg £5,543)*  *(eg £12,303)*  *(eg £12,303)* | *(eg 20-21)*  *(eg 21-22)*  *(eg 22-23)* | *(eg give notice May)* | *(eg Sept)* | *(eg HT)* |
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I confirm that the actions listed above will be implemented in order to recover the deficit position of the school and that any changes to the plan will be advised to the Schools Finance Support Team.

Head Teacher Chair of Governors

Name

Signature

Date