

A large, stylized graphic in a vibrant green color. It features a flower-like shape at the top right with several rounded petals, and a long, curved leaf-like shape extending from the left towards the center. Below the flower, there are two more curved shapes, one pointing upwards and one pointing downwards, resembling a leaf or a petal.

**Monitoring &  
Intervention  
Framework  
Newsletter**

## **Introduction**

The Monitoring and Intervention Framework has been launched for 2026/27 and is available on Perspective Lite under the following menu path:

LA Documents > Schools Finance Team > Policies

Ahead of the launch of the framework for 2026/27 a comprehensive review was undertaken of both the framework and the support arrangements available to schools. Under the previous approach, schools triggered the Monitoring and Intervention Framework for a wide range of reasons, resulting in approximately 50% of maintained schools being included. It was felt that Monitoring and Intervention support should be more focused, therefore a revised approach will be implemented from 2026/27.

A Glossary of Terms is included at the end of this newsletter to provide assistance to schools.

## **Schools Identification through the Monitoring & Intervention Framework**

Schools will be identified as Monitoring & Intervention where:

- They have a cumulative overspend on Budget Share at the end of the last financial year, i.e. all surplus balances have been fully utilised and the school now has a deficit.
- They have set a deficit budget on Budget Share for the current financial year including brought forward balances.

Schools will be issued a financial health / resilience warning in any of the below situations:

- A deficit budget has been set for following financial year.
- They have a significant reduction in carry forward from the previous financial year to the current financial year (excluding any excess carry forward) or future years carry forward projections – this is referred to as an in-year deficit. A significant reduction shall be determined as a Nursery, Primary or Special School whose carry forward has reduced by £50,000 or a Secondary School whose carry forward has reduced by £80,000.
- Information indicates that there will be a significant reduction in the number on roll (NoR) in future financial years. A significant reduction shall be determined as:
  - Primary School <100 pupils whose NoR reduce by 5 pupils.
  - Primary School 101<200 pupils whose NoR reduce by 8 pupils or 5% whichever is greater.
  - Primary School >201 pupils whose NoR reduce by 15 pupils or 7% whichever is greater.
  - Secondary School whose NoR reduce by 15 pupils or 3% whichever is greater.
  - Nursery schools where following discussions with the Council's Early Years Team concerns have been raised regarding participation occupancy levels compared to school capacity relating to the prior financial year.
  - Special schools where following discussions with the Council's Special Education Needs team, concerns have been raised regarding the occupancy of agreed place numbers.

The following situations could also result in a school either triggering the Monitoring & Intervention Framework or a Financial Health / Resilience warning:

- Serious concerns have been raised by Internal Audit or the Schools Finance Team.
- If a school has not submitted their Schools Financial Value Standard (SFVS) in accordance with the timescales set by the Council.
- Suspected fraud including misappropriate use of school funds.
- A school alert form raised by the Council.
- Non-compliance with the Council's School Carry Forward Policy.
- They have carried forward significant underspends at the end of the previous financial year. This will be dealt with in conjunction with the Council's School Carry Forward Policy.

### **Schools with overspends (either cumulative or current financial year) – Deficit Recovery Plan**

For those schools that have a cumulative overspend on their Budget Share or have set a deficit budget in the current financial year, the Medium Term Finance Plan (MTFP) that is submitted at the end of May will need to demonstrate its ability to repay the overspend.

In addition to the submission of the MTFP, schools will be required to submit a Deficit Recovery Plan by **17 July 2026** which must be reviewed and approved by the Finance Committee before submission to Schools Finance Team. The Deficit Recovery Plan will be monitored throughout the financial year, an updated Deficit Recovery Plan and MTFP will need to be submitted to Schools Finance Team as per the dates detailed below:

- Friday 23<sup>rd</sup> October 2026
- Friday 29<sup>th</sup> January 2027

A copy of the Deficit Recovery Plan template including a guidance note and example of a completed Deficit Recovery Plan is available on Perspective Lite under the following menu path:

LA Documents > Schools Finance Team > Policies

The Council expect the overspend to be recovered and repaid in a reasonable time period whilst maintaining schools standards – this will be between one to four years depending on the size of the overspend following agreement with the Council.

Once Council officers are satisfied that the MTFP is complete, accurate, realistic and deliverable, the Council will provide feedback confirming this position, including the timescale for recovering the overspend.

## **Governance and Support that schools can expect to receive if they have an overspend (either cumulative or current financial year)**

For those schools in an overspend position can expect to receive governance and support on a number of areas which will typically include:

- Responsible Finance Officer reviewing and monitoring the schools Deficit Recovery Plan to assess if the school are demonstrating they have taken the necessary action to repay the overspend as per the approved Deficit Recovery Plan.
- An updated MTFP submitted by the school to the Schools Finance Team in the autumn and spring term to monitor progress against the agreed Deficit Recovery Plan.
- Responsible Finance Officer contacting the school in September to discuss if the school have any concerns regarding the MTFP since the budget was set earlier in the year, including any large unanticipated costs or savings which will impact the financial position of the school and the Deficit Recovery Plan.
- Schools submitting forecasts to the Schools Finance Team in the autumn and spring terms to monitor progress against the Deficit Recovery Plan.
- Responsible Finance Officer providing feedback including independent constructive challenge to the school based on information provided. This is to support a schools financial planning - circumstances may rise whereby escalation to the Chair of Governors is required.
- Request to review Governor minutes where the financial position of the school is discussed.

### **Escalation Procedures**

Schools may be required to attend meetings with a member of the Council's Schools Finance Team as per the escalation procedures detailed within the Monitoring & Intervention Framework including where there are concerns regarding progress against the Deficit Recovery Plan or financial position of the school.

### **Glossary of Terms**

**Cumulative Overspend on Budget Share** – a situation where in a previous financial year a school's total spending exceeds its income and funding, resulting in the school being in a deficit at the end of the prior financial year.

**Deficit Budget in the current financial year** – a situation where in a previous financial year a school has had a reserve, however in the current financial year a school's total spending exceeds its income and funding, including the use of any reserves carried forward from previous years, resulting in the school being in a deficit at the end of the current financial year.

**Budget Share** – main element of schools funding based on the National Funding Formula.

**Deficit Recovery Plan** – new template created for schools to provide detail of how the deficit will be repaid and allow Schools Finance Team to track and monitor the repayment.