

### Schools in Financial Difficulty (SIFD) Categorisation

Category	Description	Financial Indicators
<b>Category 1 Structural Deficit</b>	Structural deficit that could be beyond recovery within the school finances, the school may not be financially viable and a strategic solution is required	<ul style="list-style-type: none"> <li>• Closing deficit in excess of 30% of the schools budget,</li> <li>• And - In deficit for more than 2 years;</li> <li>• And - No approved recovery plan.</li> </ul>
<b>Category 2 Significant Deficit</b>	School has a significant deficit requiring the school to make substantial organisational savings that need intensive intervention and focussed support to recover. Maybe pushing boundaries of statutory 3 year recovery timescale	<ul style="list-style-type: none"> <li>• Significant Deficit: in excess of 5% of the schools budget</li> </ul>
<b>Category 3 Financially Vulnerable</b>	Schools using significant reserves to balance their budget or have lost significant pupil numbers on the October census, or have low-level deficit or indications of going into a financial deficit.	<ul style="list-style-type: none"> <li>• In Deficit below 5% of the schools budget, or</li> <li>• Indicated deficit closing balance of any level, or;</li> <li>• Over 70% reduction in surplus balances, or;</li> <li>• Reduction in pupil numbers exceeds 10%.</li> </ul>
<b>Category 4 Financially Stable</b>	No budget issues but continued monitoring of financial indicators to confirm ongoing financial health.	None of the above indicators are present