

## **Lewisham Schools Forum Contingency Fund**

### **Overview of Fund**

The Schools Forum operates this mutual fund on behalf of schools. The fund allows schools to make bids for emergency funding in relation to circumstances over which schools would have had no control rather than as a result of their general management of their budget. If a school falls into deficit the expectation is that the school will be granted a licensed deficit whereby the school will address the shortfall over a three year period (5 year in exceptional circumstances). The fund covers significant and unexpected items of expenditure only that without support would impact on the schools standards. It does not cover funding for bulge classes, the expansion of existing schools or start-up funding for new schools. This is covered by a separate mutual fund known as the Growth Fund.

### **Entry into the fund**

The Schools Forum holds the funding centrally on behalf of maintained primary and secondary schools. Special Schools are not eligible unless they specifically subscribe to the fund. The charge is based on an amount per pupil, which will be their notional share of the current central budget. This figure will have been built into their school budget.

### **Request and consideration of allocations**

Schools will need to apply for any support by using the template provided. The administration of the fund is undertaken by the Local Authority on behalf of the Forum. All bids need to be sent to the Lewisham's Schools Funding Team who will collate and comment on the bid before presenting it to the Schools Forum for consideration. Schools will need to ensure that any applications for funding support are provided to the Local Authority at least three weeks before the next Schools Forum meeting in order for them to be considered. Otherwise the application will be heard at the following meeting of the Forum.

The decision of the Schools Forum will be final.

An annual review of the mutual fund will take place. Consideration will be given to returning any surplus to schools or carrying it forward to the next financial year. Any deficits on the fund will be carried forward and set against next year's budget.

### **Circumstances for claims on the funds**

The circumstances in which schools may make claims on the fund are set out below:

## **Large Reductions in schools budget**

Schools are largely funded on the basis of pupil numbers as at the October census. Between years a school can have a large drop in numbers. Normally this would be expected to be managed by the school. In cases where the fall in funding would result in significant numbers of staff being made redundant there is a danger that this could adversely impact on the delivery of the curriculum. In cases where the funding of the school falls by more than 5% in the funding formula plus early years funding (adjusted accordingly if funding mechanism change between years), a school can bid for funding to replace the amount of funding lost over and above 5%. All circumstances within the school will be taken into account by the Forum on deciding the level of support.

## **Closing Schools**

When a school closes or ceases to exist (unless under an academy conversion) in the Lewisham family of schools, then the deficit will be written off against the fund.

## **Closure of Premises**

Where additional premises costs, falling on a school's delegated budget, arise because all or part of a school is closed and /or unavailable with the agreement of the local authority, then the school may make a claim on the contingency fund.

## **Emergencies and Exceptional Circumstances**

Schools may submit claims for additional funding to cover costs resulting directly from emergencies and exceptional circumstances. In such cases a school's financial position, including the level of any unspent balances held, will be taken into account when claims are considered.

## **Errors in School Budget Calculation**

Funding will be given for any proven errors in budget calculation. Under the regulations this is to be adjusted in the following financial year but the funding will be firstly called on through the Mutual Fund.

## **Financial Difficulties**

Schools with severe long-term financial difficulties may apply to have part of historically-accumulated deficits written off.

## **Rates**

Where an actual school rates bill is greater than the funded estimated rates figure, compensation will be given for the excess. The adjustment will be made in the following financial year but be met from the Mutual Fund in the first instance.