



## Schools Forum

**Report title: Additional Funding for Schools in Deficit**

**Date:** 14<sup>th</sup> December 2023

**Key decision:** No.

**Ward(s) affected:** All

**Item number:** 8

### Outline and recommendations

#### Outline

Schools Forum to note the guidance regarding the financial support for local authorities supporting maintained schools in financial difficulty (2023 to 2024).

#### Recommendations

Schools Forum is asked to note the content of this report that focuses on:-

- Criteria for supporting schools that are currently in a deficit budget, in line with the grant conditions supporting this funding.
- To note this is one off funding which must be allocated to schools by the 31<sup>st</sup> March where they meet the criteria.
- Allocation of funding must remain within the overall funding provided by the DfE.

## 1. Summary

- 1.1. The DfE has allocated £20 million between local authorities who have aggregated school-level deficits as a proportion of their total maintained schools' income above 1%. Local authorities' allocations will be in proportion to their aggregated school-level deficit.
- 1.2. Lewisham has been allocated £458,226.44 for the financial year 2023/24. Payment to schools will be made in December 2023 and January 2024.
- 1.3. Local Authorities are to use this funding to best support their schools in the individual circumstances in which they find themselves. Local Authorities have flexibility over how this funding can be used, however it is premised on the most recent guidance ( March 2023) Schemes for financing local authority maintained schools 2023 to 2024.

It is important to note that:

- Section 6.7 of the guidance allows for local authorities to pay cash sums towards elimination of a deficit balance. This is designed for circumstances where it is not

reasonable to expect the school to eliminate the whole of the deficit from its own future resources.

- This **does not mean** that every school with a deficit within that local authority should be given additional funding. Funding to be allocated on a case-by-case basis, taking into account the severity of the school's position and prioritising those in greatest need.
- Local authorities should demonstrate transparency in the use of this additional funding and therefore the following criteria will be used in determining funding for schools in deficit.

## 2. Recommendations

- 2.1. Schools Forum is asked to note the content of this report that focuses on:-
- Criteria for supporting schools that are currently in a deficit budget, in line with the grant conditions supporting this funding.
  - To note this is one off funding which must be allocated to schools by the 31<sup>st</sup> March 2024, where they meet the criteria.
  - Allocation of funding must remain within the overall funding provided by the DfE.

## 3. Policy Context

- 3.1. Lewisham's 2022-26 Corporate Strategy will continue the fantastic work of the last four years, supporting our schools to improve and increasing the opportunities for young people in Lewisham. Lewisham's Education Strategy 2022-27 has high aspirations for all our children and young people, whatever their starting point. We want all children and young people to have access to excellent education in Lewisham, so they can fulfil their true potential.

## 4. Criteria for the allocation funds to support schools in receipt of a deficit budget

- 4.1. Schools with a current deficit at the end of the financial year in 2022/23 will be invited to apply to the local authority for additional funding to reduce or eliminate their deficit by submitting evidence linked to the following criteria (no more than 1000 words):
- A current and up to date deficit recovery plan that demonstrates that the deficit in decreasing (evidence of an in-year surplus) within the 3 year timescale **and is not increasing**
  - Evidence of recent benchmarking against similar schools – particularly in relation to staffing.
  - Extraordinary circumstances experienced by the school will be considered on a case by case basis, including why the school is in a deficit. The following are examples of what would not be considered extraordinary:
    - Long term sickness
    - Redundancy
    - Capital works that are the responsibility of the local authority
- 4.2. It should be noted that in the event a school is the beneficiary of any funding, should the schools position at 2023/24 exceed the value, the difference will be clawed back.

## 5. Financial implications

- 5.1. £458k is a one off funding support provided to LA to target some contribution to

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schools that are currently in financial difficulty.

- 5.2. The LA is required to allocate this funding before the end of the financial year and is intended to provide some welcome relief to the school.
- 5.3. The funding is not intended to write off total deficits and can only be a contribution towards the overall debt.
- 5.4. Depending on the number of successful applications received, the funding will be allocated to schools, but must remain within the total funding level
- 5.5. Funding is not intended to support a school to build reserves.
- 5.6. Schools forum will updated on the total number of schools supported.

## **6. Legal implications**

- 6.1. There are no legal implications arising from this report.

## **7. Equalities implications**

- 7.1. The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 7.2. In light of this an Equalities Impact Assessment will be undertaken for each school who makes an application to access funding to reduce a deficit budget to ensure that the school is financially viable and secures a quality of education that supports the Lewisham Education Strategy.

## **8. Climate change and environmental implications**

- 8.1. There are no climate change and environmental implications.

## **9. Crime and disorder implications**

- 9.1. There are no crime and disorder implications.

## **10. Health and wellbeing implications**

- 10.1. There are no health and wellbeing implications.

### **Report author(s) and contact**

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