

## NOTICE OF MEETING

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# Haringey Schools Forum

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THURSDAY, 13TH MARCH, 2025 AT 4.00 pm HRS - MICROSOFT TEAMS.

**1. CHAIR'S WELCOME**

**2. APOLOGIES, SUBSTITUTE MEMBERS, AND OBSERVERS**

Clerk to report.

**3. DECLARATIONS OF INTEREST**

Declarations are only required where an individual member of the Forum has a pecuniary interest in an item on the agenda.

**4. MINUTES OF THE MEETING OF 6 FEBRUARY 2025 (PAGES 1 - 8)**

Matters arising

**5. UPDATE FROM WORKING PARTIES**

To receive an update from the working parties not covered within the agenda.

A The Early Years working party.

B The High Needs working party

C The Dedicated School Block working party.

**6. SCHOOLS IN FINANCIAL DIFFICULTY UPDATE (PAGES 9 - 18)**

Neil Sinclair / Muhammad Ali

**7. SAFETY VALVE PROGRAMME UPDATE**

Education Welfare funding paper

**8. PROPOSED MEETINGS DATES FOR 2024-2025**

Thursday 3 July 20225.

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**9. ANY OTHER URGENT BUSINESS**





## Haringey Schools Forum Minutes

6 February 2025 AT 16:00 HRS AT HEP:Inderwick Road, Crouch End N8 9JF

| School Members                          |   |   |
|---|---|---|
| Headteachers                            |   |   |
| Special (1)                             | Martin Doyle (Riverside)  |   |
| Nursery Schools (1)                     | (A)Sian McDermott (Rowland Hill)  |   |
| Primary (7)                             | Mary Gardiner (West Green)  | Kate Stevens (St Aidan VC)                    |
|   | Robert Lane (Headteacher: Welbourne) substitute for Hina Shah (Earlsmead)                   | Paul Murphy (Lancasterian)                    |
|   | (A)Ian Scotchbrook (South Haringay)   | (A)Linda Sarr (Risley Avenue)                 |
|   | Bola Soneye-Thomas (Rokesly Junior School)  |   |
| Secondary (2)                           | Jo Davey (Fortismere)   | Vacancy                                       |
| Primary Academy (1)                     | (A)Luke Renwick (Brook House) long term substitute for Simon Knowles (LDBS Academies Trust) |   |
| Secondary Academies (3)                 | (A)Michael McKenzie (Alexandra Park)  | (A)Angela Wallace (Mulberry Woodside Academy) |
|   | Vacancy   |   |
| Alternative Provision (1)               | (A)Gerry Robinson (Executive Headteacher HLP)   |   |
| Governors                               |   |   |
| Special (1)                             | Phil Di Leo (The Vale)  |   |
| Nursery School (1)                      | Melian Mansfield (Pembury)  |   |
| Primary Maintained (7)                  | Vacancy   | Dan Salem (Stroud Green Primary)              |
|   | Oliver Simms (Alexandra Primary)  |   |
|   | Helen Froggatt (St Aidan's VC) P  | (A)Jenny Thomas (Lordship Lane)               |
|   | Caroline Schloss (Alexandra Primary)  |   |
| Secondary Maintained (3)                | (A)Laurence Penn (Highgate Wood)  | Vacancy                                       |
|   | Sylvia Dobie (Park View)  |   |
| Primary Academy (1)                     | Vacancy   |   |
| Secondary Academies (3)                 | (A)Andrea Henry (Greig City Academy)  | Vacancy                                       |
|   | Vacancy   |   |
| Alternative Provision (1)               | Vacancy   |   |
| Non-School Members                      |   |   |
| Non-Executive Councillor                | Cllr Ibrahim Ali  |   |
| Trade Union Representative              | (A)Paul Rennn   |   |
| Professional Association Representative | (A)Efe Kurtluoglu substitution for Ed Harlow  |   |
| Faith Schools                           | (A)Geraldine Gallagher  |   |
| CCCG Representative                     | (A)Christine Bianchin   |   |

|   |                   |
|---|-------------------|
| <b>Early Years Providers</b>                      | Susan Tudor-Hart  |
| <b>Independent member</b>                         | Will Wawn [Chair] |
| <b>Observers</b>                                  |                   |
| None  |                   |
| <b>Cabinet Member for CYPS</b>                    |                   |
| (A)Cllr Zena Brabazon                             |                   |
| <b>Also Attending</b>                             |                   |
| Director of Children's Services                   | (A)Ann Graham     |
| Assistant Director, Schools & Learning            | Jane Edwards      |
| Assistant Director, Commissioning & Programmes    | (A)Caroline Brain |
| Assistant Director, Early Help, Prevention & SEND | Jackie Difolco    |
| Head of Schools Finance                           | Neil Sinclair     |
| Senior Finance Manager - Schools                  | Muhammad Ali      |
| Principal Accountant                              | Lewis Anthony     |
| Principal advisor for Early Years                 | Nick Hewlett      |
| Chief Executive HEP                               | James Page        |
| Lead for Governor Services (HEP)                  | Anne Etchells     |
| Clerk (HEP)                                       | Corinne David     |

(A) Absent

# **1. CHAIR'S WELCOME**

1.1 The Chair welcomed everyone to the meeting.

# **2. APOLOGIES, SUBSTITUTE MEMBERS, OBSERVERS AND FORUM MEMBERSHIP UPDATES**

2.1 Apologies for Absence were received and noted from:

Sian McDermott (Headteacher: Rowland Hill)

Hina Shah (Headteacher: Earlsmead)

Ian Scotchbrook (Headteacher: South Harringay)

Linda Sarr (Headteacher: Risley Avenue)

Laurence Penn (Governor: Highgate Wood)

Cllr Zena Brabazon

Anne Graham (Director of Children's Services)

Caroline Brain (Assistant Director, Commissioning & Programmes)

2.2 Robert Lane (Headteacher: Welbourne) was welcomed as a substitute member to the meeting.

2.3 Lewis Anthony was welcomed as Principal Accountant.

# **3. DECLARATIONS OF INTEREST**

3.1 No declaration of interests was made in respect of any of the agenda items.

# **4. MINUTES FROM PREVIOUS MEETING**

4.1 The minutes of the Schools Forum meeting held on 16 January 2025 were **AGREED** and **RATIFIED** as a correct record of the meeting; subject to the following clarification:

- Item 4.2.7: The 2024/25 split site nursery funding of £60k would be received in the February 2025 cash flow.
- Item 5.1.1: A primary Headteacher, whose school also had a nursery, from Schools Forum membership was sought to join the Early Years Working Party.

4.2 Matters arising

4.2.1 Item 4.2.1 Vacancies on the School's Forum membership

a) All members to continue recruitment through all avenues to appoint to vacant positions.

b) Will Wawn to follow up with Secondary Academies to try and recruit to vacancies.

c) For each block that had vacancies, elections to take place to select members to the Forum.

d) HEP to continue to email all Governors regarding Governor vacancies on Schools Forum. Governor Forum members to make request for members at relevant Chairs and Governor meetings.

All actions were noted as ongoing actions.

4.2.2 Item 4.2.2 Vice Chair Election

The Chair informed Schools Forum that no one had been in contact and expressed an interest in becoming Vice -Chair.

Action to be undertaken at the July meeting.

4.2.3 Item 8.4 Jackie Difolco informed Schools Forum that whilst it was widely known that there is insufficient funding for children with SEND support and EHCPs, there had been discussions with Headteachers regarding the actual cost of supporting pupils and looking at best practice and learning that could be shared. The Headteacher of Muswell Hill Primary school is undertaking a piece of work supported by the LA to inform this. Also, further information will be received from the secondary Headteachers. Officers noted that the spreadsheet sent to schools re: numbers of children with SEND support and EHCPs is informed by data provided by schools for the termly CENSUS returns.

Action was closed.

4.2.4 Item 11.1 To receive the Schools in Financial Difficulty Update'  
See item 9.

**5. UPDATE FROM WORKING PARTIES**

5.1 No wider updates were received from the Early Years Block Working Party. Noted that the majority of work undertaken since the last meeting was in connection with item 7.

5.2 No update was received from High Needs Block Working Party.

5.3 No update was received from the Dedicated School Block Working Party

**6. CENTRAL SCHOOLS SERVICES BLOCK FUNDING 25/26**

6.1 Lewis Anthony provided an overview of the paper titled 'Dedicated School Grant (DSG) 2025/26 and Central Schools Services (CSSB) Block Funding'.

6.2 The CSSB continues to have two elements of funding: a) Ongoing responsibilities, which funds all local authorities (LA) for central functions to deliver central functions to all pupils in maintained schools and academies which has been reduced by 2.5% each year; b) Historic commitments of which Haringey has none.

- 6.3 In 2025-26, the CSSB allocation was increased due to the rolling in of grants, which were provided separately in 2024-25 in respect of: (i) increased copyright licences costs; and (ii) centrally employed teachers, through the teachers' pension employment contribution grant (TPECG) and the core schools budget grant (CSBG).
- 6.4 The following allocations were noted, totalling £2.703m:
- a) Education Service Grant: £550k.
  - b) Schools Standards: £273k.
  - c) Looked After Children Placements: £454k.
  - d) Early Help: £350k.
  - e) Service of Schools' Forum: £10k.
  - f) Admissions: £318k.
  - g) Governor Support: £130k.
  - h) Music & Performing Arts: £168k.
  - i) Support Costs: £192k.
  - j) Copyrights Licences: £220k.
  - k) Rolling in finding: £102k.
- 6.5 Members commended those services that have received reduced in funding; but continue to deliver high quality services.

## **7. EARLY YEARS BLOCK 24/25 UPDATE & 25/26 FUNDING STRATEGY**

- 7.1 Nick Hewlett provided an overview of the paper titled 'Early Years Block 2024-25 update and budget setting 2025 26'.
- 7.2 The service was currently forecasting an underspend of £530k which will go into reserves. The Early Years Block indicative allocations for 2025/26 reports an increase of 24%, £7.5m due to additional funding for 2-year-old working families receiving additional support and under 2's expansion of the 30-hour entitlement which commences in September 2025. Some new funding initiatives were also received in September.
- 7.3 Noted that the centrally retained funding level had reduced from 5% to 4%. An overview of the how the centrally retained funding spending allocations was provided totalling £1.497m. Noted that the amount within contingency had increased; however there had not been a significant call on the funds during the previous year.
- 7.4 Nick Hewlett informed members that there were 9 to 10 schools that have applied for the Nursery 2-year-old capital grant, demonstrating that funding for 2-year-olds has improved allowing provision to be financially viable. Members suggested that Officers collect case studies of schools that are taking 2-year-olds and the positive impact the nursery provision has on the overall school setting.
- 7.5 Members discussed how the payment for deprivation was determined. Noted that the IDACI figures were out of date. EYFS providers noted that settings found it challenging to get parents to claim pupil premium; noting that families had to provide their National Insurance number to allow settings to check eligibility. It was not mandatory for parents to provide this information and there was a reluctance to declare eligibility from some communities. Headteachers' noted that as part of family indication packs National Insurance numbers were sought as part of the paper work.
- 7.6 As part of the Safety Valve programme, it had been agreed that the early years block will make a contribution year on year to the high needs block to passport funding back to the HNB. The 2025/2026 contribution is based on the total cost of £360,000 apportioned against each of the Early Years entitlements. This supports the wider early years work linked to Safety Valve. As an example, the EYs inclusion fund which provides funding for young children with emerging needs until the end of year 1 without the need for an EHCP. Part of the EY fund supports easier access to

Speech and Language for EYFS children. Those children accessing the inclusion funds will have light touch check ins to establish if they need an EHCP or whether their needs can be met through the graduated response. The LA is monitoring the uptake and impact of the Early Years Inclusion Fund.

- 7.7 EY members noted that there was no minimum funding guarantee; similar to school settings. The top slicing for SEND creates issues for future financial planning. Officers reassured settings that where possible the LA tried to create financial stability which meant the base rate wouldn't be affected and decline. Further noted funding is affected by pupil numbers; with that with increasing children numbers results in an increased funding envelope.

- 7.8 *Q: Will there be more hours that are funded?*

A: The rates have increased slightly; but the hours available has also increased. Noted that the data is indicative as it's difficult to know how many children are in the system or families will take up the provision. Officers have to go by GP data. Currently around the take up rate is around 80% to 85%.

- 7.9 *Q: Are there different rates for take up?*

A: Yes; but officers can only go by how many codes have been validated. The current take up rate for three and four year olds is at 86%; this is the highest level for Haringey.

- 7.10 *Q: How does Haringey compare to neighbours?*

A: Haringey is below national take up rates which is at 90%; however, there is a large number of certain communities like Orthodox Jewish that seek provision out of the borough. There are also some communities that don't want to take up childcare.

- 7.11 The Chair drew member towards a vote on the recommendations detailed within the paper.

- 7.11.1 Recommendation 1: It is the recommendation of the Early Years Working Group that the hourly rate paid for the delivery of the 2-year-old families receiving additional support entitlement is £9.72 per hour.

### **RECOMMENDATION 1 WAS UNANIMOUSLY AGREED.**

- 7.11.2 Recommendation 2: It is the recommendation of the Early Years Working Group that the hourly rate paid for the delivery of the 2-year-old working families entitlement is £9.72 per hour.

### **RECOMMENDATION 2 WAS UNANIMOUSLY AGREED.**

- 7.11.3 Recommendation 3: It is the recommendation of the Early Years Working Group that the hourly rate paid for the delivery of the under 2's entitlement is £13.40 per hour

### **RECOMMENDATION 3 WAS UNANIMOUSLY AGREED.**

- 7.11.4 Recommendation 4: It is the recommendation of the Early Years Working Group that the hourly rate paid for the delivery of the 3 and 4-year-old free entitlement, is Option 2D. Base Rate: £6.18 per hour. Deprivation Rate: £0.30 per hour for those pupils eligible for Early Years Pupil Premium Hourly Rate totalling £6.48 per hour.

### **RECOMMENDATION 4 WAS UNANIMOUSLY AGREED.**

## **8. SAFETY VALVE PROGRAMME UPDATE**

- 8.1 Jackie Difolco provided a summary of the current progress with the Safety Valve Projects, noting that a power point presentation had been circulated prior to the

meeting. Ten out of 18 projects are closed and now business as usual and being tracked within the programme regarding their impact.

## 8.2 Demand Management Projects

8.2.1 *Project A.1 Speech, Language and Communication.* The service continues to provide training and support to primary schools for the delivery of the SLCN Pathway. Data set now in place measuring impact of SLCN pathway delivery and evidencing good impact with 80% improvement in SLCN needs and a 50% reduction in referrals to specialist therapies compared with the previous year. Review of 2023/24 and next steps being arranged working with the Safety Valve Steering Group.

8.2.2 *Project A.4 Annual Reviews.* Growth funding from Council's revenue fund has agreed (£1m) for further Educational Psychologists and EHC Co-ordinator's (increase by 5 officers) which will positively impact quality and compliance of EHCP's; which is currently at 60%. Ninety percent of new plans are completed within 16 to 20 weeks.

8.2.3 *Project A.5 SEND Supported Internships.* There are 44 young people who are currently on a supported internship. A specialist role (NEET Co-ordinator) is now in post to support both young people and employers with this programme. Review of pre supported internship to see if it can include post 19. The service is expanding the number of disability confident employers who can offer placements.

## 8.3 Commissioning/Capital Projects

The following was noted by members:

- Alexandra Primary provision for children with SEMH (10 places). Building work is due to start in the Easter holidays and on track to be open for September 25.
- Earlsmead Primary provision for autistic children (15 places). The Resource Provision has opened with a phasing of the placements with three children attending.
- The Brook Primary Provision for autistic children with complex needs is on track to be open for September 25.
- Park View (St Mary' site) secondary provision for children with SEMH (34 places) is on track to be opened for September 26.
- Riverside Secondary and Post 16 provision for autistic children with complex needs (15 places) has been opened and is full.
- Work is in progress with Fortismere Secondary for provision for autistic children to open in September 2026.
- Phase two is underway to create an additional 40 places. The service is being strategic in the employment of the annual capital budget to create the addition places.

8.4 Currently Haringey has 2,979 active EHCPs which is 121 EHCP over the Safety Valve target. The LA undertook an annual review to ensure that those children that required an EHCP received one. Overall, the outcome showed that decision making was robust and appropriate.

8.5 The budget for 24-25 was £55.6m. The Safety Valve target was not to exceed this by £2.8m. The LA rolled over £300k from 23-24 resulting in an overspend target of £2.5m. The current projection stood at £2.6m and on track to meet the target which will mean the LA can draw down £3m this year to reduce the accumulative deficit to £10.7m (was £21m at start of programme).

8.6 *Q: How does 60% of the annual reviews completed within time frame compare to other neighbours?*

A: The national rate of completion is approx. 50%. The largest cohort impacted is post 16. Noted that the responsibility of an annual review is that of the education provider (schools). EHC Co-ordinators only attend annual reviews if there is a risk of a placement breakdown as there are only 17 case officers for 3,000 plans and they



do not have a relationship with the children. Those children approaching a phase transfer (primary to secondary; secondary to post 16) completion is prioritised and above 90%. For completion and issuing of new EHCP Haringey is significantly above national average of 55%, Haringey is 90% The EHC Co-ordinators team will be strengthened: with a officer providing triage, additional support in the primary team and a focus on post 16.

- 8.7 Members provided their experiences/ challenges of trying to engage with Health services to complete EHCP reviews and support plans.

**ACTION** a) Schools to provide their experiences of engaging with Health for the EHCP review process to Jackie Difolco.  
b) Jackie Difolco to discuss with Health colleagues the challenges schools have experienced to engage with different services.

- 8.8 A Member enquire about representation on the Safety Value Programme Board from the EYs sector.

**ACTION** Jackie Difolco to arrange for Early Years representation on the SV steering group.

- 8.9 Members acknowledged the rapid progress within the Safety Valve and commended the LA.

- 8.10 Jackie Difolco informed members that Mary Jarrett's replacement was Karen Flanagan and will be joining Haringey on 24 March 2025.

## 9 SCHOOLS IN FINANCIAL DIFFICULTY 25/26 DE-DELEGATION PROPOSAL

- 9.1 Neil Sinclair requested a deferment of the Schools in Financial Difficulty paper to the March Schools Forum paper. Noted that the paper will be shared with members and Governors. Members sought an acknowledgement within the paper that schools were spending significant resources on supporting EHCP which had an impacted on overall budgets.

**ACTION** LA to circulate updated paper to schools for comment by end of next week.

**AGREED for Schools Forum to receive the schools in financial difficulty paper at the March meeting.**

## 10 PROPOSED MEETING DATES FOR 2025

Dates for the remainder of the meetings for the current academic year were noted as:

- Thursday 13 March 2025 at 4pm – Via TEAMs.
- Thursday 3 July 2024 at 4pm

- 10.1 Agenda items for the March meeting

- Schools in Financial Difficulty
- Possible Terms of Reference for the High needs block.
- Safety Valve Update

- 10.2 The discussion paper on notional SEND to be received at the July meeting.

## 11 ANY OTHER URGENT BUSINESS

- 11.1 Muhammad Ali informed members that the 0.5% disapplication block transfer and the EWS transfer had been approved by the DfE.

The Chair closed the meeting at 6pm.

**SUMMARY OF AGREED ACTIONS**

| <b>Item</b> | <b>Action</b>  | <b>Lead</b>                         |
|-------------|--|-------------------------------------|
| 4.2.1       | <u>Vacancies on the School's Forum membership</u><br>a) All members to continue recruitment through all avenues to appoint to vacant positions.<br><br>b) Will Wawn to follow up with Secondary Academies to try and recruit to vacancies.<br><br>c) For each block that had vacancies, elections to take place to select members to the Forum.<br><br>d) HEP to continue to email all Governors regarding Governor vacancies on Schools Forum. Governor Forum members to make request for members at relevant Chairs and Governor meetings. | All<br><br>WW<br><br>All<br><br>HEP |
| 4.2.2       | <u>Vice Chair Election</u><br>Election of Vice -Chair to be undertaken at the July meeting.  | Clerk/WW                            |
| 8.7         | <u>Engagement of Health Services in supporting EHCP</u><br>a) Schools to provide their experiences of engaging with Health for the EHCP review process to Jackie Difolco.<br><br>b) Jackie Difolco to discuss with Health colleagues the challenges schools have experienced to engage with different services.  | Headteachers<br><br>JD              |
| 8.8         | <u>Representation on the Safety Value Programme Board</u><br>Jackie Difolco to arrange for early years representation on the Safety Valve Steering Group.  | JD                                  |
| 9.1         | <u>Schools in Financial Difficulty paper</u><br>LA to circulate updated paper to schools for comment by end of next week.  | NS/MA                               |

## Agenda Item 6



### Report Status

For information/note ☒  
 For consultation & views ☐  
 For decision ☒

### Report to Haringey Schools Forum – 13<sup>th</sup> March 2025

#### Report Title: Schools in Financial Difficulty Update

##### Authors:

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 Schools Finance Manager  
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Neil Sinclair  
 Head of Finance (People)  
 Email: [Neil.Sinclair@haringey.gov.uk](mailto:Neil.Sinclair@haringey.gov.uk)

##### Report authorised by:

Jane Edwards  
 Assistant Director  
 Email: [Jane.Edwards@haringey.gov.uk](mailto:Jane.Edwards@haringey.gov.uk)

##### Purpose:

1. Update the Schools' Forum on schools experiencing financial difficulty.
2. Provide an update on the current number of schools with loans and cash flow advances.
3. Provide an overview of the primary financial challenges impacting schools and an update on the council's responses.
4. Consider a proposal to increase the funding available to provide targeted support to schools in financial difficulty

##### Recommendation:

For Schools' Forum to

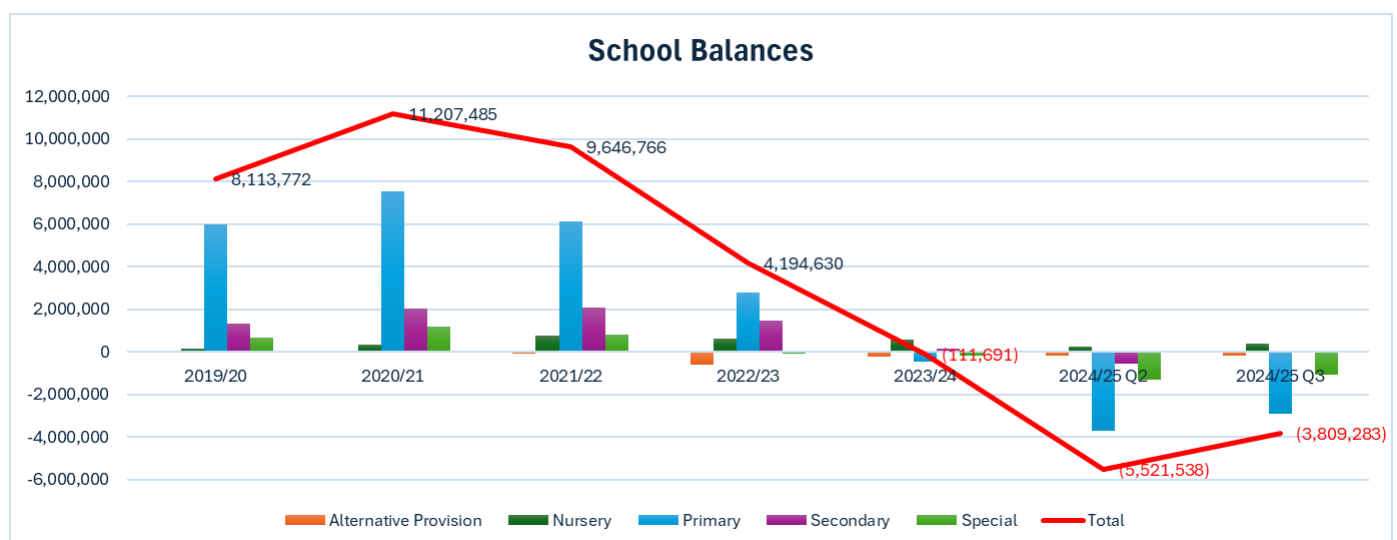
1. Note the updated financial position of maintained schools across Haringey
2. Approve the De-Delegated budget of £150,000 for targeted support for schools facing financial difficulty.

## 1 Introduction

- 1.1 This report provides an update on the year-end financial balances of schools over the past five years, up to 31st March 2025 (based on Q3 forecast).
- 1.2 The report also includes an update on the number of schools with licensed deficits and cash flow advances, as well as changes in the total number of deficits funded by Haringey Council.
- 1.3 Additionally, the report sets out the main factors of financial risk that are having an impact on schools and their ability to operate in within a balanced budget.
- 1.4 This report considers the existing capacity of the school's finance team in the context of supporting and addressing the increasing financial risks faced by maintained schools across the borough.
- 1.5 To set a balanced budget for 2025/26 the council has requested and had approved exceptional financial support (EFS) of £37m from the Ministry of Housing, Communities and Local Government. Any use of EFS must be a last resort and therefore, although the proposed budget for 2025/26 will be set based on this level of financial support from Government, the Council will continue to take the immediate actions to reduce spend and increase income so to reduce the final level of support that is needed to be drawn down and any reliance in future years. As a result the council must take proactive steps to mitigate future financial risks.
- 1.6 The report highlights that, due to limited resources, that whilst the council's schools finance team is taking proactive steps, it is limited in capacity to support schools experiencing financial difficulty or those at risk of financial hardship. Given the wider council financial challenges there is no likelihood of increased council to expand the schools finance team.

## 2 Analysis of Schools balances

- 2.1 The following graph represents school closing balances over the last 5 years, along with projected closing balances as of March 2025.



2.2 The chart above and table on the next page illustrate the deficit amounts categorised by school type over the past five years. Key observations are:

- **Declining Balances:** We have now a net forecast deficit at Q3 of £3.8m, made up of 36 schools with a forecast deficit and 28 with a forecast surplus. Whilst the position has improved between Q2 and Q3, it is believed that this is as a result of improved forecasting rather than improved performance. There remains a risk that as with last financial year that the year-end outturn position will be materially different from the Q3 forecast.

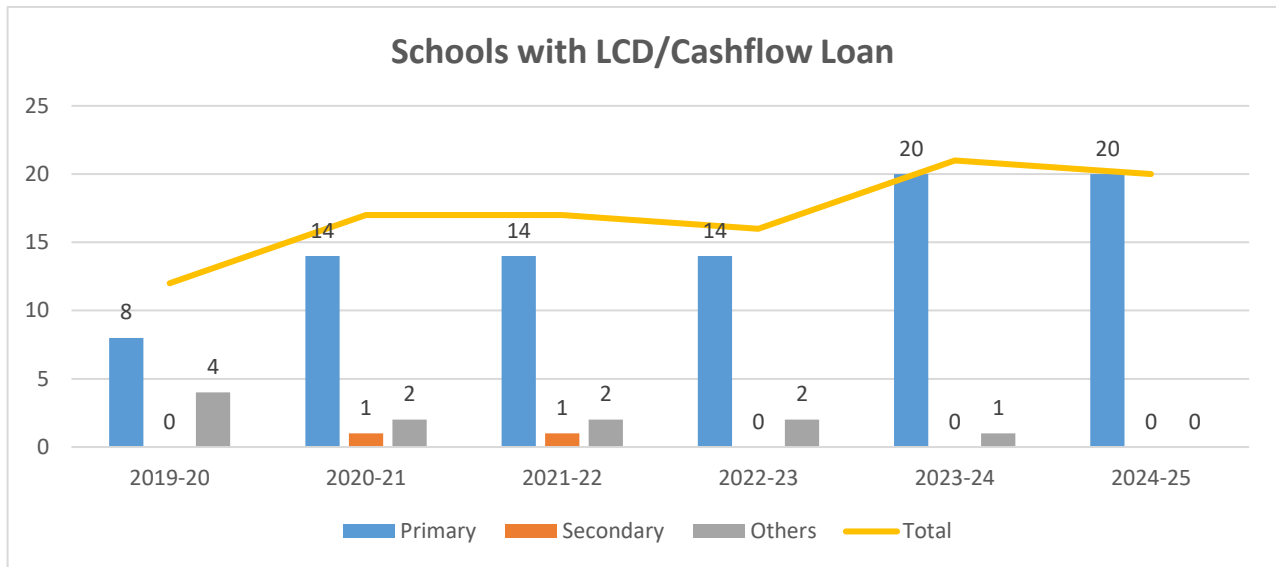
Producing the Q3 forecast took four weeks longer than expected, as a result of late submissions and data quality checks that were required to verify numbers.

- **Primary and Special Schools:** Show the most significant negative trends, with primary schools moving into a severe deficit.
- **Nursery Schools:** Continue to maintain positive balances but have shown a noticeable decline.
- **Overall Impact:** The total balance for all schools combined has shifted from a surplus of £11.2m to a substantial deficit of between £3.8m and £5.5m over the last 4 years, indicating increased financial strain and potential funding challenges across the board.

2.3 The following table represents projected closing balances as of March 2025.

| Type of School | Number of Schools with Forecast Deficit | Forecast Deficit £'000s | Number of Schools with Forecast Surplus | Forecast Surplus £'000s | Forecast Net Surplus / (Deficit) £'000s | Schools with licensed deficit recovery plan |
|----------------|---|-------------------------|---|-------------------------|---|---|
| Nursery        | 2                                       | (206)                   | 1                                       | 611                     | 405                                     | 0   |
| Primary        | 28                                      | (6,220)                 | 23                                      | 3,316                   | (2,903)                                 | 20  |
| Secondary      | 2                                       | (918)                   | 3                                       | 855                     | (62)                                    | 0   |
| Special        | 3                                       | (1,115)                 | 1                                       | 43                      | (1,073)                                 | 0   |
| AP             | 1                                       | (176)                   | 0                                       | 0                       | (176)                                   | 1   |
| <b>Totals</b>  | <b>36</b>                               | <b>(8,634)</b>          | <b>28</b>                               | <b>4,825</b>            | <b>(3,809)</b>                          | <b>21</b>                                   |

2.4 The following represents the number of schools with a licenced deficit funded by Haringey Council.



2.5 The following represents the number of schools and amount of licenced deficit funded by the Council, position as at November 2024.

| Licenced Deficit | No of Schools | Closing Balance at 31 March 2024 | Additional loans YTD (Nov 24) | Repayment (expected) | Outstanding Balance at 31 March 2025 |
|------------------|---------------|----------------------------------|-------------------------------|----------------------|--------------------------------------|
| Primary          | 20            | 3,714,777                        | 445,348                       | -1,698,517           | 2,461,607                            |
| Secondary        | 0             | 0                                | 0                             | 0                    | 0                                    |
| Others           | 1             | 516,666                          | 0                             | -516,666             | 0                                    |
| <b>Total</b>     | <b>21</b>     | <b>4,231,443</b>                 | <b>445,348</b>                | <b>-2,215,183</b>    | <b>2,461,607</b>                     |

2.6 While the financial report for Q3 indicates that 36 schools are facing deficits, only 20 schools have sought licensed deficit loans or cash flow assistance. At this point, we expect that the remaining 17 schools do not require loans or cash flow support, as they are effectively managing their finances. However, this situation may evolve in response to ongoing financial pressures.

- 2 primaries and 1 special are forecasted to finish paying off their loans
- 3 new schools loans application received during the year but not yet agreed, awaiting SRMA (School Recourse Management Adviser) final report
- 3 new loans issued during the year

### 3 Financial pressures facing schools

3.1 Examples of areas which are having an impact on financial stability of individual schools:

- Falling pupil numbers – reduced birth rates and migration have affected not only reception intake but smaller class numbers across all year groups, particularly in primary schools. Reviews of staffing to pupil numbers is necessary to ensure a

sustainable staffing structure is in place. Going through an SRMA review gives assurance to check the school's structure best suits forecasted pupil numbers.

- Whilst we have comparable numbers of children with EHCPs against London and national averages within our mainstream schools, a contributory factor for schools in financial difficulty will be insufficient funding levels from the high needs block (HNB) which to meet the needs of children with complex SEND. The bandings work has ensured that there is increased and equitable funding within mainstream settings, however the overall level of funding is based on a national formula.
- Reduced income from school activities. It is recognised that reduced lettings and cost pressures on organised activities has impacted on the amount of income that schools receive compared to pre-Covid times.
- Rising food and utility costs – these are the main inflationary factors affecting schools. Ensuring that the best rates are obtained during the procurement process is essential for schools. The Council hosted webinars with the ESFA for schools on procurement from April 2024 onwards.
- Staffing costs – Where staffing numbers, costs and pay rates are not commensurate to the school size, particularly where there has been a PAN reduction. This has an impact on overall schools' staffing costs.

#### **4 Schools Scheme of Finance Regulations and Standing Orders**

- 4.1 Having previously been shared with Schools' Forum in July 2024, Cabinet on 10<sup>th</sup> December 2024 approved the updated Scheme of Financial Regulations and Standing Orders for schools.
- 4.2 The scheme sets out the financial relationship between the local authority and the maintained schools which it funds and describes the requirements relating to the financial management and associated issues, binding both on the local authority and on schools.
- 4.3 The regulations and standing orders set out the controls expected to be maintained, procedures that should be in place and responsibilities of school officers in managing the schools delegated budget.
- 4.4 The financial regulations and standing orders will be updated annually and shared and approved at Schools' Forum. In the event of major changes to the regulations governing schools and which may require a major update to the financial regulations and standing orders, a report will be brought back cabinet to approve a new set of financial regulations and standing orders.

#### **5 Current work in progress**

- 5.1 Currently with the limited capacity, we cannot support all schools who need support, but where we can provide support, schools are being supported in the following areas:
    - Improve core competencies of Schools Business Managers that include how to monitor the school budget effectively.
    - Schools with a deficit are required to submit a deficit recovery plan, which will be supported by the Council.
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- Submission of quarterly budget monitoring reports along with full set of accounts.
- Cash flow forecasts.
- Indicative Budget templates and training for schools and governors.
- Development of a school's finance traded service to support schools in need of financial management support.
- Schools in deficit to go through School Resource Management Advisor programme (SRMA) funded by the DfE or by the school.
- Sign posting to procurement frameworks e.g. Crown Commercial Services
- Future recruitment oversight by council Finance and HR teams for maintained schools
  - The schools finance team is currently assisting 10 schools with their deficit recovery plans. The number of schools requiring assistance is growing as more schools enter licensed deficit agreements, placing additional strain on the team's already limited resources.
  - However, it is Haringey's intention to provide a more proactive approach to schools in providing support and guidance to financial management.

## 6 Proposed strategy for supporting schools under the programme

6.1 To support schools facing financial challenges, targeted assistance will focus on three key areas, **Budget monitoring and forecasting, procurement practices, and restructuring support.**

6.2 Scope of work and outcome for the programme has been outlined below:

6.2.1 **Budget Monitoring and Forecasting: Objective:** Help schools maintain financial health by creating robust 3-year financial plans, aligning budgets with pupil numbers, and using data-driven tools like Integrated Curriculum Financial Planning (ICFP).

- **Scope of work/Action plan:**

1. **Conduct Initial Assessment:** Analyse current financial performance of schools, identify areas of concern using ICFP metrics, and categorise budgets into red, amber, and green areas for targeted focus.
2. **Align Staffing Budgets with Pupil Numbers:** Review staffing structures to ensure they align with current and projected pupil numbers, addressing surplus or shortfall early.
3. **Develop Long term Financial Plans:** Provide training to schools SBMs for long-term financial planning, incorporating contingencies for fluctuating pupil numbers, inflation, and policy changes.
4. **Monthly Monitoring Support:** Establish regular check-ins to review budget performance against forecasts, flagging variances early for corrective action.
5. **Training for SBMs:** Equip SBMs with the skills to interpret ICFP data, present financial scenarios to leadership teams, and make evidence-based decisions.

- **Outcomes:**

1. Improved financial planning accuracy.
  2. Early intervention for schools in Red/Amber categories.
  3. Better alignment between financial and operational strategies.
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6.2.2 **Procurement and Review of SLAs: Objective:** Optimize procurement practices, reduce costs, and ensure compliance by leveraging DfE frameworks and collective purchasing agreements.

- **Scope of work/Action plan:**
  1. **Audit Existing SLAs and Leases:** Review service-level agreements for equipment, catering, and cleaning to assess cost-effectiveness, quality, and alignment with school needs.
  2. **Benchmarking:** Compare existing contracts with similar schools and identify opportunities for cost savings through renegotiation or alternative providers.
  3. **Leverage DfE Frameworks:** Promote the use of DfE-approved frameworks for collective buying in areas such as energy, technology, and facilities to achieve economies of scale.
  4. **Centralised Procurement:** Create a toolkit for SBMs, including templates and checklists for evaluating contracts, writing specifications, and assessing bids.
  5. **Training on Procurement Compliance:** Provide up-to-date guidance on procurement law, ethical practices, and value-for-money principles.
- **Outcomes:**
  1. Reduced expenditure through improved procurement practices.
  2. Enhanced contract management and compliance.
  3. Higher satisfaction with outsourced services.

6.2.3 **Restructuring Support: Objective:** Facilitate effective restructuring processes to address financial challenges while maintaining educational quality and staff morale.

- **Scope of work/Action plan:**
  1. **Initial Consultation:** Work with leadership teams to assess the need for restructuring and define objectives clearly.
  2. **Scenario Planning:** Develop and present multiple restructuring options, considering curriculum delivery, staffing ratios, and cost implications.
  3. **Compliance:** Ensure restructuring adheres to legal and regulatory requirements, including consultation periods and redundancy protocols.
  4. **Post-Restructuring Support:** Monitor the effectiveness of new structures and offer follow-up support to address unforeseen challenges.
- **Outcomes:**
  1. Smooth restructuring processes that minimises disruption.
  2. Financial stability and sustainability post-restructuring.
  3. Improved stakeholder confidence in leadership decisions.

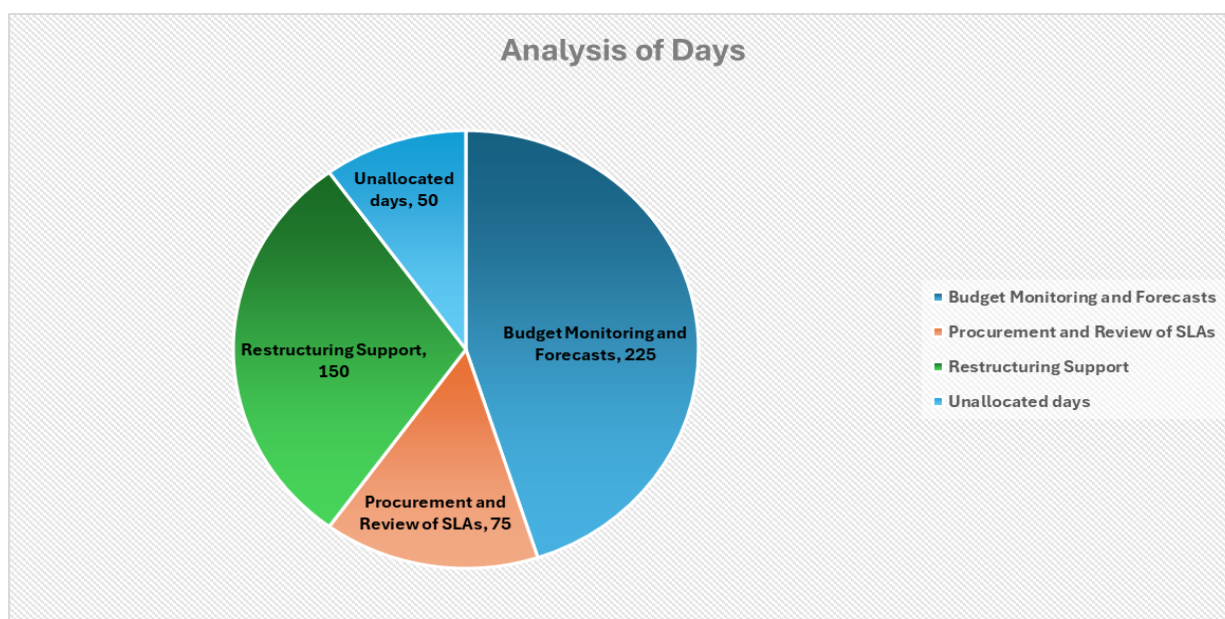
6.3 These strategies create a comprehensive framework for targeted support, enabling schools to overcome financial difficulties while safeguarding educational quality.

- **Proposal to increase capacity of School's Finance Team**
  - The size and composition of the team has largely remained unchanged in recent years, being setup when schools largely operated in surplus. Currently the team comprises 4fte, all funded by Council Budget

Schools Finance Manager  
Principal Accountant x2  
Accountant, mainly handling schools cash flow

- The proposal is to develop a **Schools Targeted Support Programme** designed to allocate resources for financial oversight and restructuring in 57 schools. To deliver the programme it is requested to de-delegate £150,000 from the Schools Block to increase the capacity of the School's Finance team. This would be equivalent to £7.15 per child based on APT 2025-26 using October 2024 census data.
- The de-delegation would be for one year and subject providing regular updates on progress of the programme and spend on funding to the Schools' Forum. Should the Targeted Support Programme be successful, consideration will be given to requesting a further de-delegation to cover an on-going programme. Any unspent funding at the end of the financial year will be returned to schools.
- The allocation of time could be directed as follows:
  - **Days Allocation:**
    - If we recruited on fixed term contracts that would generate up to 500 **consultant days** are available, an initial allocation as follows would allow focussed prioritised support with some flex to respond to new challenges:
      - **Budget Monitoring and Forecasts:** 225 days (50% of allocated days).
      - **Procurement and Review of SLAs:** 75 days (16.7% of allocated days).
      - **Restructuring Support:** 150 days (33.3% of allocated days).
    - **Unallocated days** amount to 50 days (10%), providing a buffer for unforeseen needs
  - **Support Distribution:**
    - With 57 schools supported, the programme ensures approximately 6 days of direct intervention per school on average.

This visualisation illustrates the distribution of allocated days for Primary and Secondary schools, categorised based on the scope of work outlined above.



#### 6.4 Scoring Allocation for Identifying Schools in Financial Difficulty for Deficit Recovery Planning

The following criteria focus on identifying schools experiencing financial challenges that require a targeted deficit recovery plan. This approach ensures that resources and interventions are directed to schools with the greatest need and the potential to benefit from structured financial recovery support.

##### A. Financial Indicators (Maximum: 40 Points)

- **Budget Deficit Trends (15 points)**
  - Consistent operating deficits over two or more financial years: **10 points**
  - Current-year deficit exceeding 10% of the annual budget: **15 points**
- **Cash Flow Challenges (15 points)**
  - Insufficient reserves or cash balance: **10 points**
  - Reliance on cashflow loan or licensed deficit loan: **15 points**
- **Debt Levels (10 points)**
  - High outstanding liabilities relative to income base: **5 points**
  - Missed or delayed payments to creditors: **5 points**

##### B. Staffing Expenditure (Maximum: 25 Points)

- **Payroll Proportion (15 points)**
  - Direct and non-direct Employee cost >80% of total budget: **15 points**
  - Direct and non-direct Employee cost 70-80% of total budget: **10 points**
- **Agency Staffing (10 points)**
  - Overstaffing relative to pupil numbers or curriculum needs: **5 points**
  - Excessive use of temporary staff or consultants: **5 points**

##### C. Pupil Numbers and Income Generation (Maximum: 20 Points)

- **Declining Enrolment (15 points)**
  - 15%+ drop in pupil numbers since 2020: **15 points**
  - 10%-15% drop in pupil numbers since 2020: **10 points**
  - 5%-10% drop in pupil numbers since 2020: **5 points**
- **Income Shortfalls (5 points)**

- Failure to meet income targets from grants, fees, or initiatives: **5 points**

**D. Benchmarking Against Peers (Maximum: 15 Points)**

- Spending per pupil, administrative costs, or other performance metrics significantly out of alignment:
  - 20% higher than average: **15 points**
  - 10-20% higher than average: **10 points**
  - Slightly above average: **5 points**

**Total Scoring: 100 Points**

**Priority Levels for Action**

- **High Priority (Critical Need): 70-100 points**  
Schools in severe financial difficulty requiring immediate deficit recovery planning.
- **Moderate Priority: 40-69 points**  
Schools with financial concerns needing targeted intervention and monitoring.
- **Low Priority: 0-39 points**  
Schools with manageable financial issues; no immediate action required but regular monitoring recommended.

This scoring framework ensures a transparent and consistent process for identifying and prioritising schools requiring deficit recovery plans. It helps allocate resources to address the most urgent needs effectively.

**6.5 Expected cost for the programme requires Schools' Forum approval**

- To support schools, the local authority (LA) will require £150,000 through de-delegated budgets, which will be deducted from schools' annual budget allocations for 2025-26.
  - The mode of delivery of the programme of work has yet to be finalised but will be require a range of skills and experience to successfully deliver on the outcomes set out above. Sourcing and appointment of suitably qualified capacity will draw on experience within the maintained schools within the borough.
  - Provide regular reports on progress of the programme and spend
  - The actual cost per pupil is calculated at £7.15 per year, based on 2025-26 APT using October 2024 census.
  - Schools' Forum is requested to approve the de-delegated budget to support all maintained primary and secondary schools during the financial year 2025-26.
  - Any remaining funds will be reported to the Schools' Forum and redistributed to schools based on an agreed formula.
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