

**Agenda Item  
4.1**



**Report Status**

For information/note ☒  
For consultation & views  
For decision

**Report to Haringey Schools Forum –2<sup>nd</sup> December 2021**

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

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**Purpose:**

1. Update on Schools in Financial Difficulty
2. Updates on School Resource Management Advisory programme.
3. Updates on School Finance Training Sessions

**Recommendations:**

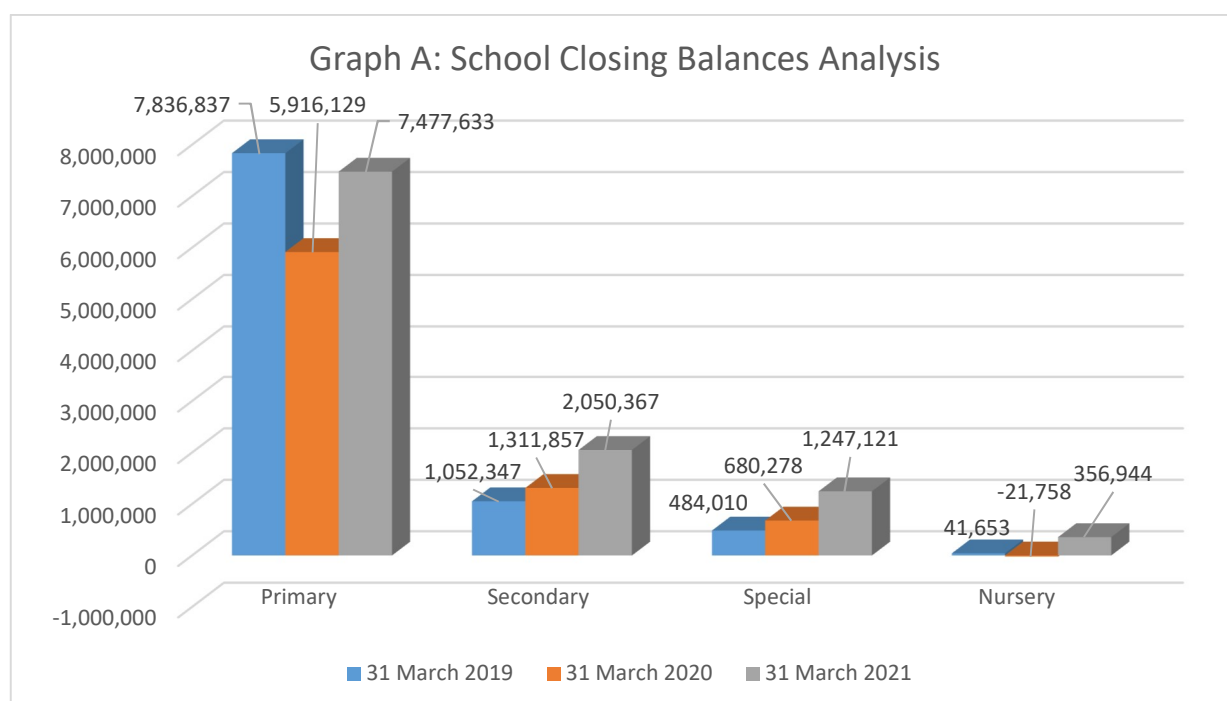
1. To note the content of this report.

## 1 Introduction.

- 1.1 The report provides an update on the schools' year end balances over the last 3 years and an update on number of schools with licenced deficits and the total amount of licenced deficits funded by Haringey Council.
- 1.2 The report also provides an update on School Resource Management Advisory (SRMA) programme and the recognition of Haringey Schools Finance team support to Haringey Schools in the DfE case study.

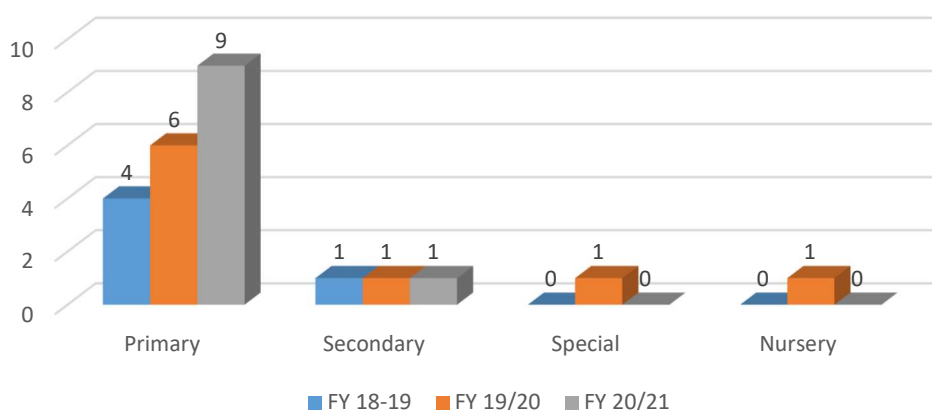
## 2 Analysis of Schools balances as of 31 March 2021

- 2.1 The graph A represents school closing balances over the last 3 years. The school closing balances have gone up by £1.561m, £0.738m, £0.567m and £0.379m for Primary, Secondary, Special and Nursery respectively during the financial year 2020-21.



- 2.2 The graph B represents number of schools with new licenced deficits agreed over the last 3 years. The analysis shows an increasing number of primary schools in deficit; a constant number of secondary schools; and no new Special and Nursery school licenced deficits.

Graph B - Deficit Analysis - 31 March 2021



- 2.3 The following Table 1 represents number of schools with either a licenced deficit or short term cashflow advance and total amount funded by Haringey Council. A further five loans totalling £419k have been agreed from April to November 2021.

**Table 1: The number of schools with a licenced deficit and the total loans advanced.**

School setting	No of Schools at 31 March 21	Closing Balance at 31 March 21	Additional loans as at Nov 2021
Primary	15	2,219,987.68	419,000
Secondary	1	200,000.00	0
Special	0	0.00	0
Nursery	1	61,500.00	0
<b>Total</b>	<b>17</b>	<b>2,481,487.68</b>	<b>419,000</b>

- 2.4 Where the school submits a deficit budget, the chair of governors and school headteacher will formally notify the council of their application to apply for a Licenced Deficit. A meeting will be arranged with the schools to review the school's deficit with school required to submit a deficit recovery plan to ensure that measures have been taken to reduce the deficit.
- 2.5 Schools with deficits are recorded on the Council's risk register and discussed as part SIMG meeting to ensure that there is an appropriate level of support being given to school by the council.
- 2.6 Strategies for supporting schools include:
- Training Schools Business Managers on how to manage their budget effectively
  - Schools with deficits are required to submit a deficit recovery plan and will be supported by the Council
  - Submissions of quarterly budget monitoring reports along with full set of accounts are required
  - Cashflow forecasts are prepared to ensure the schools have sufficient money to meet immediate their commitments

- Indicative Budget templates are issued and training for schools and governors is provided
  - 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 funded by the DfE or independent Integrated Curriculum-led Financial Planning funded by the school.
- 2.7 Where schools are unable to manage their finances by way of a deficit reduction plan with the support and guidance provided, Haringey may be required to exercise its responsibility to intervene and remove financial delegation. This would be considered as a last resort.

However, it is Haringey's intention to provide more proactive approach to schools in providing support and guidance to financial management.

### **3 School Resource Management Advisory programme (SRMA)**

- 3.1 Haringey council is working closely with the DfE on SRMA programme during the financial year 2020-21 and 2021-22. Seven schools have already gone through the SRMA programme, and four schools are signed up for the programme during the current financial year.
- 3.2 Schools supported by the programme would be able to achieve:
- Financial assurance in their annual budget
  - Ensuring the LA and school are aware of budget allocations outside benchmarking norms and highlight area further investigation and analysis
  - Supporting schools with the DfE approved procurement frameworks to help delivery the value for money.
- 3.3 The Council and schools have found the SRMA programme effective, and it has given schools new ideas for further exploration. Our aim is that the school in financial difficulty will go through the programme and implement Integrated Curriculum led financial planning which will help the schools create their own deficit recovery plans.
- 3.4 Schools applying for licenced deficits will be required to go through the SRMA programme which may be funded by the DfE or an independent review by the schools budget.
- 3.5 DfE have recognised the effort made by the school's finance team in supporting schools with the SRMA work and Haringey schools have become part of a case study for the DfE.

## 4 Schools Finance Training Session

- 4.1 Haringey Schools finance team are running a number of workshops and training sessions for school business manager and headteachers.
- 4.2 A schedule of training session for the academic year 2021-22 has been provided in the table below.
- 4.3 Feedback from headteachers would be welcomed preferred day and timings of future training sessions.

2021-22 Academic Year						
*Subject to change based on Term Dates.						
Term	Date*	Time	Type	Topic	Intended For:	Duration
Autumn	24/09/2021	10:00	Breakfast Club	Briefing: Funding Updates (Indicative APT) - 21/22	School Business Manager	1 Hour
Autumn	24/09/2021	12:00	Breakfast Club	Briefing: Funding Updates (Indicative APT) - 21/22	Headteachers/Governors	1 Hour
Autumn	08/10/2021	12:00	Training	Briefing: Schools Financial Value Standards	Headteachers	30 mins
Autumn	15/10/2021	10:00	Training	Training: Schools Financial Value Standards	School Business Manager	1 Hour. 30 mins
Autumn	12/11/2021	10:00	Training	Briefing: Indicative Budget Setting Tool 21-22 *Technical	Headteachers	30 mins
Autumn	19/11/2021	10:00	Training	Training: Indicative Budget Setting Tool 21-22	School Business Manager	1 Hour. 30 mins
Spring	28/01/2022	10:00	Breakfast Club	Briefing: Funding Updates (Schools Forum Approved APT) - 21/22	School Business Manager	1 Hour
Spring	28/01/2022	12:00	Breakfast Club	Briefing: Funding Updates (Schools Forum Approved APT) - 21/22	Headteachers/Governors	1 Hour
Spring	04/02/2022	10:00	Training	Briefing: Closure / Year End	Headteachers	30 mins
Spring	11/02/2022	10:00	Training	Briefing: Closure / Year End	School Business Manager	1 Hour. 30 mins
Spring	25/02/2022	10:00	Training	Training: Novus Systems Dashboard and Closure.	Headteachers	30 mins
Spring	04/03/2022	10:00	Training	Training: Novus Systems (with emphasis on Closure)	School Business Manager	1 Hour. 30 mins
Summer	21/05/2022	10:00	Breakfast Club	Briefing: Feedback on Closure/Year End	School Business Manager	1 Hour
Summer	21/05/2022	12:00	Breakfast Club	Briefing: Feedback on Closure/Year End	Headteachers/Governors	30 mins
Summer	10/06/2022	10:00	Training	Training: Refresher on School Budget Cycle * Concepts/Good Practice	Headteachers	1 Hour
Summer	10/06/2022	10:00	Training	Training: Refresher on School Budget Cycle * Concepts/Good Practice	School Business Manager	1 Hour
Summer	01/07/2022	10:00	Training	Briefing: SMB choice. * They can choose a topic or specific area of learning i.e. Cost Variance Analysis, SEND funding.	Headteachers	1 Hour
Summer	08/07/2022	10:00	Training	Briefing: SMB choice. * They can choose a topic or specific area of learning i.e. Cost Variance Analysis, SEND funding.	School Business Manager	1 Hour