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**SUBJECT:** SCHOOLS IN FINANCIAL DIFFICULTY GRANT  
**DATE:** 21 January 2025  
**RECIPIENT:** School's Forum – For Information

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1. Schools Forum asked for further detail on the proposed distribution of the schools in financial difficulty grant.
2. It should be noted that the Forum is not being asked to make a decision on the allocation of the grant. The Local Authority is presenting the proposed use for information and considering the feedback from the Forum.
3. The grant conditions don't permit a further carry forward of the grant beyond March 2025.
4. The requested information for budgeted in year movements are shown in the table below

School	Deficit Balance £M	Planned In Year reduction £M	Comment
Compass Pupil referral unit	1.138	0.362	Future years to be determined
Hardmoor Early Years Centre	0.705	0.073	Recovery 2030/31
Valentine Primary School	0.550	0.049	Recovery 2030/31
Mansbridge Primary	0.478	0.001	DRP not yet approved
Mason Moor Primary	0.469	0.158	to be updated
Shirley Warren Primary	0.421	0.085	to be updated
Townhill Junior	0.340	0.031	to be updated
Polygon	0.290	0.111	to be updated
St Marks School	0.267	0.338	Recovery 2024/25
Fairisle Infant	0.064	- 0.127	In year pressures. Planned recovery 2027/28
Bitterne Manor Primary	0.062	- 0.123	In year pressures. Planned recovery 2027/28
Oakwood Primary	0.052	0.061	Recovery 2024/25
St Mary's Primary	0.042	0.049	Recovery 2024/25
Highfield Primary	0.022	0.008	Recovery 2025/26

5. There are 2 schools which are experiencing pressures in year due to long term staff absence. Their DRPs have taken these pressures into account and do demonstrate plans to return to a surplus.
6. As a reminder the following table shows the schools' deficit balances, how the balance compares to the school's core funding and the proposed allocation of the grant with those schools in greatest need being targeted with the grant, subject to the conditions in paragraph 9.

School	Deficit Balance £M	Compared to Core funding (%)	Proposed Allocation (£M)
Compass Pupil referral unit	1.138	67%	0.145
Hardmoor Early Years Centre	0.705	70%	0.090
Valentine Primary School	0.550	17%	0.070
Mansbridge Primary	0.478	41%	0.061
Mason Moor Primary	0.469	37%	0.060
Shirley Warren Primary	0.421	19%	0.054
Townhill Junior	0.340	24%	0.043
Polygon	0.290	18%	0.037
<b>Total (a)</b>	<b>4.391</b>		<b>0.559</b>
St Marks School	0.267	5%	
Fairisle Infant	0.064	5%	
Bitterne Manor Primary	0.062	6%	
Oakwood Primary	0.052	3%	
St Mary's Primary	0.042	1%	
Highfield Primary	0.022	1%	

7. The grant will be allocated in this financial year. The totals shown are the minimum and assume conditions outlined in paragraph 9 are met.
8. The local authority has been allocated additional funding (£559,332) to support maintained schools which find themselves in financial difficulty. Local Authorities have been given flexibility regarding the use of the grant. The following guidelines have been provided:
  - a) Section 6.7 of the guidance on the DFE schemes for financing schools 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. Such cash sums can be charged to the dedicated schools grant (DSG) only where they form part of a contingency fund approved by maintained school members

of the schools forum under Regulation 11(5) of, and paragraph 51 of Schedule 2 to, the School and Early Years Finance (England) Regulations 2023.

- b) The DFE expect 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 report to their schools forum on how they are using the money.
  - c) Local authorities may wish to associate such conditions with the payment of money out of the sum that it may receive from the £20 million of additional funding. This could include mandating the use of some of the department's resource management tools and services, such as a School Resource Management Adviser (SRMA).
  - d) This funding can be used to support maintained primary, middle, secondary and all-through schools, maintained special schools, pupil referral units, and maintained nursery schools.
9. There are 8 schools with a deficit balance that is greater than 10% of their core funding. where their combined deficits represent 90% of the total. Given the size of the deficits it is recommended that the funding is used to target these schools, pro-rated by the deficit balance, subject to the following conditions.
- a. The school produces a Deficit Recovery Plan (DRP) and submits quarterly monitoring to schools finance. The DRP is refreshed with each budget update;
  - b. Where necessary the school makes use of the DFE's SRMA