

Brief Overview of Maintained Schools'

Licensed Deficit Application Approval Process

- A school setting a deficit budget must formally apply to license its deficit. The application must be accompanied by a recovery plan not exceeding three years and other relevant documents as stated in the application. The application should be sent to Schools.Accountancy@barnet.gov.uk on or before the 15th of May.
- If a school expects to have in-year cash flow issues as per the cash flow forecast, an application for a cash advance must be submitted. The LA may agree to provide a cash advance, which will be recouped from budget shares within the same financial year. (Note: Bank overdrafts are a form of borrowing and schools are not allowed to borrow money)
- Schools proposing a staff restructure as part of the recovery plan can apply for assistance towards staff redundancy costs. Please refer to the Local Authority maintained schools' redundancy guidance and procedure.
- The Schools Finance Team will review the applications and meet with the school to discuss or where applicable seek further clarification on the amounts and assumptions behind the recovery plan. Barnet Schools Finance Team will act as a "critical friend" during this process. (Duration 2- 3 weeks from receiving the application)
- Once the Barnet Schools Finance Team confirms the robustness of the application, it will be presented to the Executive Director Childrens and Families Services, and the Chief Finance Officer for approval. Agreements made in principle to the proposed deficit recovery plan by the Barnet School Finance Team's does not automatically guarantee licensing of the deficit. The final decision is made by the Executive Director Children and Families Services and the Chief Finance Officer (S151)
- Schools will be informed of the outcome of the application process within 5 weeks of receiving the application.
- If the licensed deficit application is approved the deficit Licencing process comes to an end. The school must take every action to ensure that proposed savings are realised as expected. Deviating from the set budget without reasonable explanation will be considered a breach of the licence deficit.
- If the licensed deficit application is rejected The Executive Director of Childrens and Families Services will open further dialogue with the school to agree on the next steps. During the process, the school must continue to exercise strict financial restraint.
- A school's inability to adhere to the proposed recovery plan may result in the Local Authority issuing the school a notice of concern and, thereafter, withdrawal of delegation.