

Date of meeting:	Thursday 16 September 2021
Title of report:	Exceptional Rents Funding – Individual School Request
Type of report: Delete as required	For decision
Executive summary: Including reason for submission	The report provides a request for financial support for the backdated rents that are required to be paid by Hensall Community Primary School. The Schools Forum are requested to provide approval for the school budget to be reimbursed for the backdated rent costs as the school would have been eligible for Exceptional Rents through the school funding formula for the period 2018/19 to 2021/22 based on the new rent costs. The reimbursement is proposed to be funded from the Schools in Financial Difficulty/ Unreasonable School Expenditure de-delegated funding reserve (currently £531k). The value of the reimbursement (over £25k) requires Schools Forum approval.
Budget / Risk implications:	Financial implications for the individual school budget being required to meet the significant backdated rent costs. A cost to the Schools in Financial Difficulty / Unreasonable School Expenditure de-delegated funding reserve (currently £531k).
Recommendations:	The Schools Forum is asked to approve the reimbursement of £44,788 to Hensall Community Primary School to cover the backdated rent costs incurred by the school as a result of the rent reviews undertaken on the playing field and school house. The proposed reimbursement reflects the level of Exceptional Rents Funding the school would have received through the school funding formula for the period 2018/19 to 2021/22 based on the increased rent costs. The reimbursement will be funded from the Schools in Financial Difficulty / Unreasonable School Expenditure de-delegated reserve.
Voting requirements:	LA Maintained Schools Forum – Primary Members
Appendices:	None
Report originator and contact details:	Howard Emmett, Assistant Director – Strategic Resources



**NORTH YORKSHIRE
SCHOOLS FORUM**

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Presenting officer: If not the originator	Sally Dunn, Head of Schools, Early Years and High Needs Finance

Exceptional Rents Funding – Individual School Request**1.0 PURPOSE OF THE REPORT**

- 1.1 The report provides details of a request for financial support for backdated rents that are required to be paid by Hensall Community Primary School. The Schools Forum is requested to provide approval for the school budget to be reimbursed for the backdated rent costs. The reimbursement is proposed to be funded from the Schools in Financial Difficulty / Unreasonable School Expenditure de-delegated funding reserve (currently £531k). The value of the reimbursement (over £25k) requires Schools Forum approval.

2.0 BACKGROUND

- 2.1 The rent costs paid by Hensall Community Primary School in respect of the school playing field and the school house have recently been reviewed. The review has resulted in the rent for the playing field increasing from £900 per annum to £1200 per annum, with the increase in rent costs backdated to 1st April 2018. The rent costs for the school house have increased from £5,000 per annum to £10,850 per annum, with the increase in rent costs backdated to 1st November 2018. No school house rent payments have been made since the 2018/19 financial year. The total rent costs, including backdated costs (£25,038), to be paid by the school in 2021/22 is £37,088. NYCC Strategic Planning team have supported the rent review negotiations.

3.0 ELIGIBILITY FOR EXCEPTIONAL RENTS FUNDING

- 3.1 The DfE allows local authorities to apply to the ESFA to use exceptional circumstances relating to school premises to provide additional formula funding to schools e.g. these may be for rents, or joint-use sports facilities. The following criteria is applicable:
- Exceptional circumstances must relate to premises costs.
 - Local authorities should only submit applications where the value of the factor is more than 1% of a school's budget and applies to fewer than 5% of the schools in the local authority's area.

Within North Yorkshire, an exception is in place for schools where their rent costs are in excess of 1% of their delegated budget. However, in order to comply with the "fewer than 5%" criteria over recent years it has been necessary to apply additional local criteria to reduce the number of schools that are eligible to receive exceptional rent funding through the formula. The local criteria introduced to scale back the number of schools was an impact level of over £10,000, or an impact level of greater than 1.5% of budget and greater than £4,500.

- 3.2 To date Hensall Community Primary School has not been eligible to receive Exceptional Rents Funding as their rent costs did not meet the local NYCC criteria of being greater than 1.5% of budget and greater than £4,500. Based on the increased rent costs, the school is eligible to receive Exceptional Rent funding through the school funding formula; this would have been the case for the period 2018/19 to 2020/21, as well as for the current financial year. The Exceptional Rent funding which the school would have received for the period 2018/19 to 2021/22 equates to £44,788.

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4.0 SCHOOL BUDGET POSITION

4.1 The 2021/22 Start Budget financial forecast for Hensall Community Primary School is summarised as follows:

	2021/22 £'000	2022/23 £'000	2023/24 £'000
In Year Position	-36.4	-35.2	-12.9
Balance B/Fwd	69.8	33.4	-1.8
Balance C/Fwd	33.3	-1.8	-14.6

The financial forecast for the school indicates that the school would experience significant financial pressures if required to fund the backdated rent costs of £37,088 with no additional financial support.

5.0 FUNDING PROVISION

5.1 The de-delegated funding for Unreasonable School Expenditure would normally be utilised for LA maintained schools that are faced with significant, unexpected costs where it would not be reasonable to expect them to fund without additional financial support. Hensall Community Primary School is considered to be in this position. The total 2021/22 Unreasonable School Expenditure de-delegated funding allocation is £55k. It is currently anticipated that this funding will be fully allocated within the current financial year. In this respect, and given the level of cost associated with the backdated rent costs for Hensall, it is considered appropriate to request that the funding for the costs is provided from the Schools in Financial Difficulty / Unreasonable School Expenditure de-delegated funding reserve (currently £531k).

6.0 RECOMMENDATIONS

6.1 The Schools Forum is asked to approve the reimbursement of £44,788 to Hensall Community Primary School to cover the backdated rent costs incurred by the school as a result of the rent reviews undertaken on the playing field and school house. The proposed reimbursement reflects the level of Exceptional Rents Funding the school would have received through the school funding formula for the period 2018/19 to 2021/22 based on the increased rent costs. The reimbursement will be funded from the Schools in Financial Difficulty / Unreasonable School Expenditure de-delegated reserve.

STUART CARLTON
Corporate Director – Children and Young People's Service