

Schools Forum

Agenda

Tuesday 13 June 2017

2.00 pm

Lilla Huset

MEMBERSHIP

Primary Schools: Heads: Claire Fletcher (St Paul's CE), Wayne Leeming (Melcombe), Kathleen Williams (Holy Cross). **Governors:** Daisy Donovan (Avonmore), Sharon Robinson (John Betts) **Secondary Schools: Head:** Vacant. **Academies and Free Schools:** Vacant, Gary Kynaston (Hammersmith Academy), Peter Haylock (Fulham College Academy Trust), Secondary Recoupment Academy: Vacancy, Primary Academy: Vacancy **Nurseries:** Head: Michelle Barratt (RBEYC/Vanessa). **Special Schools:** Head: Cathy Welsh (Jack Tizard). **Alternative Provision Academies:** Nathan Crawley-Lyons (TBAP). **14-19 Representative:** Vacancy **Early Years PVI:** Jane Gleasure (Little People)

Non-voting members

School Business Managers Tim Scott (Fulham College Academy Trust) and Tara McLaughlin (The Good Shepherd) **Trade Union Representative:** Katie Brown

CLERK:

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www.lbhf.gov.uk/committees

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Date Issued: 12 June 2017

Schools Forum

Agenda

13 June 2017

<u>Item</u>	<u>Pages</u>
1. APOLOGIES FOR ABSENCE	
2. DECLARATIONS OF INTEREST	
3. MINUTES OF THE LAST MEETING To agree the minutes of the previous meeting as a correct record.	1 - 8
4. EXTERNAL REVIEW OF SEN PROVISION	9 - 46
5. DEDICATED SCHOOLS GRANT OUTTURN 2016-17	47 - 52
6. DEDICATED SCHOOLS GRANT BUDGET MONITORING 2017-18	53 - 56
7. SCHEME FOR FINANCING SCHOOLS	57 - 131
8. DIRECTORS UPDATE	
9. MEETING DATES FOR ACADEMIC YEAR 2017-18 To be agreed.	

London Borough of Hammersmith & Fulham



Schools Forum Minutes

Tuesday 21 March 2017

Representing	Name	Organisation	Attendance
Primary Schools	5 Members		
Primary Head	Claire Fletcher (CF)	St Paul's CE Primary School	Present
Primary Head	Wayne Leeming (WL)	Melcombe Primary School	Present
Primary Head	Kathleen Williams (KW)	Holy Cross RC Primary School	Present
Primary Governor	Daisy Armstrong (DA)	Avonmore Primary School	Present
Primary Governor	Sharon Robinson (SR)	John Betts Primary School	Present
Secondary schools	1 Member		
Secondary Head	Vacancy		
Academies	5 members		
Secondary Non Recoupment Academy Principal	Gary Kynaston (GK)	Hammersmith Academy	Present
Secondary Recoupment Academy Head			
Secondary Recoupment Academy	Vacancy		
Secondary Recoupment Academy (Observer)	Peter Haylock (PH)	Fulham College Trust	Present
Primary Academy	Vacancy		
Maintained Nursery Schools	1 member		
Nursery Head	Michelle Barratt (MB)	Vanessa/Randolph Beresford Early Years Centre School	Apologies
Special Schools	1 member		
Special Schools Head	Cathy Welsh (CW)	Jack Tizard	Present
Alternative Provision	1 member		
Alternative Provision Rep	Nathan Crawley-Lyons (NCL)	TBAP	Present
Early Years (PVI)	1 member		
	Jane Gleasure (JG)	Little People	Present
14-19 Representative	1 member		
	Vacant		
School Business Manager	2 observers		
Primary (Maintained)	Tara McLaughlin (TM)	The Good Shepherd Primary School	Present
Secondary (Academy)	Tim Scott (TS)	Fulham College Trust	Present
Trade Union	1 observer		
	Katie Brown (KB)	NUT	Present
Officers in Attendance			
Tri Borough Director of Finance & Resources	Dave McNamara (DM)	Tri Borough Children's Services	Present
Tri Borough Head of Resources	Andrew Tagg (AT)	Tri Borough Children's Services	Present
Tri-Borough Head of Admissions and School Place Planning	Wendy Anthony (WA)	Tri Borough Children's Services	Present
Tri Borough Commissioning	Rupa Parmar (RP)	Tri Borough Children's Services	Present
3BM Managing Director	Andy Rennison (AR)	3BM	Present
3BM Schools Finance Director	Remi Oladupo (RO)	3BM	Present

Observers			
Headteacher	Julie James (JJ)	Wormholt Primary School	Present
School Business Manager	Caroline Plummer (CB)	Wormholt Primary School	Present
	Robert Jones		
Clerk	Jackie Saddington (JS)	Tri Borough Children's Services	Present

1. **APOLOGIES FOR ABSENCE**

As set out above.

2. **MINUTES OF THE PREVIOUS MEETING**

RESOLVED:

The minutes of the previous meeting held on 16 January 2017 were confirmed as a correct record of the meeting.

3. **NATIONAL FUNDING FORMULA UPDATE**

Members were informed that briefings had taken place at the School's Forum, schools have had access to workshops and Councillors had held a public meeting at Hammersmith Town Hall at the end of February. A consultation response from the LA had been late going out and AT apologised for that. He reminded everyone the deadline for responses to the consultation was 22 March. It is not known how long it will take the DfE to assess the responses but the outcome could be known by the end of May.

Members outlined the actions their individual schools had taken to galvanise support for the consultation. The Chair asked that everyone continued campaigning beyond the deadline.

IH reported the LA would respond to the High Needs Block consultation too. Schools may also want to respond to the High Needs Block consultation as this will also impact on mainstream schools. AT reported this consultation has had a lower profile due to the National Funding Formula consultation taking the focus away.

CF asked if it was any coincidence that both consultations were running simultaneously. She was informed that the High Needs consultation was being led separately by Edward Timpson and there was not a lot of funding available.

CW pointed out that Special Schools deliver Education, Social Services and Health Care but the DfE did not seem to understand the complexity of what was required as the review was being led by accountants. AT agreed and informed members 70% of Local Authorities were forecasting overspends.

IH reported there was an active Parent Forum in LBHF and he would like to see them consulted too.

RESOLVED: AT to organise for the High Needs Consultation to be circulated.

4. DEDICATED SCHOOLS GRANT MONITORING 2016/17

AT reported there was pressure in all blocks and highlighted the areas with overspend. He explained the projected carry forward was forecast as a deficit of £4.28m, down from £1.01m brought forward on 1 April 2016. The areas affected are redundancies and schools in difficulty.

The Chair asked AT what action he recommended the School's Forum should take. AT said he was not recommending anything currently but wanted members to be aware of the position at the moment and that work will be carried out in 2017-2018 to review the position.

DM said the LA will lobby for additional funds. A meeting had already taken place with the EFA but an extra meeting may be needed.

The Chair asked where meetings with the minister take place as it may be beneficial to hold meetings in schools, particularly a Special School. DM said meetings usually took place at the DfE or Palace of Westminster but he suggested Jack Tizard or Queensmill schools would also be appropriate. He agreed to discuss with HF Cabinet members whether they would want to contact the minister directly to request a meeting but informed members of the forum that they needed to understand the level of overspend cannot be maintained. CW expressed concern that if the levels of funding were not maintained the result could be part-time support for pupils. IH reminded members Peter Grey would be reporting back with a detailed analysis in the summer term.

JJ asked what level of additional funding would be received. DM said about £2m in total but it could be scaled back, although this only goes half way to addressing the issue. Post 19 costs will increase and if additional funding is not provided other options would need to be considered. AT reminded everyone that the current need is not driven by accountants and that demand pressures are not being anticipated by the Government in funding settlements.

IH informed members the communications director is reviewing funding decisions from Health and the SEN working group has discussed implementing higher rates for non-borough residents using provision. CW pointed out that more parents of pupils with complex needs are also electing to send their children to mainstream schools.

DM explained he was not sure how health funding would be transferable to maintained schools. The LA has to fund AP and all services whilst AP can mask spending on High Needs and a separation needs to be shown.

AT explained the intention from June was to lobby for new funds, review the provision and top up rates and look at how the notional SEN block is spent.

The Chair stated it was imperative that a full report was received well in advance of the next meeting so that members had plenty of time to read it. DM agreed and said all actions will be brought to the next meeting. GK commented SEN provision in the borough was so good it worked against the LA. He asked for a long-term plan to be presented with examples of changes from April. AT said it was hoped additional funding would be received of £720k from the Central block to the High Needs block and £500k from the EFA to the High Needs Block.

DA asked where the impact would be felt, with pupils or staff. DM said the first priority was to balance the budget, which included schools balancing their own budgets.

CF asked how much was spent on funding the Independent sector and tribunals. DM said that analysis had still to be done and would be brought to the next meeting.

IH said it was a statutory requirement to publish and review the Local Offer. At the moment, some provision in the LA was full whilst in other areas there were vacancies. There is a need to look at the actual requirements and then commission or de-commission provision accordingly. DM said the LA will not do anything without consultation. It is premature to think of having to decommission provision whilst the review is underway. Increases are being driven by need and it is the responsibility of the EFA to fund need.

JG asked if the aim was to start with 2-3 year olds onwards. DM said it was and PVI settings and maintained nurseries would be consulted.

RESOLVED:

- i) To note the total DSG allocation and current financial position.**
- ii) To note that the projected carry forward is forecast as a deficit of £4.28m, down from £1.01m brought forward on 1st April 2016.**

5. DEDICATED SCHOOLS GRANT AND LOCAL SCHOOLS FUNDING FORMULA 2017/18

DM reminded members that budgets are not released until they are approved by the Schools Forum. Historically, individual schools' indicative budgets have not been released in advance of the School's Forum meeting. This may be reviewed for future years as it is appreciated schools need to know their budgets, even if this was a provisional figure. CF agreed this would help schools and asked what other Local Authorities do. AT said the date the EFA require information is 1 March. RP said the deadline was 20 January 2017.

KW asked what was meant by de-delegation and how this was agreed. AT explained this referred to areas that schools could be in as a block, such as Licences and Union Contributions. A full list could be provided going forward. KW asked when this was last agreed and was told January 2017. DM explained In Hammersmith and Fulham some money has been used to fund

capital programmes, such as the windows programme. The slice of schools block is historically higher and been locked in. He said he was mindful the LA had to share the funding pressure with schools. With the curtailing of the role of the LA it is important that the funds go to the schools. KW pointed out this was a significant part of the budget in comparison to what other LA's do. DM said there were different models in each LA and historic practices. KW asked to be sent a full breakdown of de-delegation funding and it was agreed this would be useful to all schools. A de-delegation breakdown of spend to be brought to the next meeting.

DM informed members Pupil Premium numbers were variable across the Borough. The Pupil Premium figure initially sent to schools is an indicative figure and the final figure is confirmed in July. CF asked if that could be communicated to schools and asked whether there would be claw back after a year. DM said there would not be a claw-back if there was an error by the LA. AT explained historically adjustments had been made the following year but will now be done in year.

RESOLVED:

- i) To approve the School's budgets for 2017/18.**
- ii) To provide a breakdown of De-Delegation funding to the next meeting.**

6. EARLY YEARS NATIONAL FUNDING FORMULA 2017/18

A report by the Head of Resources had been circulated.

AT explained there had been a significant change since the January report. In January, a proposed structure had been put forward and this had been updated. There would now be a universal rate for all settings from April 2017. This would protect maintained nurseries, safeguard full time places for 2017/18, mean no primary school would lose funding, increase the hourly rate to PVI's and encourage settings to provide full time provision. The current and proposed universal base rates for Hammersmith and Fulham providers shown at 3.1 and 3.2 were highlighted.

AT explained a drawdown of £450k from the reserves would be required which is offset by children in nurseries now who will receive funding. Financial viability from April 2019 had not yet been addressed for maintained schools and workshops will take place from April to September. The LA is now compliant with EFA requirements.

CF asked when there would be an early indication of funding finishing. AT said 2017/18 had been completed and there will be no full-time places until September 2018. Further challenges will start to come in 2018/2019.

JG expressed the view that the outcome was overwhelmingly positive and asked how the full-time places for deprivation was audited. AT said it was based on a trust model; checking with schools and reviewing deprivation

indices. JG said children with high needs requirements are not getting places and are not eligible for full time places. This is creating difficulties for families.

DM explained that before the proposed changes came in the LA wanted to support families. There is now distorted provision which the LA would like to restore in future. There are more full time funded places in LBHF and that gives some flexibility. No school will lose funding from this model but the impact will not be known until September. The LA still wants to target families in need, although some nurseries are under threat. It is hoped the EFA will release additional funding as this is the first year of significant change. The LA are asking that schools do not pre-empt changes and wait to see what will happen. The Council wants to support, and increase, the level of affordable childcare through nurseries and schools.

CF expressed concern that some schools/nurseries were not offering full time places and therefore families were not benefitting.

KW asked how the 15 and 30 hours were charged for. DM said it was through historic allocations and choice. CF asked if there was a top up for full-time places and was informed there was. DM explained maintained schools can buffer costs for nursery classes whereas stand-alone nurseries don't have that support. JJ agreed and said the schools were subsidising nurseries at the moment.

DA asked what the strategy would be where nurseries/schools are not sustainable? DM said he expected to see some changes in maintained nurseries but the impact and implications on schools running nurseries with full-time places would not be known until September. This could then be analysed.

IH explained the nurseries in LBHF were already in Federations with an Executive Headteacher and sharing some back-office functions. Some LA's are closing maintained nurseries but Councils want parents to have choice. JG said she would like a mechanism put in place to signpost parents and was informed this would be addressed through the workshops.

RESOLVED:

- i) To approve the funding rates for the 2017/18 financial year.**
- ii) To approve the arrangements outlined and continue funding of full time places.**
- iii) Budgets to be sent to schools by 24 March 2017.**

7. SCHEME FOR FINANCING SCHOOLS

The scheme for financing schools had previously been circulated.

- RESOLVED:**
- i) To note the consultation responses**
 - ii) To approve the Scheme for Financing Schools.**

8. SCHOOL ORGANISATION AND INVESTMENT STRATEGY

WA informed members the strategy was the first draft. She outlined the shortfall in projections for Primary and Secondary schools and reminded everyone that the LA worked on an expected number of vacancies of between 5-10% for each sector. Demand is reviewed annually and takes into account trends.

Primary Schools

Primary projections, as shown on Page 6 of the report, were discussed. Ms Anthony informed members the demand was expected to be consistent over the next ten years, although housing development will impact on demand.

The north of the borough will have a significant surplus of places in the region of 15%. The south of the borough will have a significant surplus in the region of 11%. Work is currently being undertaken with primary schools to address any issues with a view to agreeing to cap places in the short term.

IH recommended that schools should not change their admissions numbers and criteria as it was possible to cope with the ebbs and flows of admissions requirements. He gave examples of where the LA had supported schools with admissions and where schools had made decisions themselves that then impacted on nearby schools. JJ asked if the LA had any knowledge that Burlington Danes Primary was going to open as a 2FE school. IH said the LA was aware that they had been allocated funding for a 2FE school but the school chose to implement the 2FE immediately, which the LA was not aware was going to happen. This had a significant impact on Old Oak Primary School.

Secondary Schools

WA reported there was currently a surplus in the secondary sector and the LA was monitoring the position but no decisions had been taken on next steps yet. It is projected that by 2021-2022 there will be an increase in demand. It is expected there will be more import than export to LBHF schools, due to the number of good schools in the Borough.

GK pointed out that there were three brand new schools, expansions and changing demographics impacting on schools as well as Ofsted judgments impacting on demand for schools. WA said this was why the LA monitored and reviewed provision annually. IH reminded everyone the LA had the highest EBACC score in the country which attracts parents although the LA can't prioritise places for residents.

WL asked if there were any plans for the primary schools in the south of the borough who were seeing falling rolls. He was told parents are encouraged to choose local schools although some parents will choose independent schools.

CF thanked WA for a comprehensive report.

RESOLVED: To note the draft School Organisation and Investment strategy.

9. ANY OTHER BUSINESS

There was no other business.

RESOLVED: Noted.

10. DATE AND VENUE OF THE NEXT MEETING

13 June 2017 – 2pm

Meeting started: 2.10pm

Meeting ended: 3.34pm

Chairman

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

SCHOOLS FORUM JUNE 2017

REPORT BY THE HEAD OF RESOURCES

TRI BOROUGH HIGH NEEDS FUNDING REVIEW

This paper details the conclusions following the external review of spend on children and young people with high needs in the tri borough.

FOR INFORMATION

Executive summary

1. This review was commissioned by Tri Borough Children's Services, in the context of increasing constraints on High Needs budgets nationally and the need to effectively manage local pressures and demands. While spend in Westminster and RBKC is currently within the budget allocated to these Authorities by central government, there is concern about a significant overspend in Hammersmith & Fulham. Current trends suggest that the other two Boroughs may experience similar pressures in future.
2. The review was carried out by an independent consultant with significant national knowledge and experience of HN funding issues. It set out, for each individual Borough, to:
 - (i) Provide a more detailed analysis of current spend, with a breakdown of costs in different provision/service categories
 - (ii) Compare budgets and spend across a range of similar (London) Authorities
 - (iii) Provide an evaluation of how money is currently being used, in terms of impact, value for money, equity and the coherence of local provision
 - (iv) Identify key issues and recommended ways forward
3. Visits were made to all state-funded specialist provisions within the Tri Borough (special schools, mainstream resource bases, and alternative provision) and interviews were conducted with a wide range of stakeholders (heads of mainstream schools and settings, mainstream SENCos, parents, officers and support service managers). The review covered the full range of ages (0-25). Links were made with other agencies but the focus was mainly on funding provided for children with HN through Education.
4. The key issues identified for each of the Boroughs are as follows:

Hammersmith & Fulham:

The Borough receives one of the lowest allocations of HN funding from central government in the Authorities surveyed. In addition, it is a high 'net importer' of pupils from other Boroughs (including RBKC and WCC) into its specialist provision. Place costs for these pupils are drawn from LBHF's HN budget. This reduces the amount of HN funding available for local children. As a result of this review, a letter has been drafted to send to the Education Funding Agency to make a case for an increase in the Borough's HN allocation.

In contrast, mainstream schools in Hammersmith & Fulham are the highest funded in the comparator sample. Given the reductions in school budgets implied by the new national funding formula, there may be a case for early 're-balancing' of Schools and High Needs Blocks, so that money is not lost to the system. The Government's proposals offer only a modest increase in the Borough's HN allocation (due to the level of protection given to higher spending Authorities).

If an increase in HNB cannot be achieved, then the Borough will need to more actively review its current use of funding. It spends a significantly greater amount than other Authorities on AP/PRU provision (twice that in the other two Tri Borough areas). Secondary mainstream schools may need to be required to pay a more significant financial contribution to AP placements if they wish to maintain these at current levels. The Borough also places more of its own pupils in special school provision. This would indicate a need to further strengthen mainstream capacity and reduce reliance on more specialist options, particularly for pupils with more modest needs.

More focused developments in provision in the other two Tri Borough Authorities should also reduce the amount of money that the Borough has to spend on pupils from other areas. This will need to be linked to a reduction in the number of places maintained in LBHF schools, with careful consideration of the future provision required (and that can be afforded).

Kensington & Chelsea:

The Borough receives a reasonable level of HN funding from central government when compared to the other Authorities surveyed. However, this also has to cover the costs of provision at the Hospital School which acts as a regional/subregional resource. Admissions are determined by medical needs and specialisms, and the Local Authority has limited control. On the other hand, RBKC is a 'net exporter' of pupils to state-funded specialist provision in

other Authority areas. On balance, the Borough is funded at a below average level (but more adequately than LBHF and WCC).

RBKC currently spends less than its allocated budget. However, a new specialist provision is being planned on the Barlby site. As a special free school, the Authority will not need initially to fund place costs from its HNB, as these are covered directly by the EFA. However, the Government is planning to consult this year on the future funding of this kind of provision and it is likely that the Authority will need to fund place costs in future from its existing HN allocation (following the initial period of incentivisation). Future spending decisions will need to take this into account.

The Borough spends a significant amount of money on placements in independent/ non-maintained special schools. A more targeted and coherent approach is needed to help reduce reliance on this kind of provision, which tends to be higher cost and, in some cases, at a distance from home. There is a need for greater clarity on the expected focus of the new mainstream resource bases and the levels of need they should be commissioned (and funded) to provide for.

With increased national expectations around entitlement to post 16 education, there is a probability that more parents will ask for their children to stay on in independent/ non-maintained provision, and this could involve significant increase in cost (with no increase in the money that Government has made available).

Westminster:

Westminster receives the lowest allocation of HN funding from central government in the sample of Authorities surveyed. However, it is a significant 'net exporter' of pupils to specialist provision in other Boroughs (particularly in LBHF). It also has a special free school (St Marylebone Bridge) where place costs are currently covered by the EFA, outside the Borough's HN funding allocation. With these factors taken into account, the Authority's HN allocation is more reasonable.

The Borough also places a higher than average number of pupils in independent/non-maintained special schools. The level of placement of pupils out of area is unexpected given the extent of specialist provision available locally. There is a strong case for a substantial review of the nature and focus of existing provision to ensure that this is 'fit for purpose' for current and future needs. In particular, the Borough should consider whether the number of places it commissions for more modest needs (eg speech, language and communication difficulties) is excessive, and whether a more flexible model of

provision and services is needed for children with sensory impairment. A clearer local pathway for children with significant ASD should also be a priority for development.

Westminster is currently a low spender on post 16 specialist provision and is likely to experience further demands and pressures in this area. Provision and pathways will need to be more proactively planned.

5. A common issue across all 3 Authorities is the reported variation in the capacity of mainstream schools and settings to meet SEND effectively. This leads to differing expectations about the need for additional funding or alternative/specialist placement. There needs to be a more consistent baseline in terms of the range of difficulties that schools/settings should be expected to provide for, and a more common commitment to meeting the needs of children and young people who require additional funding and support. This is likely to be achieved through:

Clarity about budgets and expectations

- (i) Clearer indication of the income within school budgets that is considered to be SEND-related (formula factors, percentage of AWPUP), and a more consistent link between this and the way in which notional SEN budgets are presented¹
- (ii) Greater transparency about the quantum available for SEN within each school's budget, to help ensure that investment in SEN provision is reasonable
- (iii) Clearer expectations of the range of needs that all schools should be able to meet (developed in conjunction with Heads and SENCOs and based on the range that most schools are now having to address)
- (iv) More common expectations of early years provision, with greater clarity about funding for SEND at this stage (early years pupil premium, the new disability access and local SEN inclusion funds, contingency)
- (v) Longer-term commitment to the enhanced offer in designated nurseries, with greater clarity about its purpose and better evaluation of its impact
- (vi) Greater transparency with regard to formula funding for students with additional needs in mainstream FE colleges and a review of appropriate thresholds for access to funding from the HNB, so that these are more in line with early years settings and schools

Challenge and support

¹ There is significant variation in the approaches currently used by the three Authorities and this is causing confusion to schools and officers alike. A more simple and consistent model is needed.

- (vii) A more targeted approach to challenge and support, linked to the above, as a core element within the agenda for improvement of mainstream schools and settings
 - (viii) A more commonly agreed structure for self-evaluation, for example using the Autism Education Trust materials to help schools/settings assess their capacity to meet the needs of this particular group
 - (ix) Greater opportunities for peer moderation in the process of decision-making around additional funding and specialist placements²
 - (x) Further development of current SEN networking arrangements so that these focus more substantially on sharing and extending good practice
 - (xi) Maintenance and extension of current initiatives around meeting the needs of children with speech, language and communication difficulties, so that there is ongoing capacity for this kind of need in every school/setting
6. There is a need in all 3 Authorities for improving **transitions** between the different phases of education, so that parents and children experience smoother and more predictable pathways. In particular, there should be:
- (i) Improvement in the formal notification process, with better communication between Health and Education about children who may need additional support or specialist provision
 - (ii) Stronger engagement of the Authorities' support services in working at the early years phase, to help promote more effective inclusion and transition into school
 - (iii) Earlier planning for transition from the primary to secondary phase, with a more humane and less bureaucratic approach to identifying appropriate schools, that encourages parents and pupils to be more confident about the mainstream option (where this is appropriate)
 - (iv) Earlier identification of students who may need additional funding at 16-19, with consideration of possible processes that would make this less dependent on EHCPs
7. There is also a need to review the current organisation, management and focus of the Authorities' **SEN support services**. In particular, officers should:
- (i) Look at the potential for greater alignment of services with clusters of schools and settings, and the possibility of trading at that level
 - (ii) Consider options for organisational change to achieve greater economies of scale, more integrated working and a more consistent approach

² This already exists to some degree in relation to admissions to TBAP

- (iii) Ensure priority is given to targeted activity, in terms of support to children with more complex/significant needs and to schools/settings with particular need for development
 - (iv) Seek to develop decision-making systems which are less dependent on support service involvement, releasing more time for skilled support and intervention
 - (v) Ensure that support service managers are properly engaged in strategic activity so that they are fully aware of (and committed to) policy directions and can play a full part in developments
8. It is recommended that this overview (and the associated Authority reports) are used to support discussion with key stakeholders at local level, to help promote a collective way forward. The High Needs block is a shared but finite resource and all need to play a role in ensuring it is properly targeted, and that provision and services for children and schools/settings are equitable and have maximum impact.

Andrew Tagg
Head of Resources

Clare Chamberlain
Tri-Borough Executive Director – Children's Services

Annexes:

- Appendix A2.1 – Report on LBHF SEN provision
- Appendix A2.2 - High Needs spend comparison

Appendix 2.1

External review of Hammersmith & Fulham's spend on children and young people with High Needs

Peter Gray: Senior Consultant: SSCYP

1. BACKGROUND TO THE REVIEW

National context

- 1.1 Funding for children and young people with 'high needs' (HN) is provided to local areas by central government. It is a defined block within the area's Dedicated Schools Grant (DSG), which also includes delegated funding for mainstream schools (Schools Block) and core funding for Early Years settings (Early Years Block).
- 1.2 Funding covers the costs of placements in specialist and alternative provision (state-maintained and independent/non-maintained special schools, mainstream units/resource bases and pupil referral units (PRUs)) along with additional provision for children and young people with High Needs in mainstream schools, early years settings and FE colleges. It also includes the costs of some specialist support services for children with special educational needs and disabilities (SEND).
- 1.3 The amount of funding is set by central government and is based on the amount of money Local Authorities were spending on this kind of provision at the point when the DSG was created. The Government is currently consulting on proposals to distribute HN funding to local areas on the basis of formula indicators (as part of its 'Fairer Funding' initiative). However, despite the reported growth in numbers of children and young people with HN, and in the severity of needs, funding has remained relatively stable with only modest increases to take account of inflation and the rise in overall child population.
- 1.4 Local Authorities retain a responsibility to keep HN spending under review, to ensure that it meets the needs of children with significant and complex SEND in a cost-efficient and equitable way. Over recent years, it has been possible for them to manage increasing demands and pressures through use of 'headroom' funding (spare capacity within the DSG). As DSG has become increasingly constrained, Authorities have had to start drawing on available reserves or seeking Schools Forum approval to transfer money from other blocks (Schools or Early Years). This approach is not sustainable in the longer-term.
- 1.5 The Government's SEND reforms have generally been welcomed in terms of making provision and services more child/family-centred. However, there is already evidence of a significant increase in parental expectations, which has not been matched by a corresponding injection of additional funding. Financial pressures are compounded by

the extension of statutory responsibilities to the full 0-25 age range, again with no increase in funding to meet this extended period of education.

- 1.6** In this context, most Local Authorities are needing to give urgent consideration to how they can make the best use of available HN funds, working in partnership with education providers, parents/carer and other agencies. The Government has provided additional funding this year to support such strategic activity.

Local context

- 1.7** Tri Borough Children's Services have been jointly commissioned by Hammersmith & Fulham, Kensington & Chelsea and Westminster Councils. Since their formation, officers have sought to develop the Local Offer for children with SEN and disabilities so that this provides services that are streamlined and cost-effective, as well as meeting local requirements. There has also been a desire to ensure that there is greater equity in provision across the three Boroughs, and that children can have their needs met as locally as possible, without having to travel a long way from home.
- 1.8** Examples of developments include the commissioning of a single provider (TBAP) to deliver provision and services for pupils at risk of permanent exclusion/with social and mental health needs, and the recent proposal to develop more local special school provision for children with learning disabilities in Kensington & Chelsea so they do not have to attend schools further afield.
- 1.9** Officers are keen to ensure that developments in services and provision across the 3 Boroughs take account of the following principles:
- 1) Match with the changing nature of local needs
 - 2) Broad recognition of the importance of meeting these within finite resources (including funding delegated to mainstream schools and settings as well as that provided additionally from the High Needs Block), and of achieving best value for money
 - 3) Equity in resource access for children and families living across the area (while accepting some local differences in the nature of provision available)
 - 4) Appropriate levels of funding for schools and specialist providers, that take account of the above
 - 5) The need to continue to strengthen local capacity in order that needs can be met closer to home, and to reduce reliance on more distant high cost alternatives
 - 6) The need to ensure that provision and funding leads to the best possible outcomes for local children with SEND, both in the short-term but also achieving positive transitions to a more independent adulthood.
- 1.10** HN budget pressures are being experienced in all 3 Boroughs, but are particularly acute in Hammersmith & Fulham, where a £3 million pound overspend is predicted for this financial year. As a short term measure, Schools Forum has agreed a transfer of £750k from the Schools Block for 2017/18. However, other significant measures will be needed to help manage future spend within the budget available.

2. REVIEW FOCUS AND METHODOLOGY

2.1 To assist them in these developments, the Tri Borough has commissioned an external review, which has been carried out by Peter Gray (SSCYP) who has significant knowledge and experience of both SEND and financial issues. Initial discussions with senior officers suggested the following focus for the review:

- 1) A comparative analysis of current spend on HN, across the 3 Boroughs and their statistical neighbour Authorities, to include top-up rates for local state-funded specialist provision (special schools, mainstream resource bases and TBAP), additional funding provided for children in mainstream schools, early years and post 16 settings, and spend on pupils placed out of Borough (in other state-funded and independent/non-maintained special schools).
- 2) An independent review of the Borough's current approach to funding SEND, at a number of levels:
 - *Mainstream schools:*
 - formula funding model
 - process for targeting additional funds to individual pupils with higher level needs (statements/EHC plans etc)
 - *Specialist provision:*
 - funding and focus of resourced provision/specialist units in mainstream schools
 - funding and focus of the Tri Borough's special schools
 - use of/spend on out of Borough provision
 - *Other services:*
 - advisory/support service inputs (pupil/school level)
 - commissioning/funding of therapy support

2.2 It is expected that the funding review will contribute the following:

- a) a range of accessible benchmarking data that will allow officers and schools to evaluate the current level of spend against other similar LAs and across the Tri Borough area as a whole.
- b) an independent evaluation of the Borough's funding and organisation of SEND provision and services, from its expectations of what should be ordinarily available in local mainstream schools and settings, through to provision for children and young people with more complex needs
- c) recommendations as to how existing funding systems and approaches could be improved and how expectations (practice/outcomes) could be more clearly

expressed and understood at all funding levels, so that local provision and services are more clearly aligned to the principles identified above

- d) an overall report of key findings and recommendations across the 3 Boroughs, with more specific summaries available for further discussion at individual Borough level

2.3 This report provides a summary of the position for Hammersmith & Fulham. It is based on the following:

- ***Phase 1:***

- examination of a range of statistical and financial data
- interviews with key senior officers (with responsibility for Finance and SEND; and with the chair of Schools Forum
- survey of provision and spend in a sample of LA comparators (email and phone follow-up)
- visits to all specialist provisions across the Tri Borough (special schools, mainstream resource bases and alternative providers)

- ***Phase 2:***

- Interviews/discussions with a range of professionals and stakeholders¹
 - *Local authority officers/services:*
 - *Mainstream school/setting managers:*
 - *Parents/carers and IAS² officers:*
 - *Other agencies (Health and Social Care)*
- Consideration of relevant data and documentation
- Sampling of current processes and decision-making.

2.4 The consultant also attended a number of meetings with officers, Schools Forum and other groups during the process of the review to provide an update on progress and emerging issues, and to share perspectives on the likely impact of national proposals.

3. HAMMERSMITH & FULHAM'S HIGH NEEDS BUDGET:

What does it receive from central government and how does this compare to other similar authorities?

3.1 When the DSG was created, Local Authorities received funding for High Needs (HNB) to cover the costs of a range of specialist provision and services for children and young people in their area. The position became more complicated in 2013 when the Government introduced the 'place-plus' system. State-funded special schools,

¹ A full list is provided in Appendix 1

² Information, Advice and Support (previously Parent Partnership)

alternative provision/PRUs and mainstream resource bases now receive £10k for each designated place and then ‘top-ups’ for individual pupils accessing the provision.

- 3.2 The Government provides overall funding for HN to each local authority area, but the EFA (Education Funding Agency) then makes deductions so it can pay for places in academies³. The new system also abolished inter-Authority recoupment (which was used to recover costs for pupils attending provision from other areas). In the first year of the new system, the EFA adjusted High Needs budgets to take account of the number of places occupied by out of Area children. However, this was a ‘one-off’, with subsequent cross-border changes not taken into account.
- 3.3 In making comparisons between budgets allocated to different Authority areas, it is therefore important to look at funding *before* EFA deductions are made, and to recognise that areas with higher ‘net import’ of pupils should receive higher than expected allocations.
- 3.4 Table 1 (below) shows HN budget allocations (prior to deductions) to Hammersmith & Fulham and its statistical neighbour Authorities (all London Boroughs). These are adjusted for overall size (using 0-19 resident population figures⁴).
- 3.5 Hammersmith & Fulham receives the second lowest level of HNB funding in the comparator group. This is despite the fact that it is a high ‘net importer’ of pupils from other Boroughs who attend its special school provision. Overall it is providing 189 places more for out of Borough pupils than it uses elsewhere. It would be reasonable therefore to expect an uplift of $189 \times £10k$ per place = £1.89m, leading to an additional £51 to its adjusted figure (= **£562** nearer to the average for the group).
- 3.6 The Government’s current proposals for a ‘fairer’ system suggest that the Borough would gain only £600,000, which does not match the shortfall implied by these figures. This is mainly because of the amount of protection provided to higher-funded Authorities through the proposed ‘funding floor’ and use of ‘historical factors’ in the proposed distribution formula⁵.
- 3.7 It should be noted however that mainstream school budgets in Hammersmith & Fulham are significantly higher than average for the comparator group (see data for 2013/14 in Table 2). The DSG arrangements currently allow some flexibility for movement between the funding blocks. Higher mainstream funding can be linked to

³ Deductions are also made for places in Alternative Provision free schools once these have been established for two years.

⁴ Office for National Statistics (ONS) 2015

⁵ The proposals also include an annual ‘import/export’ adjustment that should mean that cross-border placements are properly taken into account. However, the adjustment also includes pupils with statements/EHC plans placed in ordinary mainstream schools. It can be questioned whether this is appropriate given the variation in thresholds used for statutory assessment and the fact that the ‘£6k’ is a nominal allocation rather than being a recognisable part of the HNB.

higher expectations of mainstream capacity for inclusion, although this is not necessarily the case. The Government's 'fairer funding' proposals imply some reduction in mainstream school budgets in the Borough, and this may indicate a need to rebalance the blocks to provide a higher level of HN funding, while the flexibility to do so remains in place⁶. This would help address the current HN funding shortfall.

Table 1: High Needs Budgets (before EFA deductions) for Tri Borough Authorities and statistical neighbours (adjusted for 0-19 resident population⁷ and ordered from highest to lowest):

Local authority	HNB (before deductions) (£m) (2016/17)	Resident population (0-19)	HNB adjusted for size (£)
Wandsworth	42.72	65,830	649 ⁸
Camden	32.28	52,065	620 ⁹
Tower Hamlets	43.98	72,059	610
Lewisham	43.97	73,717	596
Islington	25.80	45,583	566
Kensington & Chelsea	17.48	31,285	559 ¹⁰
Southwark	38.91	69,752	558
Hackney	36.44	66,474	548
Greenwich	39.10	72,548	539
Lambeth	36.90	68,748	537
Hammersmith & Fulham	19.03	37,238	511
Westminster	24.23	47,645	509
<i>Average</i>			<i>567</i>

3.8 Looking at the other two Authorities in the Tri Borough, Westminster is also funded at a comparatively low level. However it is a net exporter to specialist provision (63 places x £10k = £630,000, so could expect to be £13 higher on adjusted figure = **£522**). This still puts it in the bottom two in the comparator group¹¹. The current Government fairer funding proposals imply an increase of only £160k in Westminster's HNB.

3.9 RBKC receives an average amount of HNB funding for the group. However, this includes the costs of hospital school provision which is a resource for children

⁶ The Government's proposals will reduce this flexibility from 2018/19.

⁷ ONS mid year estimates 2015

⁸ High net importer to specialist provision

⁹ Includes £42 for hospital schools (Great Ormond St etc)

¹⁰ Includes £37 for hospital schools (Chelsea Royal etc)

¹¹ It also has a special free school (St Marylebone Bridge). Places there are currently funded by the EFA additionally to the HNB

admitted from a wide geographical area. With this element removed, RBKC's HN allocation (adjusted for size) is £522, which is below average for the group. However, the Borough is a net exporter of pupils to specialist provision in other Authority areas (29 places x £10k = £290k)¹², so would expect to be £15 higher on adjusted figure: net effect of both these elements would mean an expected adjusted figure of **£537**). The Government's proposals show no change to Kensington & Chelsea's HNB.

Table 2: Funding for mainstream schools (basic pupil element and SEN related factors) in Hammersmith & Fulham and a sample of comparator LAs (data taken from DFE LA data proforma 2013/14)

LA	Basic entitlement (£ per pupil)				Deprivation (£ per pop)	Prior attainment (£ per pop)	Dep + PA (£ per pop)	Overall £ per pop
	Primary	KS3	KS4	TOTAL				
Camden	3355	4560	5014	3914	1176	204	1380	5294
Greenwich	3009	4209	5201	3517	1013	45	1058	4575
H&F	3594	5113	5113	4106	1277	157	1434	5540
Islington	3576	4635	4635	3940	899	116	1015	4955
K&C	4043	6132	6132	4684	302	48	350	5034
Wandsworth	3680	4637	5741	4122	462	330	792	4914
Westminster	3330	4911	5593	3977	557	288	845	4822
Average (comps)	3512	(4885)	(5347)	4037	812	170	982	5019
<i>Average England</i>	2922	4065	4621					

4. OVERVIEW OF HAMMERSMITH & FULHAM'S HIGH NEEDS SPEND:

What does it spend on different types of provision and how does this compare to other similar authorities?

4.1 This has been one of the most difficult aspects of the review, as it is important to ensure data on costs and provision usage are accurate and defined in similar ways. Officers are increasingly hard-pressed and it can be difficult to get other Authorities to give priority to comparator surveys that are not their immediate concern, even if these are seen to provide potentially useful information. The exercise would have been easier if there had been collective agreement at the outset that this was valuable for all, and if officers across the comparator group had been more involved in the survey design.

4.2 The survey asked LAs for information on the following¹³:

¹² This includes 'import' into RBKC places funded at Parkwood Hall

¹³ Including funding deducted from the HNB allocation and paid to academies/AP free schools

- (i) **Additional funding to mainstream schools**¹⁴ (in and out of Borough) and number of pupils receiving this kind of support: this included any funding devolved to schools (eg for pupils with lower level needs)
- (ii) Number of places in **mainstream resource bases** (in and out of Borough), top-up rates and numbers of pupils accessing this provision
- (iii) Number of places in **state-funded special schools** (in and out of Borough), pre 16 and post 16, top-up rates and numbers of pupils accessing this provision
- (iv) Number of places in **alternative provision/PRUs** (in and out of Borough), top-up rates and numbers of pupils accessing this provision
- (v) Number of pupils in **independent/non-maintained special schools**, pre 16 and post 16, and overall costs (High Needs budget only¹⁵)
- (vi) Number of students in **independent specialist colleges** (ISPs), and overall costs (as above)
- (vii) Additional expenditure for children in **Early Years** settings (HNB)
- (viii) Top-ups for students with High Needs in **mainstream FE colleges**¹⁶
- (ix) Spend on hospital schools (if any)
- (x) Spend on SEN support services¹⁷ (High Needs budget only)

4.3 A breakdown of Hammersmith & Fulham's spend on High Needs for 2016/17 is provided in Table 3 (below). It can be seen that this has significantly exceeded the available budget. A high proportion of spend is on specialist and alternative provision (71% of overall total). A total of £2.23m is spent on children and young people placed in specialist provision in the independent/non-maintained sector, most of which is out of the local area, meaning additional transport and/or residential costs. However, due to the range of local state-funded special schools, relatively few placements need to be made in such provision in other Authorities.

4.4 Table 4 (below) compares Hammersmith & Fulham's spend profile with the other Tri Borough Authorities. Adjusted spend is used, which takes account of different population sizes (0-19 as before). Overall spend in the other two Boroughs is currently well within the budget available. Hammersmith & Fulham spends significantly more on state-maintained specialist provision (pre and post 16) and on alternative/specialist provision for pupils with behaviour/mental health issues (at TBAP). While some of the difference can be explained by levels of import from other Authorities, the Borough has a higher number of its residents in state-funded specialist and alternative provision than RBKC and Westminster, and in specialist/alternative provision overall (see Table 5 below).

¹⁴ Including 6th forms

¹⁵ Some pupils are jointly funded by Health and/or Social Care

¹⁶ Currently colleges receive Element 2 funding (£6k) for students with statements/EHC plans direct from the EFA. This funding will transfer in 2017/18 to the HNB LAs where colleges are located, with the EFA making deductions on the basis of agreed numbers of places. The Government is proposing that cross-border usage will be part of the planned methodology for annual import-export adjustment.

¹⁷ Including any contracts with therapy service providers

Table 3: Hammersmith & Fulham's HN spend, broken down by types of provision

Type of provision	Spend (£)	% of overall spend
Additional funding in mainstream	3,748,306	16.5
Mainstream resource bases	1,584,770	7.0
State funded special schools (pre 16)	7,215,893	31.8
Alternative provision/PRUs	4,196,542	18.5
I/NM ¹⁸ special schools (pre 16)	1,307,217	5.8
State funded special schools (post 16)	866,778	3.8
I/NM special schools (post 16)	528,067	2.3
Independent specialist colleges	393,713	1.7
Mainstream FE colleges	535,889 ¹⁹	2.4
Early Years (HNB)	351,535	1.5
Hospital schools	0	0
SEN support services (HNB)	1,998,009	8.8
TOTAL	22,726,719	
Budget	19,030,605	
Surplus/deficit	- 3,696,114	

Table 4: Hammersmith & Fulham's HN spend (adjusted for 0-19 population) compared to other TriBorough LAs

Type of provision	Hammersmith & Fulham (£ per 0-19)	Kensington & Chelsea (£ per 0-19)	Westminster (£ per 0-19)
Additional funding in mainstream ²⁰	100.66	93.24	96.78
Mainstream resource bases ²¹	42.56	25.66	33.93
State funded special schools (pre 16)	193.78	55.16	107.57
State funded special schools (post 16)	23.28	18.58	9.47
Alternative provision/PRUs	112.70	67.12	44.34
I/NM ²² special schools (pre 16)	35.10	58.76	60.15
I/NM special schools (post 16)	14.18	37.65	18.02
Independent specialist colleges	10.57	16.46	2.44
Mainstream FE colleges	14.39	22.27	24.66
Early Years (HNB)	9.43	7.79	9.87
Hospital schools	0	37.24	6.24
SEN support services (HNB)	53.66	70.17	48.69
TOTAL	610.31	510.10	462.15
Budget	511	559	509
Surplus/deficit (approx.)	(-99)	+49	+47

¹⁸ Independent/non-maintained. Places in non-maintained special are paid by the EFA before HN allocations are made to local authority areas. LAs only pay top-up. LAs pay the full costs for independent special schools.

¹⁹ Includes William Morris 6th Form

²⁰ Including mainstream 6th forms

²¹ Includes funding for ASD bases at Fulham Primary and Fulham Boys/Cross (managed by Queensmill)

²² Independent/non-maintained. Places in non-maintained special are paid by the EFA before HN allocations are made to local authority areas. LAs only pay top-up. LAs pay the full costs for independent special schools.

Table 5: Numbers of pupils resident in each of the TriBorough LAs attending specialist or alternative provision

	LBHF	RBKC	WCC	Total
Resource bases	66	27	74	167
State-funded special (pre 16)	217	69	235	521
State-funded special (post 16)	19	9	11	39
PRU/AP	171	80	80	331
INM special (pre 16)	27	50	84	161
INM special (post 16)	10	15	21	46
INM specialist college	8	10	4	22
Total	518	260	509	1,287
% 0-19 in state-funded specialist/alternative provision	1.27	0.59	0.84	
% 0-19 in INM specialist provision	0.12	0.25	0.23	
% 0-19 in all types of specialist/alternative provision	1.39	0.83	1.07	

- 4.5** Table 6 (attached) extends this analysis to a wider group of LA comparators. The broader comparison confirms the Borough's higher than average spend on state-funded special schools and alternative provision, and the lower spend on school-age placements in the INM special school sector.

More detailed analysis of spend areas

State-funded special schools

- 4.6** Hammersmith & Fulham has 4 local special schools which are all maintained by the Authority. Table 7 (below) shows the number of funded places for 2016/17 and occupancy (FTE pupils). The schools receive £10k for each place, with 'top-ups' paid for each pupil attending by the LA where he/she resides. While each school caters for a range of levels of need, the top-up is set at a uniform level based on average costs. Current top-up levels are provided in Table 7.

Table 7: Special schools in Hammersmith & Fulham: Numbers and costs per pupil

School	Number of funded places	Occupancy	LBHF pupils	Other TriB pupils	Other LA pupils	Top-up rate
Cambridge	75	69	25	28	16	£13,923
Jack Tizard	70	71	49	15	7	£24,481
Queensmill	132	160	87	47	26	£17,189
QM 19-25	10	6	3	2	1	£40,000
Woodlane	98	97	53	24	20	£9,500
TOTAL	385	403	217	116	70	

- 4.7** Nearly half of the pupils attending Hammersmith & Fulham special schools live in other neighbouring Authorities. The place costs for these pupils count against the Borough's High Needs Budget. This is contributing significantly to current budget difficulties as level of import is not being adequately reflected in the Authority's received HN allocation (see 3.5 above).

Nature of provision and rationale for current funding

- 4.8** Both Cambridge and Woodlane are secondary only. Jack Tizard and Queensmill are 3-19. Queensmill is in the process of developing a post 19 provision, linked to Adult Social Care and on a separate site.
- 4.9** The range of pupils attending each of the schools has changed over the years. Queensmill was originally a primary school for children with moderate learning difficulties (MLD). With greater mainstream inclusion of these kinds of pupils and falling numbers on roll, the school developed a specialism for ASD (autistic spectrum disorders) and this designation was formalised around 2004. The age range was then extended to secondary and beyond.
- 4.10** Cambridge and Woodlane were secondary school equivalents (MLD). With falling numbers, Cambridge started to admit a broader range of learners, including some with significant behaviour difficulties. This was a major challenge for the school at this stage and it went through a difficult period, leading to a fall in numbers of admissions. With a new head teacher and staff changes/organisational developments, the school is improving. It still takes a range of pupils but they generally now have some level of learning difficulty.
- 4.11** Woodlane's admissions have been more stable, although pupils now tend to have a broader range of associated difficulties (ASD; physical/sensory needs).
- 4.12** Jack Tizard was originally a traditional school for children with severe/profound learning disabilities. However, greater mainstream inclusion and the shift towards broader admissions in the MLD school sector have meant that admissions are now generally more complex. Jack Tizard also played an early role in the Authority's strategy of reducing reliance on out of Borough placements. It developed greater capacity for meeting significant health care needs and providing for pupils with severe learning disabilities whose behaviour was particularly challenging.
- 4.13** Changes to the profile of special school admissions have been reflected in top-up rates, with an increase of £7,341 per pupil at Cambridge (over a 5 year period), £9,951 at Jack Tizard, £5,596 at Queensmill, and £2,249 at Woodlane. At the beginning of this review, Tri Borough officers were concerned that these increases might have made a significant contribution to the Borough's HN overspend.

However, comparison of unit costs against a sample of schools for children with significant/complex difficulties in other London Boroughs would indicate that these are broadly in line with similar provision (see Table 8 below).

Table 8: Unit costs (place + top-up) for sample of special schools in London Boroughs

School	LA	Needs type	Age range	Average pupil cost
QE11 Jubilee	Westminster	SLD/PMLD	5-19	£31,000
Jack Tizard	Hammersmith&F	SLD/PMLD	3-19	£34,481
Queensmill	Hammersmith&F	ASD	3-19	£27,189
Richard Cloudesley	Islington	PD/PMLD	2-19	£30,052
The Bridge	Islington	LD/ASD	2-19	£28,000
Cherry Garden	Southwark	SLD/PMLD	2-11	£31,634
Tuke	Southwark	SLD/PMLD	11-19	£29,629
Stephen Hawking	Tower Hamlets	SLD/PMLD	2-11	£29,429
Beatrice Tate	Tower Hamlets	SLD/PMLD	11-19	£31,170
Phoenix	Tower Hamlets	LD/ASD	3-19	£31,170
The Garden	Hackney	LD/ASD	2-16	£35,178
Ickburgh	Hackney	SLD/PMLD	2-19	£32,109
Swiss Cottage	Camden	SLD/PMLD/LD/ASD	2-19	£31,089
Charlton Park	Greenwich	SLD/PMLD/LD/ASD	2-19	£27,202
Watergate	Lewisham	SLD/PMLD	3-11	£36,000 approx ²³
Greenmead	Wandsworth	PD/PMLD	2-11	tbc
Average				

- 4.14** It is more difficult to make comparisons for Cambridge and Woodlane as Authorities vary in their special school admission thresholds and the range of needs that ‘MLD plus’ schools are now tending to cater for.
- 4.15** With the number of special school places available within Borough, Hammersmith & Fulham makes relatively little use of special schools in other LAs. 29 pupils are placed in such provision, partly because of proximity and parental preference but also because of particular specialisms (eg Linden Lodge in Wandsworth, for severe visual impairment and learning disabilities).

Mainstream resource bases

- 4.16** Hammersmith & Fulham currently has 5 resource bases for children with HN situated in local mainstream schools. 3 of these (Fulham Primary, Fulham College Boys and Fulham Cross Girls) are staffed and managed by Queensmill special school, which receives their budget allocation²⁴. The other two (Miles Coverdale and Queens Manor) operate in a more traditional manner, with the budget going to the mainstream

²³ Due to reduce by around £2000 per pupil in 2017/18

²⁴ A small amount goes to the mainstream school for day to day materials and equipment

school. Table 9 (below) shows the number of funded places for each provision in 2016/17 and current occupancy. The schools receive £10k for each place, with ‘top-ups’ paid for each pupil attending by the LA where he/she resides. While each school caters for a range of levels of need, the top-up is set at a uniform level based on average costs. Current top-up levels are also included in Table 8.

Table 9: Resource bases in Hammersmith & Fulham: Numbers and costs per pupil

School	Needs	Number of funded places	Occupancy (FTE)	LBHF pupils	Other TriB pupils	Other LA pupils	Top-up rate
Miles Coverdale	SLCN	18	16	14	0	2	£4,256
Queens Manor	LD	20	17	13	3	1	£10,985
Fulham Primary	ASD	30	29	21	8	0	£12,500
Fulham Boys	ASD	12	16	10	5	1	£14,292
Fulham Cross	ASD	6	5	2	3	0	£12,500
<i>Total</i>		86	83	60	19	4	

- 4.17** Around a quarter of the resource base places in Hammersmith & Fulham are currently taken up by pupils living outside the Borough (mainly from the other Tri Borough Authorities). This is particularly true for the Fulham ASD bases managed by Queensmill. This appears to be partly linked to these bases being able to provide for a more significant level of needs²⁵.

Nature of provision and rationale for current funding

- 4.18** Miles Coverdale is a relatively traditional resource base provision for children with speech and language difficulties. The original focus was on those with specific speech and language impairment, but some are now admitted with a broader range of needs. The expectation is that speech and language will be the primary area of difficulty. Almost all of the children live within the Borough, with parents now expected to provide their own transport. Although a reasonable number come from the local area, analysis of pupil addresses indicates a geographical spread (including several from the White City estate).
- 4.19** The base is intended to provide for children from Early Years to the end of KS1. At this point, they are expected to return to mainstream: most to their nearest primary, with a few staying on in the main school. Admissions used to be on a more informal/‘assessment’ basis. There is now an expectation that pupils will have completed EHC plans. This has led to fewer admissions, with children arriving later, sometimes after having experienced initial difficulties in their local mainstream. The children are taught in two separate classes, with some opportunities for mainstream access. The provision is overseen by the Assistant Head who is also school SENCo.

²⁵ Millbank (primary ASD base in Westminster and Kensington Aldridge Academy (secondary ASD base in RBKC) have tended to expect a higher level of ability to participate in mainstream class activities

- 4.20** The top up rate for Miles Coverdale has remained relatively stable, and is appropriate for this level of needs (comparable to similar provision in Westminster and elsewhere).
- 4.21** Queens Manor was originally a provision for 30 primary pupils with moderate learning difficulties (MLD) and, like Miles Coverdale, has been established for some time. It has now reduced to a resource base for 20 pupils who tend to have more complex learning needs (a number have Down's syndrome). Children are taught separately in two classes (younger and older), with provision more personalised to their individual needs. The redesign of the current school site will mean an improvement in the facilities available, so that these are more appropriate for the current pupil population²⁶.
- 4.22** Children are admitted at any time from YR to Y6. Those arriving later have usually experienced significant difficulties in their local mainstream primary. The majority come from the north of the Borough and not from the local area. Most leavers go on to special school (Cambridge or Woodlane with the occasional transfer to Jack Tizard). Although some parents would prefer an equivalent provision in mainstream secondary, this option has never been formally discussed.
- 4.23** The top-up rate for Queens Manor resource base has increased substantially over the last few years to reflect its changing population.
- 4.24** The bases at Fulham Primary, Fulham College Boys and Fulham Cross have been set up more recently, in response to the rising numbers of pupils with ASD, and the Authority's aim of reducing reliance on out of Borough provision. This development was also led by a desire to provide inclusion opportunities for some of the children placed at Queensmill, who were seen to be capable of accessing a mainstream school curriculum.
- 4.25** Fulham Primary was originally set up as a conventional resource base with the budget delegated to the mainstream school and staff appointed there. However the first cohort of children admitted remained on the Queensmill roll²⁷. Progressively over time, the base and budget²⁸ have come under the management of Queensmill, with regular discussions about day-to-day management and deployment of staff with the mainstream Head. This model has also been adopted by the two secondary bases at Fulham College Boys/Fulham Cross, which have been developed to provide an all-

²⁶ The site will also include a Borough Resource Centre, which will provide respite/activity options after school and at weekends for a broader range of children with learning disabilities.

²⁷ The Head had previously been at Queens Manor Primary and both schools have had ongoing concerns about the impact of low attainment data on judgements about school quality.

²⁸ Part of the budget is still delegated to Fulham Primary, to pay for staff that were historically appointed to the school. This is expected to change over time.

through pathway for pupils with this kind/level of needs. The children are taught in three separate classes with some level of access to mainstream lessons, planned on an individual basis.

- 4.26** Most admissions to the Primary base have come through Queensmill and this is the route preferred by the mainstream Head Teacher, who feels that children need to develop more settled patterns of behaviour at the special school before accessing their new mainstream environment. Those placed direct from other mainstream schools may have experienced a significant period of difficulties which, in her view, need addressing before access to the resource base is considered.
- 4.27** Transfer to the new secondary bases is the expected pathway for leavers, although one or two pupils may return to Queensmill at that stage or go to a more local secondary mainstream if this is appropriate and preferred.
- 4.28** The secondary bases are relatively small at the moment (12 places at Fulham Boys and 6 at Fulham Cross), but numbers are expected to increase as the first cohort of pupils work their way through to Y11. Levels of need are reasonably complex and appropriate for this kind of provision. Pupils are taught in separate classes of around 6 pupils, with varying access to mainstream lessons, linked to individual strengths and interests.
- 4.29** Cost comparisons with similar provision in other LAs are difficult to achieve, due to variation in the focus of resource bases, expected levels of need and degree of access to mainstream classes. However, a survey of resource bases carried out a few years ago for another London Borough would suggest that costs/top-up rates are reasonable.
- 4.30** Hammersmith & Fulham makes relatively little use of resource bases in other LAs. Only 6 pupils are placed in this kind of provision out of Borough.

Alternative provision/PRUs:

- 4.31** The main provider of AP for Hammersmith & Fulham pupils is TBAP. This is now a multi-academy trust, with a number of sites across the Tri Borough, serving all three Authorities²⁹. It provides a broad continuum of support, including short-term (one term maximum) intervention for pupils at risk of exclusion, full-time/longer-term placements as an alternative to permanent exclusion, and a small number of specialist provision places for children with SEMH (social, emotional and mental health needs). The majority of places are for secondary pupils, but there is some capacity for primary. Numbers of places commissioned by Hammersmith & Fulham are shown in Table 10 (below).

²⁹ The Trust has now extended to offer AP provision in other Authorities (in London and elsewhere)

Table 10: Places commissioned at TBAP by Hammersmith & Fulham (2016/17)

	Short-term intervention	Alternative provision	SEMH provision	Total
KS3/4	25	140	15	180
KS1/2	0	8	8	16
Total	25	148	23	196 ³⁰

- 4.32** The top-up rate for AP placements (for both secondary and primary) is £7,680, which is comparable to similar provision in other London Authorities (typical top-up range is £5k - £10k per pupil). The cost of SEMH placements is much higher: £25,000 top-up for secondary and £36,771 for primary (equivalent to £35k pa and £46.8k pa total cost respectively). This rate is much higher than the average cost for Local Authority SEMH special schools. However, the justification for setting rates at this level is that the provision is expected to meet the needs of pupils with the most significant and complex needs who might otherwise have to be placed in high cost schools in the independent/non-maintained sector. Use of SEMH placements is determined by the Authority and all pupils accessing these have completed EHC plans.
- 4.33** TBAP recognises that it is expected to admit pupils with a high level of behaviour difficulties/concerns. However it is reluctant to admit those for whom behaviour is not the primary need (eg where this might relate to other conditions (ASD) or where pupils' attainment levels are outside the mainstream range). TBAP bases are used flexibly across the Tri Borough area in order to meet individual pupil needs and help address difficulties in relationships/group dynamics. One of the sites (Portobello) is used for pupils who are more emotionally vulnerable.
- 4.34** Short-term intervention is funded differently. The Borough commissions places but secondary schools have to pay the top-up cost. This is organised through a service level agreement with individual schools that involves booking and paying for places in advance (range is 1-3 per school).
- 4.35** Hammersmith & Fulham commissions a significantly higher number of places than the other Tri Borough Authorities. Westminster commissions 73 AP places (65 secondary, 8 primary) and 14 SEMH (10 secondary, 4 primary). Kensington & Chelsea commissions 63 AP and 17 SEMH (all secondary³¹). This is a major area of difference which is contributing significantly to the Authority's current HN overspend (see 4.5 above).

³⁰ In practice, only 171 places are used, with TBAP refunding the LA for 25 of those identified by the EFA. The rationale for this arrangement was unclear.

³¹ In practice, Kensington & Chelsea is making use of some of the primary places at the Courtyard site. It is unclear whether the Borough is recovering full costs for these at present, and this may require some further adjustment to the number of places each Authority is commissioning.

- 4.36** When TBAP was visited in December 2016, a number of secondary commissioned places were unoccupied (20/140 AP and 7/15 SEMH). Primary provision was full. However, it was pointed out that numbers of placements tended to increase through the academic year as problems in mainstream started to escalate. Clearly, if there are continuing vacancies, place numbers may need to be revised³².
- 4.37** Hammersmith & Fulham also hosts an AP Free School (Westside) which has recently relocated from Westminster. Relatively little use of this provision is made by the Authority, with current pupils mainly coming from mainstream secondary schools in the other two Boroughs and beyond. The Government's approach to funding this kind of provision³³ is to link place costs to LAs where pupils are resident. Therefore Hammersmith & Fulham's HN budget is not affected by other Boroughs' use.
- 4.38** Recent developments across the TBAP multi-academy trust include a residential provision based in Crawley. This is currently funded by the DFE Social Innovations Fund and some pupils from the Tri Borough have access to it at no additional cost. Longer-term funding implications for this provision are unclear. The Trust has also opened a 16-19 provision for more academically able students with emotional needs.. Places are currently funded additionally by the EFA but costs will transfer to the host LA when 16-19 place funding is added to the HNB in 2017/18. These developments could potentially bring further pressures to the Authority's HN budget, with no clear indication from Government that transfer of responsibility will be associated with an appropriate enhancement to HNB funding.

Independent/non-maintained special schools and colleges

- 4.39** Hammersmith & Fulham has taken significant steps to reduce reliance on INM (independent/non-maintained) special school provision. Numbers (FTE) in pre 16 provision were down to 27 in 2016/17, with a further 18 in post16/specialist colleges. This is considerably fewer than in the other Tri Borough Authorities (RBKC: 50 + 25; WCC: 84 + 25). Average cost per pupil/student was around £50k pa³⁴, with costs significantly higher for some individual placements.
- 4.40** It was not possible within the scope of this review to carry out a detailed analysis of the reasons for recent placements in the INM sector. However, interviews with officers suggested that a number of these related to multi-agency decisions, or Tribunal appeals. A large number of different placements are used for particular individuals, with no clear preferred provider.

³² This would need to happen in consultation with the Education Funding Agency (EFA) given TBAP's academy status.

³³ After they have been established for 2 years (funding is 'free' for the initial period)

³⁴ HNB contribution only. Some placements are jointly funded by Health and Social Care (12/45), so full costs are higher. Average cost to LAs is reduced by the fact that the EFA currently funds places in non-maintained special schools direct, and additionally to the HNB (topslipped from the available national budget)

Mainstream provision

Schools

(i) Additional funding

- 4.41** The Borough spends about average overall (£3.75m) on additional provision for individual pupils with high needs in mainstream schools (including school nurseries and 6th forms). This figure includes funding for those with statements/EHC plans and funding for 'contingency'. This has been a relatively recent development within the Tri Borough. Money is provided either to support children with significant needs during the process of statutory assessment, or to provide a period of short-term intervention for those who may not need a statement/plan if sufficient progress is made.
- 4.42** The figure also includes the payments that are made to mainstream schools with statemented pupils to fund the 'first £6k' (element 2) of their provision. The Borough still pays these out of the HNB, whereas, in most LAs, funding has been transferred to the Schools Block, with schools having to find this sum from their delegated budget. The rationale for this approach is that funding can be better targeted (formula indicators would leave some schools receiving this money that had no pupils with statements/EHC plans, and others with a number of such pupils having insufficient funding to meet the provision requirements specified)³⁵.
- 4.43** While this approach has some merit, it needs to be recognised that it is inconsistent with current national expectations. It also contributes to the current pressures on the Borough's HNB which is significantly overspent.
- 4.44** Hammersmith & Fulham currently funds 323 pupils additionally in its own local mainstream schools, and a further 46 in schools in other Authority areas (22 in RBKC/WCC; 24 elsewhere). This is slightly higher than in the other two Tri Borough Areas (0.99% of 0-19 population vs 0.78 in RBKC and 0.88 in Westminster). This figure also needs to be set against its relatively high percentage of pupils in specialist/alternative provision³⁶.
- 4.45** It was reported that there has been a 13% growth in spend on this type of provision over the last 4 years. Clear trends for numbers in mainstream with statements/EHCPs have been difficult to access. However, there has been significant growth in numbers receiving contingency funding (45 to 87 pupils between 2015/16 and 2016/17 (26 to

³⁵ Funding is devolved on an annual basis using numbers at the January schools census. Schools do not gain (or lose) if numbers change during the financial year. Only pupils with statements/EHCPs are included.

³⁶ A report for the Tri Borough by Ernst & Young (March 2016) indicated that the overall number of statements/EHC plans maintained by Hammersmith & Fulham was above average for Inner London (3.4% vs 2.9%). Westminster and RBKC had 2.7% and 1.9% respectively.

48 fte)) and associated costs (£196k to £328k), and further increases are predicted. There is no clear evidence that the introduction of contingency funding has led to a reduction in numbers of statutory assessment/statutory assessment requests³⁷.

- 4.46** Decisions about additional funding are made by a Panel that meets regularly to consider statutory assessment (and contingency funding) requests and determine whether a supported mainstream placement is appropriate. The Panel consists of LA officers, support service representatives and representatives from mainstream schools/settings. While this enables contributions from a number of perspectives, it places considerable demands on time. The representative role tends to be shared by a number of individuals, which can lead to some inconsistency in the way in which decisions are made.
- 4.47** The provision of additional support does not always lead to children's needs being met. A number of parents interviewed raised questions about the quality and training of LSAs (learning support assistants) and the ways in which such support is being used. And, in their experience, although statutory assessment could lead to more formality in school-parent relationships, it did not necessarily improve the quality of communication or change attitudes.

(ii) Capacity

- 4.48** Decisions about additional funding are inextricably bound to expectations of what should be 'ordinarily available' in mainstream schools. The evidence from this review suggested that there is currently no clear common understanding across the Borough about the range of needs that mainstream should be expected to meet, and the provision they should have in place. Although the Local Offer sets out to describe this, the general view of those interviewed was that this was not matched by actual practice, and that more needed to be done to achieve broader agreement about the capacity generally required.
- 4.49** On the positive side, the Authority's 'Communications Champion' initiative (delivered jointly by Education and Health) has been well-received and has helped clarify all schools' responsibilities towards pupils with speech, language and communication needs. On the other hand, skills, confidence and attitudes towards pupils with ASD (autistic spectrum disorders) were reported to be more variable.
- 4.50** There was a general lack of knowledge about funding available for SEND within schools' delegated budgets, and this contributed to parents (and SENCos/SEN governors) finding it difficult to know what it was reasonable to expect. Heads and

³⁷ There was an increase in number of statutory assessment requests in LBHF from 93 in 2015 to 138 in 2016. 94% of requests during this period were agreed. The majority of requests (57%) were from schools.

SENCOs tended to refer in discussions to additional funding or ‘the first £6k’ rather than how they were using their broader budget to meet the wider range of SEND.

- 4.51** Schools’ formula budgets in Hammersmith & Fulham include sums for deprivation, low prior attainment, English as an additional language (EAL) and numbers of looked after children. Deprivation is the main indicator used to reflect differences in school demography and is over and above the amounts allocated through Pupil Premium. Table 11 (below) shows the amount of money distributed through each factor for each school phase. The highest allocation in the primary phase is to Wormholt Park (£524k deprivation + £98k prior attainment) and, in secondary, to Burlington Danes (£1.93m deprivation + £131k prior attainment³⁸). Lowest allocations in primary are £42k for deprivation and £13k for prior attainment and, in secondary, £428k and £28k respectively.

Table 11: Funding for SEND delegated to mainstream schools through Hammersmith & Fulham’s local funding formula (£m)

	Deprivation	Prior attainment	EAL	LAC	Total (SEN-related)	Notional SEN
Primary	8.81	1.68	0.81	0.02	11.32	4.92
Secondary	9.72	0.73	0.28	0.03	10.76	3.99
Total	18.52	2.42	1.09	0.05	22.08	8.91

- 4.52** Local Authorities are also required to provide information to the DFE on schools’ ‘notional SEN budgets’ which tend to include an element of the funding for numbers of pupils (Age-Weighted Pupil Unit). In Hammersmith & Fulham, the notional SEN budget is based on a percentage of the AWPU (2.95% primary and 2.53% secondary), a proportion of funding for deprivation and 100% of funding for the other SEN-related factors. Notional budgets are significantly lower than the funding distributed through SEN-related formula factors (£4.92m total for primary vs £11.32m in formula; £3.99m for secondary vs £10.76m in formula). Notional SEN figures range from £48k to £245k at primary; and from £20k to £635k in secondary.
- 4.53** Given the relatively high rate of AWPU funding in Hammersmith & Fulham (higher than the two other Authorities in the Tri Borough, and the significant amounts of money provided additionally for SEN-related formula factors, it is reasonable to expect a good level of SEN provision in every school. Greater transparency about this funding would help support clearer expectations for all mainstream schools to have the capacity to meet a broad range of SEND³⁹.

³⁸ Figures also include Burlington Danes primary school

³⁹ Especially as the ‘first £6k’ for pupils with statements/EHCPs in LBHF is provided additionally, whereas, in most other Authorities, these need to be found from the notional SEN budget as well.

Early years

- 4.54** Early years provision in Hammersmith & Fulham is a mixed economy with a combination of nursery schools, mainstream nursery classes and PVI (private, voluntary and independent) settings. A small number of places are also available for children with very significant needs in the early years classes at Queens Mill and Jack Tizard. There are a number of Children's Centres, some of which are based at nursery schools.
- 4.55** Historically, children with high needs in early years settings did not access additional funding, except through the statementing process (which was often not completed until children were about to transfer to statutory school provision. Some children were directed to Children's Centres which were generally better funded. Access to other early years provision depended on attitudes, skills and physical capacity.
- 4.56** As funding for early intervention has reduced nationally, alternative systems for supporting children with high needs have had to be developed across the sector. The Tri Borough has developed two mechanisms: contingency funding for individuals (without the need for an EHCP) and additional funding to specific early years settings through the 'enhanced offer'. This involves an allocation of £40k pa with the expectation that the setting will admit pupils with more complex SEND as well as acting as a 'resource centre' providing advice and training. The enhanced offer has been targeted at 3 nursery schools, which receive a total of £120k.
- 4.57** Both of these initiatives have been welcomed by the Early Years sector. However, there is uncertainty about the long term future of the enhanced offer which has only been funded for 2 years. Contingency funding has helped to ensure that support is available more promptly. However, there have been delays in payment and inconsistency in decisions about backdating allocations. For the PVI sector in particular, this has caused some financial anxieties. There is also concern about the potential impact on funding/support of the Government's proposals for entitlement to full-time childcare, with, as yet, no associated enhancement to HNB to reflect this expectation.
- 4.58** As with schools, there is no clarity at present about what level of provision should be available universally across the sector or the range of needs that all settings should be able to meet. There may be variability therefore in levels of inclusion and access to support, particularly in the PVI sector where there can be a high turnover of staff and less experienced SENCos. The level of support for SEND development at institutional level is very limited and there does not appear to be a systematic approach to capacity-building in this sector.
- 4.59** Early years providers have tended to complain that they have no equivalent to the delegated SEND funding that schools receive (and that mainstream nursery classes

can benefit from). The Government's proposals for a new Early Years Inclusion Fund (drawn from the DSG) provide a new opportunity for the Authority to establish a longer-term approach to supporting children with HN at this phase, linked to clearer common expectations of the universal offer. It will also be important to ensure that full access is gained to other national funding streams (eg Disability Fund; Early Years Pupil Premium⁴⁰).

- 4.60** Parents reported variable experience of early years provision, with a range of attitudes and levels of knowledge/skill. There is currently limited external support to children with HN at this phase, which links partly to weaknesses in the transfer of information to Education from Health, and partly to changes to the funding and capacity of SEN support services (see paras 4.73ff below)⁴¹.

6th forms/FE colleges

- 4.61** Funding for students with HN in school 6th forms was traditionally allocated by Local Authorities, and the 'top-up' system applies as for school-aged pupils. Funding for FE and 6th form colleges was organised regionally/nationally (through the Further Education Funding Council). Now, top-ups are paid by the student's home Local Authority from the High Needs Block, and place costs ('element 2' = £6k) are funded by the Education Funding Agency direct (based on reported figures). The Government is proposing that place funding in future will transfer to the HNB, with place numbers determined through local discussion⁴².
- 4.62** Hammersmith & Fulham has a number of students with statements/EHCPs in mainstream 6th forms. The data for these is included in the mainstream (local/preferred) section of this report. In addition, it funds 78 students in mainstream 6th form/FE colleges in and out of the Borough. A number of these attend William Morris, which is technically a sixth form school. The Authority has agreed a number of places at this provision (currently 50). It is not clear if these are deducted from the Borough's HNB or funded additionally (as is the case for mainstream colleges)⁴³.
- 4.63** William Morris is seen as a positive placement for a range of vulnerable learners, due to its relatively small size and strong pastoral tradition. About half of last year's Woodlane leavers transferred there last year, along with a number from Cambridge special school and from provision for pupils with mental health needs⁴⁴. The school

⁴⁰ It is not clear that settings are fully benefitting from their entitlement at present

⁴¹ Settings also reported that monitoring of additional funding was limited and parents were concerned whether this was always being used to the best effect.

⁴² Place funding will still pass through the EFA but costs will be deducted from the HNB of the area where the college is located. It is assumed that cross-border usage will be picked up through the proposed methodology for 'import-export adjustment'.

⁴³ Priority is given to LBHF residents. However, applications are now being received from a number of other Authorities, as a result of the school's popularity.

⁴⁴ Hospital special schools and medical unit at Woodlane

provides a broader range of courses than most other local school 6th forms. However, these do not extend below NVQ Level 1, and if students do not progress beyond this level after a year, they have to transfer to other FE provision.

- 4.64** Provision for students with more complex/significant difficulties is available at local FE colleges. City & Westminster has discrete courses for students on Entry levels, as well as support for individuals with additional support needs on mainstream courses. West London College is developing opportunities for students to undertake supported internships, linking to a range of local employers. The College is also keen to develop a dedicated provision for students with complex/significant needs, to enable young people to remain in local education, and potentially from 19-25.
- 4.65** Top-up levels range widely, from £2-3k for students with more moderate difficulties, to £20-£30k for individuals with very significant physical and learning issues. Top-up levels are decided by an Authority Panel, following an assessment by the College of the individual's particular needs and course access requirements.
- 4.66** As with school-age provision, it is currently unclear how much funding the Colleges receive for the broader range of students with additional needs, and what they should be expected to provide themselves (other than the basic 'element 1'/AWPU equivalent that is required for those with statements/EHCPs). The FEFC used to make specific funding allocations to Colleges for 'additional learning support' (based on a standard data-recording system). However, budgets are now presented more broadly, with 'deprivation funding' based on a combination of social disadvantage and attainment information⁴⁵. Learning support managers interviewed in this review were unclear how much funding was received through this route, or how it was used.

Transitions

- 4.67** Evidence from this review indicates that there is not a clear education pathway for many children and young people with High Needs in Hammersmith & Fulham. Communication between Health and the Local Authority is not strong in the early years, even when disabilities are known and medical diagnoses established. The appointment of a new officer to support Health's contribution to the national SEND reforms has helped move things forward, but there is still a need for a more robust notification system, and clear point of contact where there are concerns about future education.
- 4.68** There is not a strong Local Authority presence at this phase. The Borough's Sensory Impairment Team pick up children with these needs early, and there is a point of

⁴⁵ Colleges receive a flat rate for all students who did not attain As-Cs in core subjects at GCSE

contact for those with significant disabilities, through the Portage Service⁴⁶ and the peripatetic teacher for complex needs/significant developmental delay. However, other difficulties are less well covered. As a result, some parents face considerable uncertainty and have to rely on other sources of information that are not always reliable. In a number of other Local Authorities, Educational Psychologists or Preschool SEN Support Services would have a key role in meeting with parents at an early stage, and helping establish a bridge into early years setting and schools. Budget reductions and the Educational Psychology Service's shift to a traded model have meant that parents' first access to these teams may only be when statutory assessment has been initiated.

- 4.69** This contributes to a number of admission issues, where parents experience access barriers to mainstream provision because schools and settings are not confident about meeting children's needs and there is only limited information and support to help overcome any concerns. This tends to trigger requests for statutory assessment and, in some cases, conditional or partial admission while support is being put in place.
- 4.70** Transition from primary to secondary mainstream is also fraught. Because of the broader difficulties in the Borough around school choice⁴⁷, school destinations can be unclear until late on in a child's primary career. While the law allows parents of children with statements/EHCPs to name a school, a placement may not be available if a school is over-subscribed. Uncertainty means that it is difficult for transitions to be planned and for children's strengths and needs to be properly communicated. At present, the Borough has a relatively formal approach, with 'consultation requests' sent to parents' preferred schools (accompanied by a significant level of paperwork). Secondary schools may receive as many as 30 requests at a fairly late stage in the process, with limited 'on the ground' knowledge. In this context, there is a tendency for schools to adopt a relatively cautious position with regard to their ability to meet needs, and parents can experience negative and unwelcoming reactions.
- 4.71** It is unsurprising therefore that a number of parents look to more specialist provision at this point, and this is a key point of entry to schools like Woodlane. Difficulties at the primary-secondary transfer stage have also tended to reinforce relatively pessimistic expectations in some primary schools that children will be able to 'cope' at that phase, even if their needs have been met successfully until this point.
- 4.72** There was less evidence of barriers at the school-college transition phase. However, current decision-making processes mean that it can take some time for colleges to receive the additional funding, as further assessments need to be carried out after admission to establish the support students require.

⁴⁶ This service is mainly delivered through weekly home visits although there is some liaison with early years settings when children are admitted to these

⁴⁷ It has been reported nationally that only 54% of parents get their first preference (one of the lowest levels in the country)

SEN support services

- 4.73** The budget for SEN support services is comparable with other LAs in the sample. However, the majority of this is spent on statutory functions and there is little capacity for more strategic intervention. There is a small central team for ‘sensory impairment and an advisory teacher for specific learning difficulties/dyslexia’⁴⁸. In addition, there is a Portage team overseen by an EP which provides a weekly home visiting service to a small number of very young children with significant disabilities. Most non-statutory functions are now traded and dependent on school priorities and their willingness to purchase time.
- 4.74** Support for children in mainstream schools with ASD is provided by Queensmill. No additional funding is provided as part of the school’s core budget (unlike College Park in Westminster). The Service is therefore largely dependent on income from schools (with charging on a tiered basis, linked to intensity of involvement/intervention). The Tri Borough provides some funding for work with particularly complex cases (usually when the placement is at risk of breaking down). Again, there is some concern about some schools choosing not to buy in support at an earlier stage, when intervention is likely to be more successful. Queensmill now has some involvement with schools outside the LBHF area (in RBKC and Westminster).
- 4.75** The Borough commissions an outreach service as part of its contract with TBAP⁴⁹. This provides support just to the primary school phase.
- 4.76** The Educational Psychology Service now works across all three Authorities. The Tri Borough pays for a ‘core’ service for statutory functions (statutory assessment advice; involvement in key reviews; tribunals etc) and for some other functions (critical incident support; LA working groups; managerial liaison)⁵⁰. In addition, the Tri Borough provides a free termly visit for each school, which is generally used for planning/review of EPS involvement (including whole school projects and interventions)⁵¹.
- 4.77** The Service has worked hard to accommodate to its new funding arrangements and to maintain positive practice wherever possible. However, some of those interviewed felt that the move to trading was in danger of shifting the Service’s loyalties and that involvement had become less targeted and focused. There were also concerns that the increasing number of statutory assessment requests would limit capacity available for earlier intervention.

⁴⁸ This teacher also provides a broader support/advisory role for mainstream SENCOs

⁴⁹ Cost is £180k

⁵⁰ This involves an element of early years work which varies across the three Boroughs (and is partly linked to history)

⁵¹ The core is partly funded by central LA budgets and partly by the HNB.

- 4.78** The Tri Borough commissions a substantial amount of speech therapy (SLT) time from the local Health provider. Spend in 2016/17 in Hammersmith & Fulham has significantly exceeded the available budget, largely as a result of the increase in numbers of children with statements/EHCPs requiring this kind of support. There was evidence that this was mainly linked to a perception among schools and parents that direct SLT inputs were only likely to be available if they were specified through the statutory assessment process.
- 4.79** This perception relates to recent changes to the funding of SLT more broadly. A significant proportion of SLT for children and young people has historically been provided by Health (through local CCGs⁵²). Much of this service has been delivered through schools and other education settings. Significant pressure on CCG budgets has led to questions about the appropriateness of this kind of work being funded by Health (rather than schools or Education). Reductions in funding have led to a shortfall which has now been passed on to schools, which have to decide whether they will pay to retain the same level of service. Criteria for access to ‘central’ (HNB) SLT inputs have been tightened, with statements/EHCPs tending to be used as a condition for more intensive/direct SLT involvement.
- 4.80** Schools’ response to this development has been varied: some have recognised their level of ongoing need for speech and language intervention and have started to build their own capacity for addressing these kinds of difficulties (including bought-in SLT inputs⁵³); others have tended to continue to push for individual SLT, using the statutory assessment process as a means to access this resource.
- 4.81** The Tri Borough has been working with Health colleagues to strengthen the service level agreement used for commissioning SLT services, so that there are clearer expectations about practice and outcomes. Part of this work has been directed at establishing a common commitment to funding, and a recognition of shared agency responsibility for ensuring that the full range of speech & language needs are properly addressed.

5. OVERALL COMMENTARY AND KEY ISSUES

- 5.1** Hammersmith & Fulham is comparatively underfunded for High Needs by central government. Budget pressures (being experienced elsewhere) are compounded by the Borough’s low starting point, and exacerbated by the fact that insufficient account is being taken of the number of places in local special schools that are being used by pupils from other Authorities

⁵² Clinical Commissioning Groups

⁵³ Not always from the current Health provider; there is increasing use of local private practitioners

- 5.2** The Tri Borough has taken significant steps to develop local provision and reduce reliance on high cost placements in the independent/non-maintained sector. However, it is still a high spender on specialist placements overall. The evidence from this review is that, generally, costs of local provision are not inconsistent with those found in other similar London Boroughs, even though these have increased to reflect greater complexity of need. The key issue is the volume of children placed in specialist and alternative placements, outside local mainstream schools, and the fact that the HNB has to cover most of their costs.
- 5.3** The relatively high level of funding in Hammersmith & Fulham's mainstream schools, with significant amounts also being delegated on the basis of factors associated with the broad range of SEND, would suggest that schools should generally have the capacity for successful inclusion. However, Hammersmith & Fulham still retains a significant amount of specialist provision for moderate learning difficulties, particularly at the secondary phase, and the number of places commissioned in alternative provision (TBAP) is twice that in RBKC and Westminster and the other London Authorities in the comparative sample.
- 5.4** Provision in the primary phase (and early years) is relatively more modest, with the expectation that schools will be able to provide for most children with SEND. However, there is evidence from this view of significant variation in school capacity and a need for greater clarity about the range of needs that both primary and secondary schools should be expected to meet.
- 5.5** Although mainstream schools are aware of the requirement for a 'notional SEN budget', there is currently a lack of transparency with regard to the rationale for its construction, the links with SEN-related income, and the amount of funding that schools should reasonably be expected to provide. This contributes to variation in thresholds for requesting additional support.
- 5.6** Schools have expressed a number of frustrations about the decision-making system for accessing additional support (which is based on the traditional statutory assessment model). The Tri Borough has introduced a new system (contingency funding) which aims to provide greater flexibility. However, not all schools and settings are fully aware of the system and what is required. Spend is increasing significantly and there is no evidence that this is leading to any diminution in statutory assessment requests⁵⁴.
- 5.7** Transitions between phases of education are proving problematic, particularly at primary-secondary transfer. Parents experience considerable uncertainty which contributes to a loss of confidence in the mainstream option, and more demands on

⁵⁴ Greater awareness is likely to contribute to further increases in demands on this budget

specialist/alternative provision at this point. Issues are partly due to broader issues around mainstream choice, but also to the fact that transition pathways for SEND are unclear and there is limited capacity to provide active and timely support to parents in the process.

- 5.8** Loss of strategic capacity within the Tri Borough's SEN support services (including the EPS) is meaning that parents are having to rely heavily on information and support from others (Parent Partnership/IAS⁵⁵ and other local parent networks, and national sources – voluntary organisations and internet websites). Parent Partnership capacity is small and information from other sources is not always constructive/does not necessarily take account of local context.
- 5.9** The review indicated examples of positive practice in early years and post 16 provision. However, here too, there needs to be clearer agreement about what should be 'ordinarily available'. Pathways would be more coherent if there was greater consistency in expectations and thresholds for accessing additional support across all phases.
- 5.10** The Authority needs a stronger presence at the early years to support early intervention and help get things off to a good start. Better communication systems are needed between Health and Education at this crucial phase.
- 5.11** The Tri Borough needs to establish a stronger connection between SEND, Finance and Commissioning. The process of this review has helped support positive movements in this direction, but a clearer local strategy is needed which involves all relevant stakeholders. Mainstream schools should be a key partner in this process, so that there is a more collective understanding of the funding consequences of high HN demand and a greater sense of partnership between schools and the Authority in managing the available resources effectively.
- 5.12** The strategy needs to be more proactive in considering what is required to strengthen and generalise mainstream capacity to meet the broader range of SEND, and help define more clearly the kinds of difficulty that all schools (including specialist providers) need to be able to address. It should also start to clarify the expected impact of increased capacity on the existing patterns of specialist/alternative provision. Similar developments in the other two Boroughs should help reduce reliance on cross-border placements and this is likely to have an impact on the number and type of places that are needed. Any proposals for new provision should be firmly linked to this strategy, with detailed consideration of financial implications.

⁵⁵ Information, Advice and Support Service

6. RECOMMENDATIONS

Managing the HN budget overspend

- 6.1** The Borough should write to the DFE/EFA highlighting Hammersmith & Fulham's low HN allocation and the impact of carrying the place costs for pupils placed in its specialist provision by neighbouring Authorities⁵⁶. It should clarify that the increase proposed in the stage 2 consultation illustrative examples does not go nearly far enough to address the import funding problem.
- 6.2** Given the Borough's higher level of mainstream school funding and the DFE's indication that this would be reduced by the introduction of a national funding formula, Schools Forum may wish to consider a further adjustment between the DSG blocks (as is permitted in 2017/18) to recognise current HN spending needs. The DFE have indicated that they will take into account planned HN spend when final HN formula allocations are decided.
- 6.3** If the DFE/EFA are not prepared to consider a funding increase, or Schools Forum are unable to agree a further block adjustment, then the HN overspend will need to be managed by other means. Consideration should be given to the following options:
- 1) Alternative provision:
 - a) reduce the number of commissioned places to RBKC/WCC levels or
 - b) maintain the existing number of places but require schools to fund top-ups for a greater proportion of pupils
 - 2) Specialist provision:
 - a) Strengthen expectations of the 'mainstream offer', with greater clarity and transparency with regard to budgets available and their expected purpose
 - b) Build a common capacity in all mainstream schools, through effective support and challenge, ensuring there is an appropriate link between SEND and school improvement
 - c) Review the role and function of specialist provision so that it consistently addresses a level of needs that goes beyond what mainstream should reasonably provide for, and review the number of places that are needed
 - 3) SEN support services:
 - a) Review what elements should be included within the HNB
 - b) Consider organisational options that would help streamline service delivery, including more unified and coordinated provision, multidisciplinary and school cluster-based teams⁵⁷
 - c) Ensure a more targeted approach to service inputs so that these focus on pupils most in need and support the development of schools' own capacity

⁵⁶ A draft letter has been provided

⁵⁷ Trading at this level would be cost-efficient and help target support to where it is needed. For some services (eg SLT) it could also assist with recruitment and retention, and the maintenance of professional skills

- 4) Reducing reliance on INM/out of Borough provision:
 - a) Work with schools and services to strengthen collaborative commitment to ensure local provision meets the full range of children's needs
 - b) Ensure that developments are coherently targeted so that there is a real impact on numbers and costs

Processes

- 6.4 The Tri Borough should establish a SEND strategy group for each Authority with significant representation from mainstream schools and settings. This should be provided with clear information about the current HN spend and work to establish a sustainable, effective and equitable approach to provision and services. This is likely to require:
 - a) Agreement about 'predictable needs' and greater clarity about the associated mainstream budgets (including closer alignment of notional SEN budget with SEN-related formula factors)
 - b) A clearer agenda and structure for capacity development (reinforcement of school responsibilities for predictable needs (SLCN, MLD, less complex ASD etc)
 - c) A more targeted and effective role for SEN support services (with the option of greater alignment to /trading with clusters of schools)
 - d) A more collective decision-making process for requests for additional support, which is flexible but manageable within the budget available
- 6.5 In parallel, there should be improved communication with parents and voluntary organisations about the current issues and proposed ways forward, with involvement of the IAS lead⁵⁸ in strategy development. This is a key expectation of the national SEND reforms and is likely to be the focus for OfSTED's area SEN review.
- 6.6 Further work is needed to develop and improve the management information on which such a strategy has to be based, so that progress can be properly evaluated. This will require strong collaboration between SEND officers and Finance, so that there is ongoing and accurate data on needs, pupil numbers and costs.
- 6.7 Finally, it is recommended that this report (and accompanying overview) forms the basis of further planning and discussions with Head Teachers and other stakeholders during the period to come.

⁵⁸ And, if possible, key parents from the Borough's Parent Carer Forum

Appendix 1: List of interviewees:

Local authority officers/services:

Director for Finance & Resources
Head of Resources/Schools Finance

Assistant Director (SEN and Disabled Children)
Head of SEND service
Group of SEN casework managers
Principal EP + Asst PEP
Group of EP practitioners
Head of BiBorough SEN Support Service
Head of Westminster Special School Federation Support Service
Outreach Team Leader (Queensmill)
Post 16/SEND transition manager

Mainstream school/setting managers:

Primary HT groups (one for each Borough)
Secondary HT reps (for each Borough)
SENCo groups (one for each Borough: cross-phase)
Early Years provider group (cross Borough)
Visits to West London College, City & Westminster and William Morris

Parents/carers:

Parent Partnership/IAS Officers
Groups of parents/carers (one for each Borough)

Other agencies:

Social Care manager
Head of Virtual School (LAC)
Health Service commissioner
Health lead (SEND reforms)
Therapy service manager (SLT; physio/OT)
CAMHS commissioners

(adjusted for LA size – 0-19 resident population: mid 2015 ONS)

	H&F	K&C	WCC	Camden	(Hackney) ¹	Islington	Southwark		Average
0-19 population	37,238	31,285	47,645	52,065	(65,346)	45,583	69,752		
Mainstream (local/preferred)	£100.66	£93.24	£96.78	£137.24	(£107.98) ²	£100.75	£99.44		£105.16
Mainstream resource bases	£42.56	£25.66	£33.93	£37.36	(£26.22)	£22.29	£28.23		£30.89
State funded special schools (Pre 16)	£193.78	£55.16	£107.57	£162.23	(£160.42)	£218.36	£146.39	Avge = £164.80	£133.03
State funded special schools (Post 16)	£23.28	£18.58	£9.47	£13.74			£44.59		£21.93
PRUs/AP	£112.70	£67.12	£44.34	£56.87	(£54.19)	£64.46	£48.72		£64.06
I/NM special (pre 16)	£35.10	£58.76	£60.15	£37.49	(£76.67)	£40.22	£66.74		£53.59
I/NM special (post 16)	£14.18	£37.65	£18.02	£25.19	(£29.05)	£18.70	£20.99		£23.40
I/NM specialist colleges	£10.57	£16.46	£2.44	£7.75	(£4.49)	?	£10.05		£8.63
Early Years	£9.43	£7.79	£9.87	£12.74	(£3.21)	£21.58	£2.10		£9.53
Mainstream colleges	£14.39	£22.27	£24.66	£31.54	(£27.93)	£9.87	£21.79		£21.78
SEN support services + other	£53.66	£70.17	£48.69	£31.67	(£54.55) ³	£52.88	£59.64		£53.04
Hospital schools	£0	£37.24	£6.24	£41.55	(£0)	£0	£0		n/a
Other				£16.42 ⁴	(£14.01)				n/a
HNB	£511	£559	£509	£620	£548	£566	£558		
Total HN spend	£610.31	£510.10	£462.15	£611.79	(£558.72)	£549.11 ⁵	£548.68		

¹ 2014/15 figures² Includes additional funding (£760k) for pupils in Jewish Orthodox independent mainstream schools³ Includes BINO contract (support/therapy services to pupils in Jewish Orthodox schools)⁴ Includes support to pupils in private schools, therapy contract and individual tuition⁵ Small discrepancy between HNB figure provided by LA and in DFE tables

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

SCHOOLS FORUM JUNE 2017

REPORT BY THE HEAD OF RESOURCES

DEDICATED SCHOOLS GRANT OUTTURN AND SCHOOL BALANCES AS AT 31 MARCH 2017

This report informs Schools Forum on the year-end DSG balance as at 31st March 2017 and the end of year balances for individual schools.

FOR INFORMATION

1. INTRODUCTION

- 1.1 Hammersmith and Fulham receives an allocation of Dedicated Schools Grant from the Educating Funding Agency to fund its maintained schools and recoupment academies as well as certain items of central expenditure, Early Years and High Needs Expenditure.
- 1.2 On March 2017 LBHF was informed of its final DSG allocation for 2016/17. This confirmed final DSG figure was £75.789m (before deductions), no change on the figure previously reported to Forum.
- 1.3 Deductions for Copyright Licensing totalled £0.095m and additional funding from the Early Years adjustments totalled £16k, thus leaving the final DSG income to LBHF of £75.710m.

2. DEDICATED SCHOOLS GRANT – Outturn and Carry Forward

- 2.1 LBHF brought forward a DSG reserve balance of £1.01m from 2015/16 and carries forward a deficit DSG balance of **-£2.165m** to 2017/18. This represents an in year reduction in balances of £3.175m.
- 2.2 Details of variances per budget area are listed in Appendix A, however a summarised list of these are as follows:

	£'000
Early Years Budgets	
2 YO Offer	142
Early Years Funding Formula	-102
Early Years Pupil Premium	-37
Other	-46
TOTAL	-43

Schools Block	
Schools Formula	850
Falling Rolls	163
Growth Fund	18
Other Central Budgets (TU Duties etc)	-924
TOTAL	107
High Needs Block	
Top-Up	899
High Needs Commissioning	1,737
Belongings	256
Other	219
TOTAL	3,111
TOTAL VARIANCE	3,175

- 2.3 The total movement in balances can therefore be summarised as follows:

	£'000
DSG Balance Brought Forward	1,010
Early Years Block variances	43
Schools Block variances	-107
High Needs Block variances	-3,111
DSG Balance Carried Forward	-2,165

3. SCHOOL BALANCES

- 3.1 Hammersmith & Fulham annual statement of accounts report that the total of Schools Balances were £9.028 at 31st March 2017 (£13.532m in 2016). See Appendix B for a breakdown of schools balances.
- 3.2 Most schools provide draft committed balances as part of closing of accounts information and we will be working with schools shortly to determine committed and uncommitted balances against the 5%/8% threshold.

- 3.3 We will be contacting any schools whose balances appear to cause concern in the near future to check that the balance shown is accurate, ensure that all funding available to the school has been paid to them and that the school has a viable recovery plan should this be required.

4. RECOMMENDATIONS

- 4.1 Schools Forum are asked to note the DSG Carry Forward position.
- 4.2 Schools Forum is asked to note the level of schools balances and consider whether the levels held raise any concerns.

Andrew Tagg
Head of Resources

Claire Chamberlain
Tri-Borough Executive Director – Children’s Services

Background papers:

- Allocations of Dedicated Schools Grant 2016/17
- Department for Education website
- The School Finance (England) Regulations 2013
- Section 251 Guidance

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Tel: 020 7361 3315 **E-mail:** Kamaljit.kaur@rbkc.gov.uk

Appendix A3

Description	Original Budget	Virement	Current Budget	Out-Turn	Variance
	(£'000's)	(£'000's)	(£'000's)	(£'000's)	(£'000's)
EARLY YEARS BLOCK					
2 Year Old Offer	960	170	1,130	1,242	112
2 Year Old Project	0	0	0	29	29
Early Years Formula	10,896	-122	10,773	10,672	-102
Early Years Pupil Premium	270	-174	96	58	-37
Early help service	475	0	475	522	47
Early Years Curriculum Support Service	174	0	174	69	-106
Early Years Central Budget	0	0	0	13	13
Early Years Commissioning (CIN / CWD)	216	0	216	216	0
	12,991	-126	12,864	12,822	-43
SCHOOLS BLOCK					
School Funding Formula	50,206	-8,135	42,071	42,922	850
School Meals	251	0	251	251	0
Admissions	343	0	343	337	-6
Schools ELM	554	0	554	554	0
Attendance and Child Employment (ACE)	181	-30	151	219	67
Schools Central - Falling Rolls Fund	0	0	0	163	163
Lilla Huset Professional Development Centre	431	-231	200	172	-28
Schools Central - Growth Fund	120	0	120	138	18
Schools Central - Asset Management	1,435	0	1,435	1,108	-327
Schools Central - Maternity	240	0	240	0	-240
CHS Finance Education	535	24	559	349	-210
Schools Central Other (TU / Copyright etc)	628	100	728	546	-182
	54,924	-8,272	46,652	46,759	107
HIGH NEEDS BLOCK					
SEN Service Delivery	760	0	760	662	-98
Underperforming Ethnic Groups	100	0	100	70	-30
Element 2	1,074	-6	1,068	1,355	287
Top-Up - Maintained	6,612	-1,093	5,519	4,848	-671
Top-Up - Academy / Independent / Free	2,682	-486	2,196	3,766	1,570
High Needs Commissioning	0	945	945	2,682	1,737
Belongings placements	0	0	0	256	256
Speech & Language Therapy	465	295	760	864	104
Special Schools Delegated	4,630	-100	4,530	4,503	-27
SEN Outreach	0	0	0	89	89
Educational Psychology	394	0	394	288	-106
	16,717	-445	16,272	19,383	3,111
TOTAL DSG	84,632	-8,843	75,789	78,964	3,175

Appendix B

SCHOOL	Balance B/F @ 01/04/16 £	Increase / Decrease in Balances £	Balance C/F @ 31/03/17 £
Addison	593,917.11	300,496.28	293,420.83
All Saints	36,263.23	30,836.44	5,426.79
Avonmore	302,521.89	281,704.06	20,817.83
Bayonne	234,772.29	-127,621.60	362,393.89
Brackenbury	580,137.32	369,089.64	211,047.68
Cambridge	88,326.09	132,462.60	-44,136.51
Flora Gardens	72,993.19	16,691.58	56,301.61
Fulham	-3,379.63	-3,379.63	-0.00
Good Shepherd	13,940.81	-50,130.71	64,071.52
Holy Cross	112,263.55	101,130.50	11,133.05
Jack Tizard	777,657.27	487,168.31	290,488.96
James Lee	184,699.44	-17,512.05	202,211.49
John Betts	190,635.75	100,796.95	89,838.80
Kenmont	245,448.52	68,025.10	177,423.42
Larmenier	447,010.90	84,078.88	362,932.02
Melcombe	589,046.77	145,075.16	443,971.61
Miles Coverdale	525,424.42	42,304.76	483,119.66
Normand Croft	1,032,833.51	422,317.93	610,515.58
Old Oak	427,809.95	65,729.66	362,080.29
Phoenix High	521,492.20	521,492.20	0.00
Pope John	355,266.23	77,011.09	278,255.14
Queens Manor	600,244.13	600,244.13	0.00
Queensmill	1,154,930.58	388,583.01	766,347.57
Randolph Beresford	435,562.57	67,014.92	368,547.65
Sir John Lillie	356,777.55	99,646.76	257,130.79
St Augustines	72,167.00	-118,891.51	191,058.51
St John	112,827.71	67,116.96	45,710.75
St Mary	59,809.23	-166,489.57	226,298.80
St Pauls	103,234.67	19,596.08	83,638.59
St Peters	206,488.41	-45,252.45	251,740.86
St Stephens	119,663.25	38,447.13	81,216.12
St Thomas	907,467.96	98,030.42	809,437.54
Sullivan	85,458.65	85,458.65	0.00
Vanessa	26,440.42	-71,616.35	98,056.77
Wendell	466,370.37	-104,238.22	570,608.59
William Morris Academy	488,330.56	162,707.28	325,623.28
Wood Lane	559,087.54	322,446.92	236,640.62
Wormholt	448,208.60	13,716.63	434,491.97
ALL SCHOOLS	13,532,150.01	4,504,287.94	9,027,862.07

LONDON BOROUGH OF HAMMERSMITH AND FULHAM

SCHOOLS FORUM JUNE 2017

REPORT BY THE HEAD OF RESOURCES

DEDICATED SCHOOLS GRANT 2017/18

This report informs Schools Forum of the 2017/18 DSG grant allocation and provides a report on the budgets and projected out-turn for the 2017/18 DSG.

FOR INFORMATION

1. INTRODUCTION

1.1 The DSG allocation for 2017/18 per current published DfE information is £75.86m before adjustments. This represents net increase of £0.070m (mainly £4.836m increase in EY hours for working parents, £4.880m reduction in School block contract due to three schools converting to academies in 1617 and £138k increase in High Needs block contract).

1.2 This report looks at the 2017/18 budget and current projected outturn.

2. 2017/18 DSG ALLOCATION

2.1 The table below gives a summary of the 2017/18 DSG allocation and a comparison to the final allocation for 2016/17.

	2016/2017 DSG	Change	2017/2018 DSG
	£'000	£'000	£'000
Early Years Pupil Funding	11,207	4,423	15,631
2YO Funding	1,130	80	1,210
Early Years Pupil Premium	96	0	96
Early Years Supplementary Funding	0	302	302
Children with Disabilities Provision	0	31	31
TOTAL Early Years Block	12,433	4,836	17,269
Schools Block	103,190	1,311	104,502
Academy Recoupment	-56,031	-6,191	-62,222
TOTAL Schools Block	47,160	-4,880	42,280
High Needs Block	19,033	1,041	20,074
Deductions to High Needs Block	-2,860	-904	-3,764
TOTAL High Needs Block	16,172	138	16,310

Additions/Deductions			
NQT Funding	24	-24	0
TOTAL Additions/Deductions	24	-24	0
TOTAL DSG Allocation 2016/2017	75,789	70	75,859

2.2 The DfE Copyright Licensing adjustment for 2017/2018 is £97.2k, this will be deducted from the final DSG payment resulting in a total DSG income for 2017/18 of £75.761m.

2.3 There may be further adjustments in year for early years' pupil numbers and any schools converting to academy status.

3. DSG BUDGETS AND BUDGET MONITORING

3.1 Budgets have been set based on a break even position including the Copyright Licensing budget total £75.859m.

3.2 The current projected DSG outturn is on a break even position, this budget will be monitored very carefully, any variances will be reported in P3.

3.3 Detailed budgets and current projections of the outturn position can be found in Appendix A.

Andrew Tagg
Head of Resources

Claire Chamberlain
Tri-Borough Executive Director – Children's Services

Background papers:

- Allocations of Dedicated Schools Grant 2016/17
- Department for Education website

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Appendix A

Description	Original Budget	Projected Out-Turn	Variance
	(£'000's)	(£'000's)	(£'000's)
2 Year Old Offer	1251.672	1251.67	0
Early Years Formula	15,057	15,057	0
Early Years Pupil Premium	95.766	95.766	0
Early Years Help Service	475.5	475.5	0
Early Years Curriculum Support Service	174	174	0
Childrens Centre and Family Support	215.9	215.9	0
	17,269	17,269	0
SCHOOLS BLOCK			
School Funding Formula	36,879	36,879	0
Lilla Huset Professional Development Centre	200	200	0
Clothing Grant Welfare Benefit	100	100	0
Schools Central - Maternity	240	240	0
School Meals	250.6	250.6	0
Schools Central - Growth Fund	120.296	120.296	0
Schools Central - Schools in financial difficulty	180	180	0
Schools Central - Trade Union	45.9	45.9	0
Schools Central - Contingency	130.398	130.398	0
Schools ELM	554	554	0
Schools Central - Admissions	342.9	342.9	0
Intervention Fund	223.8	223.8	0
Schools Central - Asset Management	1435.2	1435.2	0
Schools Central - Other	477	477	0
	41,179	41,179	0
HIGH NEEDS BLOCK			
High Needs: Targetted Primary	980	980	0
Special Schools Delegated	4,530	4,530	0
Underperforming Ethnic Groups	100	100	0
Educational Psychology	394	394	0
Top-Up Funding – Maintained - Pre 16	5,820	5,820	0
Top-Up Funding – Academies, Free Schools and Colleges - Pre 16	1123	1123	0
Independent Fees - Pre 16	1018	1018	0
SEN Commissioning - Other Therapy	945.7	945.7	0
Alternative Provision Commissioning	981.68	981.68	0
SEN Casework and Commissioning	625	625	0
SEN Business and Finance Administration	135	135	0
Sensory and Language Impairment Team	465	465	0
Speech & Language Therapy (SALT)	294	294	0
	17,411	17,411	0
TOTAL DSG	75,859	75,859	0

A5

**LONDON BOROUGH OF HAMMERSMITH AND FULHAM
SCHOOLS' FORUM – 14 JUNE 2017
REPORT BY HEAD OF RESOURCES
SCHEME FOR FINANCING SCHOOLS**

Purpose of the report

This report provides forum with the final version of the Scheme for Financing Schools for publication.

FOR APPROVAL

1 Introduction

- 1.1 A report was tabled at the Schools Forum meeting in March 2017 to review and approve the Scheme for Financing Schools.
- 1.2 Following further review internally, four amendments and additions were made to the Scheme. These changes were made to reflect current policy and as a result it was felt that the final version should be brought to forum for final ratification.

2 Background

- 2.1 The Scheme for Financing Schools (the "policy") sets out the financial relationship between the Local Authority and the maintained schools that it funds. It contains requirements relating to the financial management of its schools.
- 2.2 The existing Local Authority policy was last updated in January 2007. The Department for Education (DfE) released new guidance in December 2015 (issue 8), outlining the provisions that a local authority's policy must, should or may include.

3 Amendments and additions

- 3.1 Amendments and additions include:

Section 1.6 – Maintenance of Schools

The following text was added:

As the employer of community schools, the Authority is responsible for establishing its overall Health and Safety Strategy and it is up to the governing body and senior leadership team to ensure compliance.

It is the responsibility of the employer of voluntary aided schools to establish a Health and Safety strategy that complies with national Health and Safety legislation and statutory guidance. In order to ensure compliance of schools in discharging this obligation and to reflect the duty of care that the Authority has for children attending schools in the borough, schools will need to supply sufficient documentation to the Authority as determined by the Director of Finance for Children's Services.

Section 2.1.2 – Provision of financial information and reports

The following text was added:

The Section 151 Officer of the Authority may at their discretion amend the requirements for financial information and reports from schools, and the timetable on which these are provided to suit the Authority's overall financial monitoring requirements.

Section 2.3 – Submission of budget plans

The following text was added:

Health and Safety obligations

Schools should have regard to their most recent school Condition Survey and Asset Management Plan when setting their budget, including health and safety maintenance obligations they have. The Governing Body and Headteacher should ensure that in setting and approving the school's budget, adequate resources have been allocated to carry out their health and safety obligations.

Funds delegated by the Authority such as Devolved Formula Capital should be, where possible, designated to ensuring that maintenance issues identified on the most recent school Condition Survey and Asset Management Plan are addressed.

Appendix B – Responsibility for redundancy and early retirement costs

The following text was updated to reflect the previous agreement of Schools Forum from its meeting in July 2016:

The Authority will consider proposals to meet the costs of a redundancy payment, however such a decision will be taken by the Director of Children's Services Finance upon reviewing the proposal.

The following matters must be satisfied in order for the Authority and Director of Children's Services Finance to consider a proposal:

1. The Director of Finance for Children's Services has confirmed in writing to the governing body that the school is in financial difficulty or has a licensed deficit budget, which requires staffing reductions as part of the improvement plan. Confirmation must be sought before the start of any organisational change processes.
2. The headteacher has confirmed in writing to the Director of Finance for Children's Services that:
 - i. The school does not have reserves greater than £200,000. Where a school holds reserves greater than £200,000, they will be expected to finance any restructure from these funds.
 - ii. The changes are not as a result of the school experiencing financial issues that are within their control.
 - iii. There is a headcount reduction in the school's staffing establishment.

- iv. The redundancy process is not as a result of changes solely related to the delivery of the curriculum.
- v. The number of similar posts in the school is not anticipated to increase within two years after the effective date of termination.
- vi. No employee made redundant from the school will be reemployed within the school in any capacity for the next two academic years.
- vii. The school has assessed the feasibility of, or implemented, voluntary measures short of redundancy such as: vacancy management, a reduction in working hours or redeployment.

4 Recommendations

4.1 Schools Forum are asked to:

- note the amendments and additions
- approve the final version of the policy for publication

Andrew Tagg
Head of Resources

Clare Chamberlain
Tri-Borough Executive Director – Children’s Services

Annexes

- Annex A5.1 – Scheme for Financing Schools 2017

SCHEME FOR FINANCING SCHOOLS

Date published: June 2017

CONTENTS

CONTENTS	2
SECTION 1: INTRODUCTION.....	6
1.1 The Funding Framework.....	6
1.2 The role of the Scheme	7
1.2.1 Application of the Scheme to the Authority and maintained schools.....	8
1.3 Publication of the Scheme	8
1.4 Revision of the Scheme.....	8
1.5 Delegation of powers to the headteacher	9
1.6 Maintenance of schools	9
SECTION 2: FINANCIAL CONTROLS.....	10
2.1 General procedures	10
2.1.1 Application of financial controls to schools	10
2.1.2 Provision of financial information and reports	10
2.1.3 Payment of salaries; payment of bills	12
2.1.4 Control of assets.....	13
2.1.5 Accounting policies (including year end procedures).....	14
2.1.6 Writing off debts.....	15
2.3 Submission of budget plans.....	15
2.4 Efficiency & Value for Money	17
2.5 Virement	17
2.6 Audit: General.....	17
2.7 Separate external audits.....	18
2.8 Audit of voluntary and private funds.....	18
2.9 Register of Business Interests	19
2.10 Purchasing, tendering and contracting requirements.....	19
2.11 Application of contracts to schools.....	19
2.12 Central funds and earmarking.....	20
2.13 Spending for the purposes of the schools.....	20
2.14 Capital spending from budget shares	21
2.15 Notice of concern.....	21
2.16 Schools Financial Value Standard (SFVS)	23
2.17 Fraud	23

SECTION 3: INSTALLMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS	24
3.1 Frequency of instalments.....	24
3.2 Proportion of budget share payable at each instalment.....	24
3.3 Interest clawback	24
3.3.1 Interest on late budget share payments.....	24
3.4 Budget shares for closing schools	25
3.5 Bank and building society accounts.....	25
3.5.1 Restrictions on accounts.....	25
3.6 Borrowing by schools.....	26
3.7 Other provisions.....	27
SECTION 4: THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES	28
4.1 Right to carry forward surplus balances.....	28
4.2 Control on surplus balances	28
4.3 Interest on surplus balances	30
4.4 Obligation to carry forward deficit balances	30
4.5 Planning for deficit budgets	31
4.6 Charging of interest on deficit balances.....	31
4.7 Writing off deficits	31
4.8 Balances of closing and replacement schools	31
4.9 Licensed deficits	31
4.10 Loan schemes	32
SECTION 5: INCOME	33
5.1 Income from lettings	33
5.2 Income from fees and charges	33
5.3 Income from fund-raising activities	34
5.4 Income from the sale of assets.....	34
5.5 Administrative procedures for the collection of income	34
5.6 Purposes for which income may be used	34
SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES	35
6.1 General provision.....	35
6.1.1 Charging of salaries at actual cost.....	35
6.2 Circumstances in which charges may be made.....	35
SECTION 7: TAXATION	39

7.1 Value Added Tax	39
7.2 Construction Industry Taxation Scheme (CITS).....	39
SECTION 8: THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY	40
8.1 Provision of services from centrally retained budgets.....	40
8.2 Provision of services bought back from the Authority using delegated budgets	40
8.2.1 Packaging	40
8.3 Service Level Agreements (SLAs)	41
8.4 Teachers' pensions.....	41
SECTION 9: PFI/PPP.....	43
SECTION 10: INSURANCE	44
10.1 Insurance cover	44
SECTION 11: MISCELLANEOUS	45
11.1 Right of access to information.....	45
11.2 Liability of governors	45
11.3 Governors' expenses.....	45
11.4 Responsibility for legal costs.....	45
11.5 Health and Safety	46
11.6 Right of attendance for Chief Finance Officer	47
11.7 Special educational needs	47
11.8 Interest on late payments	47
11.9 'Whistleblowing'	47
11.10 Child protection.....	47
11.11 Redundancy / early retirement costs	48
SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE	48
12.1 Responsibility for repairs and maintenance	48
SECTION 13: COMMUNITY FACILITIES	49
13.1 Introduction	49
13.2 Consultation with the Local Authority	50
13.3 Funding agreements – Authority powers	51
13.4 Other prohibitions, restrictions and limitations	51
13.5 Supply of financial information	52
13.6 Audit	52
13.7 Treatment of income and surpluses.....	53

13.8 Health and Safety	53
13.9 Insurance	53
13.10 Taxation	54
13.11 Banking	54
ANNEX A - List of schools to which the scheme applies	56
ANNEX B – Responsibility for redundancy and early retirement costs	58
ANNEX C – Responsibility for repairs and maintenance	62

SECTION 1: INTRODUCTION

1.1 The Funding Framework

The funding framework which replaces Local Management of Schools is set out in the legislative provisions in Sections 45-53 of the School Standards and Framework Act 1998.

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget – although at a minimum an authority must appropriate its entire Dedicated Schools Grant to their schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under Section 45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the schools budget left after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

Authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with Section 51 of the Act. The financial controls within which delegation works are set out in a scheme made by the authority in accordance with Section 48 of the Act and regulations made under that section.

All proposals to revise the scheme must be approved by the Schools Forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal, or approving it subject to modifications that are not acceptable to the authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school and for any additional purposes prescribed by the Secretary of State in regulations made under Section 50 of the Act. Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (Section 50(3A) of the Act).

An authority may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (Schedule 17 to the Act).

Each authority is obliged to publish each year a statement setting out details of its planned Schools Budget and other expenditure on children's services, showing the amounts to be centrally retained and funding delegated to schools. After each financial year the authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State, but each school must receive a copy of each year's budget and out-turn statements so far as they relate to that school or central expenditure.

Regulations also require a local authority to publish their scheme and any revisions.

The latest version of the scheme will be on the Authority's website.

1.2 The role of the Scheme

This Scheme sets out the financial relationship between the Authority and the maintained schools that it funds. It contains requirements relating to financial management and associated issues, which are binding on both the Authority and on the schools.

This Scheme for Financing Schools should be read in the context of the Schools Financial Procedures.

1.2.1 Application of the Scheme to the Authority and maintained schools

The Scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and PRUs maintained by the Authority, whether they are situated in the area of the Authority or situated elsewhere. It does not apply to schools situated in the Authority's area which are maintained by another authority, nor does it apply to academies.

Annex A contains a list of all schools covered by the Scheme.

1.3 Publication of the Scheme

A copy of the Scheme will be supplied to the governing body and the headteacher of each school covered by the scheme and any approved revisions will be notified to each school.

A copy will be available for reference on the Authority's website.

1.4 Revision of the Scheme

Any proposed revisions to the Scheme will be the subject of consultation with the governing body and the headteacher of every school maintained by the Authority before they are submitted to the schools forum for their approval.

All proposed revisions must be submitted to the schools forum for approval by members of the forum representing maintained schools. Where the schools forum does not approve them, or approves them subject to modifications which are not acceptable to the Authority, the Authority may apply to the Secretary of State for approval.

1.5 Delegation of powers to the headteacher

The governing body should consider the extent to which it wishes to delegate its powers to the headteacher and governing body committees. These decisions (and any revisions) should be clearly documented in the minutes of the governing body.

Although the headteacher may take responsibility for developing the budget, the first formal budget of each financial year must be approved by the governing body, or by a committee of the governing body. The headteacher should present the first formal budget plan for each financial year to the finance committee and subsequently to the full governing body for approval prior to submission to the Local Authority.

The Authority does not impose a limit on the level of delegation to headteachers, but in making their decisions, the governing body must consider the level of experience of the headteacher and the practicalities of the day to day running of a school.

1.6 Maintenance of schools

The Local Authority is responsible for maintaining the schools covered by the Scheme and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary school where some of the expenses are, by statute, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in place under Sections 45 to 53 of the School Standards and Framework Act 1998.

As the employer of community schools, the Authority is responsible for establishing its overall Health and Safety Strategy and it is up to the governing body and senior leadership team to ensure compliance.

It is the responsibility of the employer of voluntary aided schools to establish a Health and Safety strategy that complies with national Health and Safety legislation and statutory guidance. In order to ensure compliance of schools in discharging this obligation and to reflect the duty of care that the Authority has for children attending schools in the borough, schools will need to supply sufficient documentation to the Authority as determined by the Director of Finance for Children's Services.

SECTION 2: FINANCIAL CONTROLS

2.1 General procedures

2.1.1 Application of financial controls to schools

In managing their delegated budgets schools must abide by the Authority's requirements on financial controls and monitoring. These are set out in the detailed Schools Financial Procedures.

The governing body should ensure that the headteacher reports progress on financial performance on a regular basis to the full governing body or the finance committee.

The headteacher is responsible to the governing body for financial control within the school. The headteacher should ensure that the financial controls are maintained in the absence of key staff and should ensure that provisions are in place for all staff to be adequately trained.

The headteacher should be responsible for amending and updating local financial procedures in line with Audit, the Local Authority and statutory requirements. Any changes to the local financial procedures should be reported back to the governing body.

2.1.2 Provision of financial information and reports

Schools are required to provide the Authority with details of expected and actual expenditure and income and other information for financial purposes, in a form and at times determined by the Authority.

The Section 151 Officer of the Authority may at their discretion amend the requirements for financial information and reports from schools, and the timetable on which these are provided to suit the Authority's overall financial monitoring requirements.

The details of the requirements are as follows:

At the start of the financial year:

- i) A detailed breakdown of the planned use of the school's budget share no later than the 31 May (or the last working day of May). This breakdown must have been approved by the governing body. The Budget report must provide the Local Authority with details of anticipated and actual expenditure and income. The format provided by the Authority will take account of the Consistent Financial Reporting (CFR) framework.

Good practice

Where the school's budget is available sooner than the deadline set out above, they are encouraged to submit this at the earliest opportunity to support the Authority's planning.

Reporting deadlines

Schools are required to provide the Authority with their monthly and quarterly reports (as outlined below) on the 5th working day of the given month.

Monthly throughout the financial year

- i) VAT submittal report
- ii) Full VAT report

Quarterly

- i) A copy of the termly governor's budget report.
- ii) Bank reconciliation statement
- iii) Bank reconciliation (unreconciled items)
- iv) Bank statement (final page only)
- v) 7-page income and expenditure report
- vi) Monthly CFR upload (trial balance)

Good practice

The Local Authority considers it good practice for schools to produce a monthly return in the excel spreadsheet template format provided to them by the Authority for internal monitoring purposes. This should be completed in line with the reporting deadline stated above. This template will include:

- i) Bank reconciliation statement
- ii) Bank reconciliation (unreconciled items)
- iii) Bank statement (final page only)
- iv) 7-page income and expenditure report
- v) Monthly CFR upload (trial balance)

In addition to the quarterly reporting outlined above, the following are required at the end of the financial year:

- i) Debtors and Creditors accrual.
- ii) Prepayments and receipts in advance.
- iii) Statement of use of reserves and carry forward.
- iv) Confirmation of Lettings Income.
- v) A copy of the school's asset register in line with the requirement of 2.1.4 (Control of assets) in this Scheme.
- vi) A copy of the Schools Financial Value Standard (SFVS) complete assessment form signed by the Chair of Governors in line with the requirement of (2.16 Schools Financial Value Standard) in this Scheme.
- vii) Details of capital projects and expenditure

2.1.3 Payment of salaries; payment of bills

Schools are required to make satisfactory arrangements for the payment of employees, creditors and other items, ensuring the correct application of (and accounting for) all statutory and other deductions, also complying with the

requirements of the Schools Financial Procedures and advice and guidance from the Authority's Treasurer to consistently maintain adequate financial standards.

Where a governing body does not use the Authority's services for finance, payroll and personnel and/or the information is not available to the Authority, the governing body must ensure that:

- i) The Authority is provided with such information as it may require, in the format, to the level of detail and according to frequency and deadlines prescribed by the Authority and defined in the Schools Financial Procedures;
- ii) all Teachers' pension contributions, including qualifying documentation, are submitted to Authority according to deadlines prescribed by the Authority and in accordance with Schools Financial Procedures, to enable the Authority to transfer such contributions to the bodies concerned in compliance with requirements which they prescribe, other statutory deductions and contributions are accounted for directly and paid over by the school;
- iii) all Local Government Pension Scheme pension contributions, including qualifying documentation, are submitted to Authority according to deadlines prescribed by the Authority and in accordance with Schools Financial Procedures, to enable the Authority to transfer such contributions to the bodies concerned in compliance with requirements which they prescribe; other statutory deductions and contributions are accounted for directly and paid over by the school;
- iv) they (or their service provider) provide evidence of the accuracy of such information and amounts in the form of audit certification, to the Authority or its auditors as and when required.

This is essential to enable completion of statutory returns and accounting requirements and to avoid costs and penalties, which may arise as a result of delays or inaccuracies in such matters. Any costs and penalties incurred due to deadlines not being adhered to by the school will be payable by the school.

2.1.4 Control of assets

Each school must maintain an asset register of all of its moveable non-capital assets (including commercial lease agreements for assets i.e. minibuses and photocopier leases). For items below £10,000 each school can determine their own arrangements for keeping such a register.

For items with a value exceeding £10,000, the Authority shall determine the format of the register and set out the basic authorisation procedures for the disposal of assets.

Governors must not dispose of the Authority's capital assets nor take any decision, which would adversely affect the value of such assets.

The required inventory and the basic authorisation procedures for disposal of assets are set out in the Schools Financial Procedures.

2.1.5 Accounting policies (including year end procedures)

The Chief Finance Officer is responsible for determining the Local Authority's accounting policies. Each headteacher is responsible for ensuring that these policies are adhered to. The underlying principles include:

- The accounts should be a fair presentation of the school's financial position and transactions in respect of that financial year.
- Income and expenditure should relate to the services provided in the same accounting period (the financial year). In revenue accounts, provision must be made for income and expenditure earned/used irrespective of when the amounts are actually paid or received.
- The accounts should be prepared on a prudent basis with income only being included to the extent that it is likely to be received; proper allowance should be made for all known liabilities and losses.

Schools must abide by procedures issued by the Authority in relation to accounting policies and year end procedures. The year end procedures are set out in the Guidance issued every year, which includes a closedown timetable which must be adhered to.

Details of these are included in the Schools Financial Procedures and any additional requirements will be notified to schools as they arise.

2.1.6 Writing off debts

Debts can only be written off when they are deemed to be unrecoverable or uneconomic to recover.

Governing Bodies are authorised under the terms of this Scheme to write off debts for individual amounts not exceeding £2,000.

Any writing off of a debt must be formally recorded in the minutes the governing body. The amount of any debt written-off will be borne by the delegated budget of the school to which the income would have been due. All write-offs must be correctly recorded in the accounts, by reversal of the original income transaction.

All documentation relating to the original debt, the recovery process and its write-off and approval of this should be retained by the school and submitted to the Authority at the end of the financial year. No property that has been written-off can be sold or otherwise disposed of.

For any amount greater than £2,000 the procedures as detailed in the Schools Financial Procedures shall apply.

2.2 Basis of accounting

The Authority's accounts are prepared on an accrual basis. Schools will therefore be required to provide information as and when to enable relevant accruals to be entered into the Authority's accounts.

Detailed guidance on this process is issued each year by the Director of Children's Services Finance.

2.3 Submission of budget plans

Timetable

Schools are required to submit a budget plan to the Authority by 31 May (or the last working day of May) each year. The school's budget plan must be approved and signed by the governing body (or a committee of the governing body).

The governing body is not permitted to set a budget which plans for a cumulative deficit at the end of any of the financial years, except where the Authority has authorised such a budget formally.

Health and Safety obligations

Schools should have regard to their most recent school Condition Survey and Asset Management Plan when setting their budget, including health and safety maintenance obligations they have. The Governing Body and Headteacher should ensure that in setting and approving the school's budget, adequate resources have been allocated to carry out their health and safety obligations.

Funds delegated by the Authority such as Devolved Formula Capital should be, where possible, designated to ensuring that maintenance issues identified on the most recent school Condition Survey and Asset Management Plan are addressed.

Format

The budget plan shall be in a format determined by the Director of Finance for Children's Services and will outline the intentions for income and expenditure in the current financial year and the following two financial years (a three-year budget plan) and the assumptions underpinning the budget plan (i.e. inflationary increases in salary costs). Schools will be able to take full account of estimated deficits/surpluses at the previous 31 March in their budget plan.

The format of the budget plan and any supporting documents shall comply with the budget template provided and the guidance issued by the Authority each year. Evidence of approval by the Governing Body must be submitted at the same time as the budget plan (such as the minutes of the relevant Governing Body meeting where the budget was approved).

The Authority will supply schools with income and expenditure data which it holds, which is necessary to enable efficient planning by schools. The Authority will supply

schools with an annual statement showing when this information will be available at times through the year.

Where schools do not use the Authority's financial management system, the format of the budget plan may be specified to ensure compliance with the Consistent Financial Reporting (CFR) framework.

The Director of Finance for Children's Services may determine that revised budget plans be submitted during the financial year. Such revised plans shall not be required at intervals of less than three months. Revised plans will be required where it is evident that the original budget plan is no longer sustainable.

Details of the format of the budget plan are included in the Schools Financial Procedures.

2.4 Efficiency & Value for Money

Schools must seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the Authority's purchasing, tendering and contracting requirements.

It is for heads and governors to determine at school level how to secure better value for money.

There are significant variations in efficiency between similar schools, and so it is important for schools to review their current expenditure, compare it to other schools and think about how to make improvements.

2.5 Virement

Schools may vire freely between budget heads in the expenditure of their budget shares, but governors are advised to establish criteria for virements and financial limits above which, the approval of the governors is required.

The Authority recommends that virements are recorded in the minutes of the Governing Body.

2.6 Audit: General

All schools are subject to the audit regime determined by the Authority. This will include the Authority's internal audit and external audit regime as determined by the Audit Commission.

Schools are required to co-operate with any internal and external audit inspection and provide access to the school's records.

Schools that are audited as part of the internal or external audit regime that result in an outcome with recommendations for implementation, may be required to attend the audit committee of the Local Authority.

The headteacher should ensure that recommendations arising from audit reports are addressed in accordance with the agreed action plan, reviewed by the governing body and reported back to the Local Authority.

2.7 Separate external audits

In instances where a school wishes to seek an additional source of assurance, the governing body is permitted to spend funds from its budget share to obtain external audit certification of its accounts, separate from any Authority's internal or external audit process.

Such a requirement should take into consideration the principles of Value for Money.

Where a school chooses to seek such an additional audit, it does not remove the requirement that the school must also cooperate with the Authority's internal and external auditors.

2.8 Audit of voluntary and private funds

In addition to the normal internal and external audits, schools must provide audit certificates in respect of any voluntary and private funds they hold and of the accounts of any trading organisations controlled by the school.

The audit must be carried out by someone who is independent from the school fund (i.e. having no part in the administration of the fund or in any decisions as to its use.

Governors who are members of the finance committee (or a similar sub-committee of the governing body) may not undertake this audit.

A school refusing to provide audit certificates to the Authority as required by the scheme, is in breach of the scheme and the Authority can take action on that basis.

2.9 Register of Business Interests

The governing body of each school must have in place, a register that lists for each member of the governing body and the headteacher the following:

- Any business interests they, or any member of their immediate family have;
- Details of any other educational establishments that they govern; and
- Any relationships between school staff and members of the governing body.

The register should be kept up to date with notification of changes and entries should be made available for inspection by governors, staff, parents and the Authority on the school's website.

The register of business interests should be formally referred to prior to the acceptance of quotations or the awarding of contracts.

It should be noted in the minutes of the Governing Body that this procedure has been adopted at the start of each academic year.

2.10 Purchasing, tendering and contracting requirements

Schools are required to abide by the Authority's Financial Regulations and standing orders in purchasing, tendering and contracting matters.

The schools should assess in advance, where relevant, the health and safety competence of contractors, taking account of the Authority's policies and procedures.

2.11 Application of contracts to schools

Schools have the right to opt out of Authority arranged contracts except where this Scheme provides otherwise.

Although governing bodies are empowered under Paragraph 3 of Schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the Authority as the maintainer of the school and the owner of the funds in the budget share. The governing body will have clear statutory obligations in some areas for example contracts made by aided or foundation schools for the employment of staff.

2.12 Central funds and earmarking

The Authority is authorised to make sums available to schools from central funds, in the form of allocations that are additional to and separate from the schools' budget shares. Such allocations shall be subject to conditions setting out the purpose or purposes for which the funds may be used and while these conditions need not preclude virement (except, of course, where the funding is supported by a specific grant which the Authority itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share.

Such allocations might, for example, be sums for Special Educational Needs (SEN) or other initiatives funded from the central expenditure of an Authority's schools budget or other Authority budget.

Such earmarked funding from centrally retained funds is to be spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given, and is not to be vired into the school's budget share. Earmarked funds must be returned to the Authority if not spent in year.

The Authority may not make any deduction from payments to schools of devolved specific or special grants in respect of interest costs.

In order that schools may demonstrate compliance with this requirement, expenditure on these purposes should be clearly identifiable within the school's accounting records, and full supporting documentation should be available.

2.13 Spending for the purposes of the schools

Section 50(3) allows governing bodies to spend budget shares for the purposes of the school, although this is subject to regulations made by the Secretary of State and any provisions of the scheme. By virtue of Section 50(3A) (which came into force on

1st April 2011), amounts spent by governing bodies on community facilities or services under Section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

Under Section 50(3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. The Secretary of State has done so in the School Budget Shares (Prescribed Purposes)(England) Regulations 2002 (SI 2002/378), which have been amended by the School Budget Shares (Prescribed Purposes)(England)(Amendment) Regulations 2010 (SI 2010/190). These allow schools to spend their budgets on pupils who are on the roll of other maintained schools or academies.

2.14 Capital spending from budget shares

Governing bodies may use their budget shares to meet the costs of capital expenditure on the school premises. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under Paragraph 3 of Schedule 3 of the SSAF Act 1998.

Schools will be required to notify the Authority of any spending from their budget share on capital works. Schools will be required to take account of the Authority's advice on any capital spending over the sum of £15,000.

However, for community schools any spending on capital works either from their budget share or outside of the budget share will need to be authorised by the Director of Children's Services and the Director of Children's Services Finance.

Any spending on capital works, which has an impact on the Authority's premises, will need the authority of Director of Children's Services and the Director of Children's Services Finance. Such authority may only be withheld on the grounds of health and safety.

The reason for these requirements is to help ensure compliance with the current School Premises Regulations, DfE Construction Standards and health and safety legislation.

2.15 Notice of concern

The Authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Director of Children's Services Finance and the Director of Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the Authority or the school.

Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it.

These may include:

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school
- insisting that an appropriately trained/qualified person chairs the finance committee of the governing body
- placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the Authority
- insisting on regular financial monitoring meetings at the school attended by Authority officers
- requiring a governing body to buy into an Authority's financial management systems
- imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities

The notice will clearly state what these requirements are and the way in which and the time by which such requirements must be complied with in order for the notice to be withdrawn. It will also state the actions that the Authority may take where the governing body does not comply with the notice.

The purpose of this provision is to enable the Authority to set out formally any concerns it has regarding the financial management of a school it maintains and require a governing body to comply with any requirements it deems necessary. The

principal criterion for issuing a notice, and determining the requirements included within it, must be to safeguard the financial position of the Authority or school.

It should not be used in place of withdrawal of financial delegation where that is the appropriate action to take; however, it may provide a way of making a governing body aware of the Authority's concerns short of withdrawing delegation and identifying the actions a governing body should take in order to improve their financial management to avoid withdrawal.

Where the governing body has complied with the requirements contained within the notice of concern, the Authority will withdraw the notice in writing.

2.16 Schools Financial Value Standard (SFVS)

All local authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner. Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.

All other maintained schools with a delegated budget must submit the form to the Authority annually before 31 March.

2.17 Fraud

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

The governing body and headteacher must inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them and the consequences of breaching those controls. This information must also be included in the induction for new school staff and governors.

SECTION 3: INSTALLMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

3.1 Frequency of instalments

The Authority will make available the budget share to school governing bodies on a quarterly basis. Provision is also made to allow the payment in full of additional devolved funding, where appropriate.

The Authority will make available budget share instalments on a monthly basis to schools which so request it; but the request should be made prior to the start of the relevant financial year.

Top up payments for pupils with high needs will be made on a termly basis unless alternative arrangements have been agreed with the provider.

3.2 Proportion of budget share payable at each instalment

The quarterly budget share will be calculated on the basis of equal quarters of the annual budget allocation. The advance dates will be published accordingly.

For the Early Years single funding formula budget share the quarterly payments will be one quarter of the original budget. The final adjustment will be made in March each year.

3.3 Interest clawback

The Authority may deduct from budget share instalments an amount equal to the estimated interest lost by the Authority in making available the budget share in advance.

The interest calculation will be using a formula determined by the Authority (such as a weighted seven-day average rate or yearly average rate).

3.3.1 Interest on late budget share payments

The Authority will add interest to late payments of the budget share instalments, where such late payment is the result of an error by the Authority.

The interest calculation will be at the rate set out in 3.3.

3.4 Budget shares for closing schools

Budget shares for schools, for which approval for discontinuation has been secured, will be made available until closure, on a monthly basis, net of estimated pay costs, even where some different basis was previously used.

In order to minimise the Authority's liabilities, the Authority may wish to take the appropriate action to prevent schools entering into contractual arrangements or committed expenditure beyond the school closure date. Any monies incurred in this way may become the responsibility of the governing body.

3.5 Bank and building society accounts

Schools will continue to be able to retain all the interest payable on the bank account.

Where schools use imprest bank accounts, which operate to levels, pre-determined by the governing body and replenished as and when required. This provides schools with the freedom to spend their budget share as and when required whilst still facilitating access to the corporate systems such as payroll and an on-line payments mechanism.

3.5.1 Restrictions on accounts

Accounts may only be held for the purpose of receiving cash advances payments, at the following banks:

- Halifax Bank of Scotland PLC
- Barclays Bank PLC
- Lloyds TSB PLC
- National Westminster Bank PLC

- The Royal Bank of Scotland PLC

Schools must seek approval from the Authority for other banks or building societies not shown on the above list.

It is recommended that bank accounts are opened both in the name of the school and the Authority. Where a bank account is opened only in the name of the school, then the bank mandate should provide that the Authority is owner of the funds in the account; that it is entitled to receive statements; and that it can take control of the account if the school's right to a delegated budget is suspended by the Authority.

Budget share funds paid by the Authority and held in school accounts remain Authority property until spent (Section 49(5) of the Act).

Schools must notify the Director of Children's Services Finance of: the bank used, account numbers and authorised signatories for all bank accounts. Changes to banks and/or signatories must also be notified. Governors who are not members of staff cannot be signatories.

If any governing body of a school operating a bank account for payments fails to operate banking arrangements in accordance with this Scheme and Schools Financial Procedures, or fails to submit the Authority returns as requested by the Education Finance Team, then the Director of Children's Services Finance may suspend further transfers of funding to the bank account of that school and may withdraw such banking arrangements until the situation is resolved.

Where a school is unable to operate a bank account in accordance with Financial Regulations or any other guidance issued by the School Finance team, the Authority will withdraw bank account facilities from that school and in certain circumstances could withdraw delegation.

Where a school has an unapproved deficit, the Authority may withdraw bank account facilities from that school.

3.6 Borrowing by schools

School governing bodies may only borrow money (which includes the use of finance leases) with the written permission of the Secretary of State. Schools should notify

the Director of Children's Services and the Director of Children's Services Finance before making such requests.

The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives.

Schools are allowed to use any scheme that the Secretary of State has said is available to schools without specific approval (such as the Salix scheme, which is designed to support energy saving), however they should take reasonable steps to notify the Authority of their decision to apply for such a scheme.

The restrictions do not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. These debts may not be serviced directly from the delegated budget, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing. Governing bodies do not act as agents of the Authority when repaying loans.

This provision does not apply to loan schemes run by the Authority.

3.7 Other provisions

Schools are encouraged to ensure they have access to online banking so that they can produce bank statements efficiently as and when required both throughout the year but also for year end.

SECTION 4: THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES

4.1 Right to carry forward surplus balances

Schools will be able to carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.

School balances are part of the Authority's general reserves and may be used to support the overall financial requirements of the Authority, but subject to the absolute understanding that the balances will always be available for the use of school governing bodies when required.

The schools surplus balance at 1 April shall be equal to that of 31 March of the same calendar year.

The amount of a surplus balance would be shown in the relevant out-turn statement published in accordance with directions given by the Secretary of State under Section 251 of the Apprenticeships, Skills, Children and Learning Act 2009 (although there may be commitments against any figure shown in such a statement).

Good practice

Schools should be aware that it is good financial management to maintain reserves in the region of 5% (for secondary schools) - 8% (for nursery, primary and special schools) the school's budget share.

However, it should be noted that funding for individual schools is delegated to ensure provision for the pupils on roll in the current period and should not be retained in surpluses without good reason.

4.2 Control on surplus balances

Schools will be required to report to the Authority annually on the purposes to which any surplus balances over 5% of their budget share will be put.

Surplus balances held by schools as permitted under this scheme are subject to the following restrictions with effect from 1 April 2007.

- a) The Authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose, the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;
- b) The Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance for the previous financial year.
- c) The Authority shall then deduct from the resulting sum any amounts which the Governing Body of the school has declared to be assigned for specific purposes permitted by the Authority and which the Authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned, the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.

The condition outlined here is intended to ensure schools can build up reserves towards particular projects, but cannot defer implementation indefinitely. In deciding whether a sum is properly assigned a scheme may make explicit the right of an Authority to take account of a school's previous plans for any surplus balances in the event that such plans have changed. However, an Authority may not take a change in the plans of a school as the only criterion by which it can consider a sum to be properly assigned or not.

- d) If the result of steps a-c is a sum greater than 5% of the current year's budget share for secondary schools, 8% for primary and special schools, or £10,000 (where that is greater than either percentage threshold), then the Authority shall deduct from the current year's budget share an amount equal to the excess.

The thresholds set out in paragraph (d) above are the maximum permitted. The department will accept (a) lower thresholds or (b) higher thresholds for particular types of schools where local authorities can justify them

Funds deriving from sources other than the Authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.

Funds held in relation to a school's exercise of powers under Section 27 of the Education Act 2002 (community facilities) will not be taken into account unless added to the budget share surplus by the school as permitted by the Authority.

The total of any amounts deducted from schools' budget shares by the Authority under this provision are to be applied to the Schools Budget of the Authority.

4.3 Interest on surplus balances

Balances held by the Authority on behalf of schools will attract interest.

The interest calculation will be at the rate set out in 3.3.

4.4 Obligation to carry forward deficit balances

Deficit balances will be carried forward and will be deducted from the schools budget share in the following financial year. Schools deficit balances as at 1 April will be equal to that balance as at 31 March of the same calendar year. School budget plans must include provision for any deficit from the previous year.

The deficit balance would be shown on the out-turn statement published in accordance with directions given by the Secretary of State under Section 251 of the Apprenticeships, Skills, Children and Learning Act 2009 (although this might be shown gross of committed expenditure and therefore appear lower than would otherwise be the case).

4.5 Planning for deficit budgets

Schools may not plan for a deficit budget except in exceptional circumstances. Information on the circumstances in which schools may plan for a deficit budget is given in paragraph 4.9 below (Licenced deficits).

4.6 Charging of interest on deficit balances

The Authority reserves the right to charge interest on deficit balances. The interest calculation will be at the rate set out in 3.3.

4.7 Writing off deficits

The Authority cannot write off the deficit balance of any school.

4.8 Balances of closing and replacement schools

When a school closes any balance (whether surplus or deficit) reverts to the Authority. It cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus will transfer to an academy where a school converts to academy status under Section 4(1)(a) of the Academies Act 2010.

4.9 Licensed deficits

This scheme does not permit a school to plan for a deficit budget.

Where in exceptional circumstances deficits cannot be avoided, then such deficits need to operate under licence. This requires the school to agree a deficit recovery plan with the Authority before the first formal budget is set in the financial year of the planned deficit.

The deficit recovery plan should include:

- a. the reasons for the deficit;

- b. the amount of the deficit;
- c. a robust proposal for repaying the deficit with supporting evidence;
- d. the maximum length over which the school will repay the deficit (i.e. reach at least a zero balance). Schools with a deficit balance should plan to repay the deficit over a maximum of three years.

The Authority will work with the headteacher and governing body of the school to ensure that a quarterly review of expenditure against the business plan is carried out so that spending is kept in line with the three-year profile of the school.

If a school has a licensed deficit, and the school proposes to spend amounts received by it on purposes other than reducing the licensed deficit, the school must obtain approval from the Authority agree to such a proposal.

4.10 Loan schemes

There is no loan scheme in place for schools within the Authority.

SECTION 5: INCOME

5.1 Income from lettings

The responsibility for lettings of school premises will rest with governing bodies, who will administer the lettings and set charges. Income from lettings will be retained in full and credited to schools' delegated budgets, subject to any alternative provisions arising from any joint use or PFI agreements.

Although governing bodies will decide their own priorities for lettings, schools are permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share. The governing body should be satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement.

Schools are, nevertheless required to have regards to directions issued by the Authority as to the use of school premises, as permitted under the Act for various categories of schools, in particular, the Authority's policy on community use.

Income from lettings of school premises will not be payable into voluntary or private funds held by the school.

5.2 Income from fees and charges

Schools may retain income from fees and charges except where a service is provided by the Authority from centrally retained funds.

Schools should take into account any policy statements on charging produced by the Authority.

Schools should seek at all times to maximise their income and to recover all costs.

Income from boarding charges is collected on behalf of the Authority and should not exceed that needed to provide board and lodging for the pupils concerned.

5.3 Income from fund-raising activities

Schools may retain income generated from fund-raising activities.

5.4 Income from the sale of assets

Schools may retain the proceeds of the sale of assets, except in cases where the asset was purchased with non-delegated funds, or the asset concerned is land or buildings forming part of the school premises and is owned by the Authority.

In these cases, it will be a matter for the Authority to determine whether the school should keep the proceeds.

5.5 Administrative procedures for the collection of income

The governing body shall be responsible for arrangements concerning the collection, custody, control and deposit of income that they are delegated to collect/control.

Schools should have regard to the Authority's procedures for the collection of income, which are set out in the Schools Financial Procedures.

Because of the potential VAT implications of providing services, which lead to fees and charges, fund raising activities and the sale of assets, the Authority has established administrative procedures for the collection of income, which are set out in the Schools Financial Procedures. Specific advice on VAT should be sought from the Authority.

5.6 Purposes for which income may be used

Income from the sale of assets purchased with delegated funds may only be spent for the purposes of the school.

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General provision

The budget share of a school may be charged by the Authority without the consent of the governing body, only in the circumstances detailed below at paragraph 6.2 of this scheme. In any such event, the Authority will consult schools as to the intention to so charge and notify schools when it has been done.

Schools will have the right to dispute any such charges and governing bodies should place any grievances in writing to the Director of Children Services and Director of Children's Services Finance. Any disputes will be carefully reviewed and, where necessary, passed to the Authority's legal department for arbitration. The outcome of all reviews will be placed in writing and forwarded to the governing body.

For the avoidance of doubt, local authorities may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools Forum.

Schools are reminded that the Authority cannot act unreasonably in the exercise of any power given by this scheme, or it may be the subject of a direction under Section 496 of the Education Act 1996.

6.1.1 Charging of salaries at actual cost

This scheme requires the Authority to charge the salaries of school-based staff to school budget shares at actual cost where the school participates in the Authority's payroll contract.

6.2 Circumstances in which charges may be made

- a) Where premature retirement costs have been incurred without the prior written agreement of the Authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the Authority);
- b) Other expenditure incurred to secure resignations where the school had not followed Authority advice;
- c) Awards by courts and industrial tribunals against the Authority, or out of court settlements, arising from action or inaction by the governing body contrary to the Authority's advice

Awards may sometimes be against the governing body directly and would fall to be met from the budget share. Where the Authority is joined with the governing body in the action and has expenditure as a result of the governing body not taking Authority advice, the charging of the budget share with the Authority expenditure protects the Authority's position.

Authorities should ensure in framing any such advice that they have taken proper account of the role of aided school governing bodies.

- d) Expenditure by the Authority in carrying out health and safety work or capital expenditure for which the Authority is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work;
- e) Expenditure by the Authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the Authority or the school has voluntary controlled status;
- f) Expenditure incurred by the Authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the Authority;

See also 10.1. The Authority itself needs to consider whether it has an insurable interest in any particular case.

- g) Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes

procedure set out in a service level agreement, and the result is that monies are owed by the school to the Authority;

- h) Recovery of penalties imposed on the Authority by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs, Teachers' Pensions, the Environment Agency or other regulatory authorities as a result of school negligence.
- i) Correction of Authority errors in calculating charges to a budget share (e.g. pension deductions).

Before applying any such provision, the Authority should consider whether it is reasonable to do so. If the error dates back several years, it may be questionable whether such charging is reasonable.

- j) Additional transport costs incurred by the Authority arising from decisions by the governing body on the length of the school day, or failure to notify the Authority of non-pupil days resulting in unnecessary transport costs.
- k) Legal costs which are incurred by the Authority because the governing body did not accept the advice of the Authority (see also Section 11).
- l) Costs of necessary health and safety training for staff employed by the Authority, where funding for training had been delegated but the necessary training not carried out.
- m) Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
- n) Cost of work done in respect of teacher pension remittance and records for schools using non-Authority payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations;
- o) Costs incurred by the Authority in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with High Needs;
- p) Costs incurred by the Authority due to submission by the school of incorrect data;
- q) Recovery of amounts spent from specific grants on ineligible purposes;

- r) Costs incurred by the Authority as a result of the governing body being in breach of the terms of a contract.
- s) Costs incurred by the Authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- t) Costs incurred by the Authority in administering admissions appeals, where the Local Authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.
- u) Compensation for loss of interest to the Council arising from a school's budget share being paid in advance.
- v) Interest payments arising from the late payment of invoices.

SECTION 7: TAXATION

7.1 Value Added Tax

The Authority will pass onto schools any Value Added Tax (VAT) reclaimed on their behalf. Schools should follow the Authority's procedure for reclaiming VAT expenditure as given in the Schools Financial Procedures.

7.2 Construction Industry Taxation Scheme (CITS)

Schools will need to abide by the procedures issued by the Authority in connection with CITS.

SECTION 8: THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1 Provision of services from centrally retained budgets

The Authority will determine on what basis it provides services for which it retains central funding.

The Authority will not discriminate in its provision of services on the basis of categories of schools, except in the case that funding has been delegated to some schools only or where such differentiation is justified by differences in statutory duties.

8.2 Provision of services bought back from the Authority using delegated budgets

Any arrangement with a school to buy services or facilities from the Authority will be limited to a maximum of three years from the date of the agreement. Any subsequent agreement relating to the same services will be limited to a period not exceeding five years. An extension to five and seven years respectively for contracts for supply of catering services is allowed.

When a service is provided for which expenditure is not retainable centrally by the Authority under Regulations made under Section 46 of the Act, it must be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools are charged differently.

The Authority must show during audit tests that the charging policy can reasonably be expected to avoid central subsidy of services.

8.2.1 Packaging

The Authority may provide any services for which funding has been delegated. But where the Authority is offering the service on a buy-back basis it must do so in a way that does not unreasonably restrict schools' freedom of choice among the services available. Where practicable, this will include provision on a service-by-service basis as well as in packages of services.

8.3 Service Level Agreements (SLAs)

Service Level Agreements (SLAs) must be in place by 31 March to operate from 1 April. When a service produces a SLA, this must allow schools at least one month to consider the terms of the agreement before that agreement comes into force.

If services or facilities are provided under a SLA, whether free or on a buyback service, the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that.

If services are offered at all by the Authority, they will be available to schools on a basis which is not related to an extended agreement as well as on the basis of such agreements.

Where any services are provided on an ad-hoc basis they may be charged for at a different rate than if provided on the basis of an extended agreement.

Centrally arranged premises and liability insurance are specifically excluded from these arrangements.

8.4 Teachers' pensions

In order to ensure that the performance of the duty on the Authority to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the Authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares.

The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the Authority to provide payroll services.

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the Authority, which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required from each school. A governing body shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

SECTION 9: PFI/PPP

Not used

SECTION 10: INSURANCE

10.1 Insurance cover

If funds for insurance are delegated to a school, the Authority will require that school to demonstrate that cover relevant to the Authority's insurable interests, under a policy arranged by the governing body, is at least as good as the relevant minimum cover arranged by the Authority, either paid for from central funds or from contributions from schools' delegated budgets.

The Authority will have regard to the actual risks, which might reasonably be expected to arise at individual schools when brokering insurance cover.

SECTION 11: MISCELLANEOUS

11.1 Right of access to information

Schools will be required to make available to the Authority any financial or other information, which will enable the Authority to satisfy itself of the school's management of the delegated budget or the use made of any central expenditure (such as earmarked funds) on the school.

11.2 Liability of governors

Under the terms of Section 50(7) of the School Standards and Framework Act 1998 and because governing bodies are corporate bodies, individual governors will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

11.3 Governors' expenses

The Authority shall have the power to delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses. Governing bodies will not have discretion in the amounts of such allowances; these will be set by the Authority.

Under Section 50(5) of the Act, only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget share.

Schools are expressly forbidden from paying any other allowances to governors.

Schools are barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

11.4 Responsibility for legal costs

Legal costs incurred by the Governing Body (although the responsibility of the Authority as part of the cost of maintaining the school) may be charged to the

school's budget share unless the governing body acts in accordance with the advice of the Authority.

A school cannot expect to be reimbursed with the cost of legal action against the Authority itself (although there is nothing to stop an Authority making such reimbursement if it believes this to be desirable or necessary in the circumstances).

The costs referred to are those of legal actions, including costs awarded against an Authority; not the cost of legal advice provided.

Costs that relate to the statutory responsibility of aided school governors for buildings must be met by the Governing Body.

Where there is a conflict of interest between the Authority and the governing body such that the Authority's lawyers could not appropriately advise or represent the school a request should be made in advance to the Director of Children's Services for separate legal representation.

The Director of Children's Services and the Authority's Director of Legal Services will determine if separate legal representation is appropriate and similarly if the cost of that representation should or should not be met by the Authority, at least in the first instance.

11.5 Health and Safety

Governing bodies in expending the school's budget share, are required to have due regard to duties placed on the Authority in relation to health and safety, and the Authority's policy on health and safety matters in the management of the budget share.

As per provision 6.2 d)

The budget share of a school may be charged by the Authority without the consent of the governing body if expenditure by the Authority in carrying out health and safety work or capital expenditure for which the Authority is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work.

11.6 Right of attendance for Chief Finance Officer

Governing bodies are required to permit the Director of Children's Services Finance of the Authority or his nominated representative to attend meetings of the governing body at which any agenda items are relevant to the exercise of her or his responsibilities.

The attendance of the Director of Children's Services Finance shall normally be limited to items that relate to issues of probity or overall financial management and shall not be regarded as routine.

11.7 Special educational needs

Schools are required to use their best endeavours in spending their budget share, to secure the special educational needs of their pupils.

This is a statutory requirement and may lead to suspension of delegation where a situation is serious enough to warrant it. This would not normally relate to an individual pupil.

11.8 Interest on late payments

Schools are required to ensure that payments are not delayed such that they attract interest under the provisions of the Late Payment of Commercial Debts (Interest) Act 1998. Such interest, when claimed by a supplier, may be charged against a school's budget share.

11.9 'Whistleblowing'

The Authority has produced a policy in relation to complaints about financial management or financial propriety, and how such complaints will be dealt with.

Governing bodies should have due regard to this document and ensure school staff are fully aware of its existence.

11.10 Child protection

Staff must be released to attend child protection case conferences and other related events. Costs in this regard should be met from school delegated budgets.

11.11 Redundancy / early retirement costs

Please see Annex B.

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

12.1 Responsibility for repairs and maintenance

Annex C contains illustrative examples of the difference between capital and revenue expenditure in line with the CIPFA Code of Practice.

The Authority has delegated funding for repairs and maintenance to schools.

Voluntary Aided School governors will have responsibility for repairs and maintenance on the same basis as Community and Foundation schools.

SECTION 13: COMMUNITY FACILITIES

13.1 Introduction

Governing bodies of maintained schools may now provide community facilities or services that will benefit pupils, their families or people living and working in the locality of the school concerned.

Schools that choose to exercise the power conferred by Section 27(1) of the Education Act 2002 to provide such community facilities will be subject to a range of controls.

Firstly, regulations made under Section 28(2), if any, can specify activities which may not be undertaken at all under the main enabling power.

Secondly, the school is obliged to consult the Authority and have regard to any advice given.

Thirdly, the Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, to which a school must have regard.

However, Section 28(1), the main limitations and restrictions on the power will be those contained in the maintaining authority's scheme for financing schools made under Section 48 of the School Standards and Framework Act 1998 as amended by Paragraph 2 of Schedule 3 to the Education Act 2002. This amendment extended the coverage of schemes to include the exercise of the powers of governing bodies to provide community facilities.

Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools.

This part of the scheme does not extend to joint-use agreements; transfer of control agreements, or agreements between the Authority and schools to secure the provision of adult and community learning

Mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.

13.2 Consultation with the Local Authority

Section 28(4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult the Authority and have regard to any advice given to them.

Schools are likely to benefit from informal contacts and advice from officers with the relevant professional expertise well before the formal consultation commences.

Formal consultation with the Authority will commence when the full consultation material has been submitted in writing and the response period will begin upon receipt of the full consultation material.

The Authority will provide formal advice in writing within six weeks of receipt.

Subsequently, the governing body should inform the Authority of the action taken, or proposed to take, in response to this advice.

The formal consultation document should contain:

- A full business plan for the provision of the proposed community facilities or services covering the first three years of operation, including a forecast budget.
- In the case of capital projects which affect the existing buildings on the school site and/or the construction of new buildings the full plans and costing of the works proposed
- Details of any planning and environmental considerations and evidence of discussions with relevant regulatory agencies
- Expressions of support from potential user groups, local community groups, neighbouring schools, business representatives etc. as appropriate
- Details of how the facility will be managed and how this relates to the management of the school
- A statement that the proposed activities will not interfere with the overriding purpose of the school in achieving higher standards for pupils
- Details of any proposed funding agreements with third parties
- The insurance arrangements proposed

The consultation document should be sent to the Director of Children's Services and Director of Children's Services Finance.

13.3 Funding agreements – Authority powers

The provision of community facilities in many schools may be dependent on the conclusion of a funding agreement with a third party, which will either be supplying funding, or supplying funding and taking part on the provision. A very wide range of bodies and organisations are potentially involved.

Any such proposed agreement should be submitted to the Authority in writing for its comments; and must give the Authority six weeks to respond. The formal notice should include a statement of purpose and a business plan for the proposed use of the community facilities power.

The Authority cannot impose a right of veto on such agreements, either directly or through requiring a right to countersign the agreement. However, if an agreement has been or is to be concluded against the wishes of the Authority, or has been concluded without informing the Authority, and which in the view of the Authority is seriously prejudicial to the interests of the school or the Authority, then that may constitute grounds for suspension of the right to a delegated budget.

Schools are required to inform the Authority what action has been taken following Authority advice.

The Authority will not be liable for any redundancy or employment tribunal costs for staff employed by the Governing Body or by those employed by any third party supplier to the Governing Body. The Governing Body should ensure that such liabilities are covered by themselves or detailed in any agreement with a third party supplier.

13.4 Other prohibitions, restrictions and limitations

The governing body should endeavour to protect the financial interests of the Authority. The Authority may require that in a specific instance of use of the community facilities power, the governing body concerned shall make arrangements to protect the financial interests of the Authority.

Arrangements for protection may include the setting up of a limited company formed for the purpose, or obtaining indemnity insurance for risks associated with the project in question, as specified by the Authority.

Section 28 provides that the exercise of the community facilities power is subject to prohibitions, restrictions and limitations in the scheme for financing schools.

13.5 Supply of financial information

Schools that exercise the community facilities power must provide the Authority every six months with a summary statement, showing the income and expenditure for the school arising from the facilities in question for the previous six months and on an estimated basis, for the next six months.

The Authority, on giving notice to the school that it believes there to be cause for concern as to the school's management of the finances of the community facilities power, will require such financial statements to be supplied every three months and, if necessary require the submission of a recovery plan for the activity in question.

These provisions do not preclude the insertion of other provisions in specific funding agreements between schools and the Authority as to the financial reporting requirements arising from the funding in question.

Financial information relating to community facilities must also be included in returns made by schools under the Consistent Financial Reporting Framework (CFR).

13.6 Audit

Schools are required to grant access to the school's records connected with the exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure.

In concluding funding arrangements with third parties in the exercise of the community facilities power, schools are required to ensure that such agreements contain adequate provision for access by the Authority to the records and other property of those persons held on the school premises, or held elsewhere insofar as they relate to the activity in question, in order for the Authority to satisfy itself as to the propriety of expenditure on the facilities in question.

13.7 Treatment of income and surpluses

Schools may retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the Authority or a third party.

Where a surplus has been accumulated then this may be carried over from one financial year to the next as a separate community facilities surplus, or subject to the agreement of the Authority at the end of each financial year, transferred wholly or in part to the budget share balance. In this instance the main budget share surplus should be separately identified, in case there is a future requirement to offset a subsequent community facilities deficit.

Since expenditure incurred by the governing body in the exercise of the community facilities power may not be met from the budget share, the school's formula allocation will not include the rates or floor area allocations relating to the community facilities.

When a community school or community special school ceases to be maintained by the Authority, any accumulated retained income obtained from exercise of the community facilities power reverts to the Authority unless otherwise agreed with a funding provider.

13.8 Health and Safety

Governing bodies are required to have due regard to duties placed on the Authority in relation to health and safety, and the Authority's policy on health and safety matters in the management of community facilities.

The governing body is responsible for the costs of securing Disclosure and Barring Service (DBS) checks clearance for all adults involved in community activities taking place during the school day. Governing Bodies are free to pass on such costs to a funding partner as part of an agreement with that partner.

13.9 Insurance

It is the responsibility of the governing body to make adequate arrangements for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. Such insurance should not be funded from the school budget share. The school should seek the Authority's advice before finalising any insurance arrangement for community facilities.

In principle, the insurance issues arising from use of the community facilities power are the same as those, which already arise from non-school use of school premises. However, a school proposing to provide community facilities should, as an integral part of its plans, undertake an assessment of the insurance implications and costs, seeking professional advice if necessary.

The Authority is entitled to undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the school's budget share.

Such a provision is necessary in order for the Authority to protect itself against possible third party claims.

13.10 Taxation

Schools should seek advice of the Authority and the local VAT office on issues relating to the imposition of VAT on expenditure in connection with community facilities, including the use of the Local Authority VAT reclaim facility.

If any member of the staff employed by the school or the Authority in connection with a community facility at the school is paid from funds held in the schools own bank account, the school is likely to be liable for income tax and national insurance payments.

Schools should seek advice from the Authority in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

13.11 Banking

The school should either maintain separate bank accounts for budget share and community facilities, or have one account but adequate internal accounting controls to maintain separation of funds.

Alternatively, the school may utilise the Authority's banking arrangements which would permit adequate separation of such funds from the school budget share and other Authority funds.

The banks that are available for use by the schools are detailed in 3.5.1.

Schools are not permitted to borrow money without the written consent of the Secretary of State. This requirement does not extend to monies lent to schools by their maintaining Authority.

ANNEX A - List of schools to which the scheme applies

LA number	Establishment number	School name
205	2002	Addison Primary School
205	3300	All Saints CofE Primary School
205	2026	Avonmore Primary School
205	1059	Bayonne Nursery School
205	2061	Brackenbury Primary School
205	7204	Cambridge School
205	2223	Flora Gardens Primary School
205	3602	Good Shepherd RC Primary School
205	3354	Holy Cross RC School
205	7203	Jack Tizard School
205	1056	James Lee Nursery School
205	3368	John Betts Primary School
205	2350	Kenmont Primary School
205	3649	Larmenier & Sacred Heart Catholic Primary School
205	2408	Melcombe Primary School
205	2134	Miles Coverdale Primary School
205	3650	Normand Croft Community School for Early Years and Primary Education

205	2444	Old Oak Primary School
205	7014	Queensmill School
205	1034	Randolph Beresford Early Years Centre
205	2555	Sir John Lillie Primary School
205	3378	St Augustine's RC Primary School
205	3645	St John XXIII Catholic Primary School
205	3463	St Johns Walham Green Church of England Primary School
205	3529	St Mary's Catholic Primary School
205	3566	St Paul's CofE Primary School
205	3578	St Peter's Primary School
205	3600	St Stephen's CofE Primary School
205	3648	St Thomas of Canterbury Catholic Primary School
205	1039	Vanessa Nursery School
205	2632	Wendell Park Primary School
205	4320	William Morris Sixth Form
205	7153	Woodlane High School
205	2660	Wormholt Park Primary School

ANNEX B – Responsibility for redundancy and early retirement costs

This guidance note summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget.

Section 37 of the Education Act 2002 states:

Section 37: Payments in respect of dismissal, etc.

- (1) It shall be for the governing body of a maintained school to determine—
 - (a) whether any payment should be made by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of the school, and
 - (b) the amount of any such payment.
- (2) Subsection (1) does not, however, apply in relation to a payment which the local education authority are required to make—
 - (a) by virtue of any contract other than one made in contemplation of the impending dismissal or resignation of the member of staff concerned, or
 - (b) under any statutory provision.
- (3) The local education authority—
 - (a) shall take such steps as may be required for giving effect to any determination of the governing body under subsection (1), and
 - (b) shall not make, or agree to make, a payment in relation to which that subsection applies except in accordance with such a determination.
- (4) Subject to subsection (7), costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing (whether before or

after the retirement occurs) that they shall not be so met.

(5) Subject to subsection (7), costs incurred by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.

(6) The fact that the authority have a policy precluding dismissal of their employees by reason of redundancy is not to be regarded as a good reason for the purposes of subsection (5); and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c. 18).

(7) Where a local education authority incur costs—

(a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or

(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,

they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

As set out in the provisions in Section 37 (5), the following examples set out a non-exhaustive list of situations in which exceptions to the default position might be taken by the Local Authority in relation to redundancy costs.

Charge of dismissal / resignation costs to delegated school budget:

- If a school has decided to offer more generous terms than the Authority's policy, then it would be reasonable to charge the excess to the school
- If a school is otherwise acting outside the Local Authority's policy

- Where the school is making staffing reductions which the Local Authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit
- Where staffing reductions arise from a deficit caused by factors within the school's control
- Where the school has excess surplus balances and no reasonable or agreed plan with the Authority to use these
- Where a school has refused to engage with the Local Authority's redeployment policy

The Authority will consider proposals to meet the costs of a redundancy payment, however such a decision will be taken by the Director of Children's Services Finance upon reviewing the proposal.

The following matters must be satisfied in order for the Authority and Director of Children's Services Finance to consider a proposal:

1. The Director of Finance for Children's Services has confirmed in writing to the governing body that the school is in financial difficulty or has a licensed deficit budget, which requires staffing reductions as part of the improvement plan. Confirmation must be sought before the start of any organisational change processes.
2. The headteacher has confirmed in writing to the Director of Finance for Children's Services that:
 - i. The school does not have reserves greater than £200,000. Where a school holds reserves greater than £200,000, they will be expected to finance any restructure from these funds.
 - ii. The changes are not as a result of the school experiencing financial issues that are within their control.
 - iii. There is a headcount reduction in the school's staffing establishment.
 - iv. The redundancy process is not as a result of changes solely related to the delivery of the curriculum.

- v. The number of similar posts in the school is not anticipated to increase within two years after the effective date of termination.
- vi. No employee made redundant from the school will be reemployed within the school in any capacity for the next two academic years.
- vii. The school has assessed the feasibility of, or implemented, voluntary measures short of redundancy such as: vacancy management, a reduction in working hours or redeployment.

Community facilities power

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school's delegated budget if the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement.

ANNEX C – Responsibility for repairs and maintenance

Capital and revenue expenditure: Illustrative examples in line with the CIPFA Code of Practice

ELEMENT	CAPITAL	REVENUE
Roofing		
Flat Roofs Structure	Replacement of, or major repair to the roof structure, i.e. structural members such as beams, joists, structural concrete slabs, etc.	Repairs and replacements of roof structure, as referred to under Capital
Structure	N/A	Application of paint finishes, specialist protection or sealants, to roof structure above.
Roof covering	Replacement of roof coverings (e.g. asphalt or felt) together with any necessary associated replacement deck, improved insulation, screeds, fascias, soffits, edge & upstand details, rooflights, flashings, associated rainwater gutters and outlets, lightning protection, walkways and services support and/or protection.	Repairs and replacements of roof coverings and associated parts/sub-elements as referred to under capital.
Roof covering	N/A	Application of paint finishes, specialist protection or sealant to roof covering etc.. Any necessary cleaning, e.g. to roof glazing or washing down of aluminium framework and uPVC - clearance of weed growth, debris and resultant blockages to drainage. Replacement of broken or defective glass and window

		glazing fitments and gaskets etc.
Pitched Roofs Structure	Replacement of, or major repair to the roof structure i.e. structural members such as timber or metal beams, joists, rafters, trusses, etc.	Repairs and replacements of roof structure as referred to under Capital
Structure	N/A	The application of paint finishes, specialist protection or sealant to roof structure above.
Roof covering etc.	Replacement of roof coverings (e.g. slate, tile, asbestos cement or other profiled sheeting) together with any necessary associated replacement or improvement of insulation, battens, close boarding felt, fascias, soffits, bargeboards, ventilation, rainwater goods, flashings, velux or similar roof windows or roof glazing, lightning protection etc.	Repairs and replacements of roof coverings and associated parts or sub-elements referred to under capital.
Pitched Roofs (Contd.) Roof covering etc.	N/A	The application of paint finishes, specialist protection or sealant to roof covering etc. above. Any necessary cleaning e.g. to roof glazing or washing down of aluminium framework and uPVC, clearance of weed growth, debris and resultant blockages to drainage. Replacement of broken or defective glass and window/glazing fitments and gaskets etc.
Chimney Stacks	Replacement, rebuilding or major structural repairs or repointing to chimney stacks and flues including associated flashings, dpc's, restraint, lightning protection etc.	Repairs and replacements and repointing of chimney stacks and flues and associated parts or sub-elements referred to under capital.

Chimney Stacks	N/A	Inspection of free standing chimney stacks for stability e.g. stainless steel stacks. Cleaning and clearance of all flue ways.
External Walls		
Masonry & Structural Frames	Replacement, rebuilding or major structural repairs to external walls e.g. repairs and repointing to brickwork and blockwork, lintels, underpinning, major concrete repairs to a structural frame. Temporary support of major structural defects.	Repairs and replacement to external walls and associated parts or sub-element referred to under capital.
Masonry and Structural frames (contd.)	N/A	<p>Tree management to alleviate structural movement.</p> <p>Application of paint finishes, specialist protection or sealants.</p> <p>Hammer testing and other inspection/testing of concrete frames.</p>
Cladding	Replacement or major structural repair of concrete cladding panels, render timber uPVC or metal framed cladding and window walling including associated improvement to insulated panels, double glazed units fitments etc.	Repairs and replacement to all cladding panels and window walling including all parts and sub-elements referred to under capital
Cladding	N/A	Inspection and maintenance of safety glazing including the application and replacement of any necessary safety film.

		Replacement of broken or defective glass, ironmongery and locks. Protective coatings, sealants and washing down of aluminium frames.
Windows & Doors	Major replacement of windows and doors including improved double glazed units and associated fitments and locks.	Repair of windows and doors and fitments including overhaul of metal framed windows.
Windows & Doors	N/A	External painting and repairs to decaying timber joinery; maintenance of safety glazing including the application and replacement of any necessary safety film. Replacement of broken or defective glass, gaskets, glass, ironmongery and locks. Protective coatings, sealants and washing down of aluminium frames.
Internal		
Loadbearing Partitions	Major repairs and replacement of loadbearing partitions due to structural movement.	Repairs and replacement of loadbearing partitions.
	N/A	Repairs and replacement of plaster, lining, tiling and other surface finishes. All decoration, specialist protective coatings and sealants.
Non-loadbearing Partitions or demountable partitions	N/A	Repair or replacement of non-loadbearing partitions and demountable partitions including repairs and replacement of all plaster, lining, tiling and other surface finishes. All decoration, specialist protective coatings and sealants.

Internal Doors, Screens, Window/Hatches	N/A	Repair or replacement of all internal doors, screens, window hatches etc., including associated finishes and fitments. Replacement of broken glass, ironmongery and locks. All decoration, specialist protective coatings and sealants.
Ceilings	Major replacement of failing lathe and plaster ceilings.	Repairs and replacement of lathe and plaster ceilings.
	N/A	All repairs and replacement of other types of ceiling e.g. suspended ceilings (suspension system and tiles) and fixed boarded ceiling of all materials and timber slatted ceilings, including all access panels and associated insulation. Decoration, specialist protective coatings and sealants.
Floors & Floor Finishes	Major repairs or replacement of failing structural floors eg. ground bearing slabs; suspended concrete and timber ground and upper floors and major repair or replacement of dpm's, concrete screeds, asphaltic dpm screeds, floor boarding and timber woodstrip or woodblock floor finishes (except where failure caused by overlaying with carpet/vinyl etc.) and quarry tiles.	Repairs to structural floors, dpm's, screeds, floor boards, woodstrip or woodblock floor finishes and quarry tiles.
Floors & Floor Finishes	N/A	Sanding and sealing of woodstrip or woodblock floor finishes. Repair or replacement of latex levelling screeds to receive final floor finishes e.g. carpet/vinyl/linoleum/matting. Regrouting of and sealant to quarry tiles.

	N/A	Repair and replacement of floor finishes other than as above, including carpets, vinyl and linoleum coverings and all matting.
Sanitary Ware	N/A	Repair and replacement of all sanitary ware, fittings and associated fitted units or work surfaces.
Fitted Units	N/A	Repair and replacement of all fitted cupboard units, shelves, work surfaces and supports etc. to kitchens serveries, staffrooms, classrooms etc.
Staircases	Major repairs or replacement of staircases and associated balustrades and guarding	Repair or replacement of staircases and associated balustrades and guarding.
	N/A	Repairs to staircase finishes.
Mechanical Services		
Heating & Hot Water Services	Major repair or replacement of boiler plant, distribution pipework, ductwork and heating emitters. Upgrading of tanks	Repair or replacement of boiler plant, distribution pipework, ductwork and heating emitters. Upgrading of tanks.
	N/A	All servicing of boiler plant and associated controls and equipment; descaling of plant and systems; testing for gas soundness; testing of electrical services to boiler plant rooms; maintenance of tanks; testing and maintenance of pressurised systems; maintenance and replacement of mixer valves.
Cold Water	Major repair, replacement and upgrading of	Repair, replacement and upgrading of storage tanks,

Services	storage tanks, distribution pipework, incoming main, booster pumps etc.	distribution pipework, incoming mains, booster pumps etc.
	N/A	Servicing including cleaning and sterilisation of all tanks and distribution equipment e.g. booster pumps.
Gas Services	Major repair or replacement of incoming main and/or distribution pipework.	Repair or replacement of incoming main and/or distribution pipework.
Gas Services (cont/d)		Inspection and testing for soundness, ventilation and shut-off requirements.
Ventilation & Air Conditioning	Major repair or replacement of ventilation systems and air conditioning equipment including plant, ductwork, grilles etc.	Repair or replacement of ventilation systems and air conditioning plant including plant, ductwork, grilles etc.
		Servicing of all plant and associated equipment including cleaning of fans. Cleansing and disaffecting of all ductwork and grilles.
Electrical Services		
General Supply & Sub-Main Distribution	Major repair or replacement of obsolete incoming main cables, mains switchgear, sub-mains and distribution boards.	Repairs and replacements of obsolete incoming main cables, mains switchgear, sub-mains and distribution boards.
	Major repair or replacement of obsolete power distribution to current standards.	Repairs and replacements of obsolete power distribution to current standards.
	Major repair or replacement of obsolete lighting distribution and fittings to current standards.	Repairs and replacements of obsolete lighting distribution and fittings to current standards.

	Major repairs and replacements to fire alarms, fire detection systems, emergency lighting, lifts and hoists.	Repairs and replacements to fire alarm and detection systems, lifts and hoists.
	N/A	Servicing of all electrical systems light fittings etc. and associated equipment described above. Cleaning of fans light fittings etc. All electrical testing of distribution system and equipment.
	N/A	Repairs, replacement, servicing and testing of communication systems, IT data cabling systems, security alarms, CCTV, door entry and call systems.
Drainage		
Foul and Surface Systems	Major repairs and replacements to internal, external, surface water and foul water drainage systems above and below ground including all associated access points and soakaways.	Repairs and replacements to internal, external, surface water and foul water drainage systems above and below ground including all associated access points and soakaways.
		Cleansing of all gutters, downpipes and drainage pipework, gullies, manholes catch pits etc., and clearance of blockages.
Sewage Plant	Major repairs and replacements to sewage plant and pumped drainage systems.	Repairs and replacements to sewage plant and pumped drainage systems.
	N/A	Servicing and clearance of blockage to above.
External Works		

Paving	Major repair or replacement of hard surfaces to playgrounds, car parks and footpaths, steps and ramps etc. incorporating any necessary guarding and barriers.	Repair or replacement of hard surfaces to playgrounds, car parks, and footpaths, steps and ramps etc. incorporating any necessary guarding and barriers.
	N/A	Marking of playgrounds and car parks. Repair or replacement of soft surfaces e.g. rubber crumb surfaces, bark and chipping surfaces under play equipment.
Walls & Fencing	Major repair and replacement of retaining walls.	Repair and replacement of retaining walls.
	N/A	Repair and replacement of non-retaining walls and all fencing, gates and barriers.
Swimming Pools (maintenance accepted 'Designated Pools')	Major repair or replacement of the tank structure and tiling; heating and filtration plant and circulation plant and pipework etc.	Repair or replacement to the pool tank structure and tiling; heating and filtration plant and distribution pipework etc.
	N/A	Servicing of all plant and equipment. Winterising costs. Replacement of liners.
Swimming Pools PTA Pools	Major repair or replacement of circulation plant and pipework and any enclosing structure accepted for maintenance in 'on-ground' permanent pool tanks.	Repair and replacement of circulation plant and pipework and any enclosing structure if accepted for maintenance and 'in-ground' permanent pool tanks.

	N/A	All works to PTA pools other than above.
General		
Asbestos	Major removal or encapsulation of asbestos either as a separate project where the material cannot be safely managed in situ or where it is likely to be disturbed in association with a capital funded maintenance project above.	Removal of broken or removal or encapsulation of disturbed asbestos materials. Removal of asbestos in association with revenue maintenance projects.
Asbestos (Contd.)	N/A	Updating asbestos registers. Inspection, encapsulation or resealing of asbestos based materials as necessary.
Fire Precautions	N/A	Repairs and maintenance of all fire precautions (previously included above) together with all signage and minor improvement required to fire precautions.
Miscellaneous	N/A	All repairs and replacements for buildings of an ancillary nature eg sheds; cycle racks, shelters (other than in permanent construction); refuse containers, litter bins etc.