

# Schools Forum

## Agenda

Tuesday 12 October 2021 at 2.00 pm

The meeting will be held remotely on Teams – if you would like to observe the meeting contact: [david.abbott@lbhf.gov.uk](mailto:david.abbott@lbhf.gov.uk)

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Date issued: 04 October 2021

# Agenda Item 1

## Hammersmith & Fulham Schools Forum – 15 June 2021 Minutes of the meeting

*NOTE: This meeting was held remotely*

### **Present**

<b>Voting members</b>	<b>Non-voting members</b>
<b>Primary School Heads</b> Karen Cunningham, St John XXIII Catholic Primary School Michele Barrett, Randolph Beresford and Vanessa Nursery Kathleen Williams, Holy Cross Primary Joe Brown, Old Oak Primary School Claire Fletcher, St Paul's CE Primary  <b>Academies and Free Schools</b> Gary Kynaston, Hammersmith Academy (Chair) Daniel Upfield, Ark Swift Academy	<b>Schools Representatives</b> Tim Scott, Fulham College Ziah Raphael, Head of School at TBAP  <b>Observers</b> Chantelle Thomas-Payne, St John's Walham Green School (School Business Manager) Alex Parker, Business Manager Mark Hopper

### **Officers**

Jacqui McShannon, Director of Children's Services  
Tony Burton, Head of Finance (Children's Services and Education)  
Jan Parnell, Director of Education  
Jill Lecznar, Head of Finance (Corporate)  
Phil Tomsett, Head of Early Years  
Keith Tysoe, Strategic Lead Education, School Improvement and Inclusion  
Daryle Mathurin, Strategic Lead Education, Assets and Operations  
David Abbott, Head of Governance

### **1. WELCOME, INTRODUCTIONS, APOLOGIES & MINUTES OF THE LAST MEETING**

#### **Welcome and introduction**

The Chair, Gary Kynaston from Hammersmith Academy, welcomed everyone to the meeting and led a round of introductions.

#### **Updates on actions in the minutes**

Tony Burton, Head of Finance (Children's Services and Education), noted that officers were working on a solution to automate remittances. With the Early Years team in-house they were in a better position to do that. He said he would arrange a meeting with Jane and Early Years providers to take it forward.

## **ACTION: Tony Burton**

On providing estimates – Tony Burton said officers can try to provide more clarity around what funding is likely to be, but it was driven by estimated activity each term.

The Chair asked for an update on the falling rolls working group. Jan Parnell, Director of Education, said the working group had convened and made recommendations for Schools Forum. Officers would be meeting with Clare Fletcher and Kathleen Williams on the medium- and longer-term strategy for falling rolls. Officers wanted Heads to co-produce the strategy.

### **RESOLVED**

The minutes of the previous meeting held on 23 March 2021 were agreed as an accurate record.

## **2. EARLY YEARS FUNDING UPDATE 2021/22**

Jill Lecznar, Head of Finance (Corporate), presented the report which gave an update on the 2020-21 Early Years provisional outturn and the latest information from the ESFA/DfE on the changes to the 2021-22 Early Years funding regime. She noted officers in Early Years and Business Intelligence were working hard to submit the Early Years census in July. She added that it wouldn't be possible to say what the final 21/22 budget would be until November.

Members asked how the surplus would be used and if there was any money to be allocated now. Jill Lecznar said once we know the final submissions for summer term then allocations could be calculated in late July, ready for the September / October meeting.

## **3. DEDICATED SCHOOLS GRANT OUTTURN 2020/21**

Tony Burton, Head of Finance (Children's Services and Education), presented the report which confirmed the 2020/21 Outturn for the Dedicated Schools Grant and balances held at 31 March 2021. He highlighted favourable variances in the Schools Block and Early Years Block.

In the Schools Block the paper recommended provision be made for:

- Additional support to maintained primaries to support transition to lower rolls.
- Short term budget support for two schools in financial difficulty
- Funding to be returned to all maintained primary schools in proportion to their 2020/21 contributions to the contingency fund for schools in financial difficulty.

The Chair asked what the timescales were for paying out the £265k identified in the paper. Tony Burton said the paper was looking for agreement pay that now.

Tony Burton noted the sub-group consisted of Michele Barrett, Clare Fletcher, Kathleen Williams, and Joe Brown – with input from Dave Collins. The sub-group would report to the next meeting in October.

**ACTION: Tony Burton / Sub-group**

Tony Burton noted that the High Needs Block had seen significant improvement from 19/20 and the trajectory was positive. Funding increased in 21/22 and while officers wouldn't know the 22/23 allocation until the end of term, they expected a favourable increase which would help balance the in-year position.

The Chair asked about the timescales for the safety historic deficit funding. Tony Burton said the Government had agreed £20m in total. The first £6m came in March, then a further £4m would be paid this year subject to showing a balanced trajectory over the medium-term. The remaining £10m was profiled to be paid over the 22/23 to 25/26 financial years. This would be monitored at Schools Forum over the medium-term.

The Chair asked what mitigations had to be put in place to ensure the funding continued. Officers noted this was covered in the following report. Jan Parnell, Director of Education, explained that the goal was to maintain a good service while trying to avoid escalation to expensive out of borough provision. In response to a question on demand, officers noted that EHCP growth was allowed for within the medium-term plan.

**RESOLVED**

1. That the following provisions are made from the retained de-delegated balance of £0.755m with authority to agree payments to schools delegated to the subgroup of the Schools Forum established in March 2021. The subgroup will review and agree appropriate and proportionate support to schools.
  - a. £0.382m – Provision for additional support to maintained primaries to support their transition to lower rolls. Potential payments not to exceed those presented to Schools Forum in March 2021 and subject to due diligence with respect to the appropriate and proportionate support by the appointed subgroup. Officers will support the conclusion of this process ASAP in the current term.
  - b. £0.100m – Provision for short term budget support for two schools in financial difficulty and subject to an agreed medium-term sustainable budget plan.
  - c. £0.265m – Provision for funding to be returned to all maintained primary schools in proportion to their 2020/21 contributions to the contingency fund for schools in financial difficulty.

#### **4. SEND TRANSFORMATION UPDATE**

Keith Tysoe, Strategic Lead Education, School Improvement and Inclusion, presented the update on SEND transformation. He noted that since becoming a sovereign service in 2018, considerable work has been undertaken in partnership with young people, parents, carers and schools:

- The feedback to date has shaped the SEND Transformation Programme (High Needs Block programme) and the development of a draft SEND Strategy which will be consulted on in the Autumn term
- There has been ongoing investment into SEND services including the creation of a Language Advisory Service to ensure children and young people receive access to services at the right time.
- There has been continuing investment in the ASD Outreach offer through centralised coordination and investment in additional resources for children with ASD

Members asked if the borough would be moving to a banding model for EHCPs. Daryle Mathurin, Strategic Lead Education, Assets and Operations, said banding would be considered as part of the sufficiency work.

Members asked how the new strategy would address the financial position. There were concerns from Heads on the gap between funding and real costs of provision. Keith Tysoe said officers were aware of the issue. A sufficiency review was being undertaken and the goal was to create a robust local offer with provision at a lower level to avoid the need for EHCPs.

The Chair asked officers to discuss the strategy with primary and secondary Heads to talk them through it and show the difference it will make. Officers said they would be co-producing the strategy with Heads.

**ACTION: Keith Tysoe / Daryle Mathurin**

#### **5. DRAFT WORK PROGRAMME UPDATE**

The draft work programme was noted.

#### **6. ANY OTHER BUSINESS**

##### **Remittances**

Tim Scott noted that remittances from Hampshire don't include the same advice that was provided when they came from H&F and it caused issues. Tony Burton said most payments should come from the H&F team – there was a monthly schedule with information emailed to all schools.

Michele Barrett asked if it was possible for the schools finance team and SEND finance team to work together more closely. There had been issues with SEND funding. Tony Burton said officers were looking at how to pull together schools and SEND finance. Additional resource had been added to

the SEND team in the last few months to improve things. The Chair suggested surveying schools to see where issues were – potential issues for primary and secondary Heads meetings.


**ACTION: Tony Burton**

Meeting started: 2.00 pm  
Meeting ended: 3.11 pm

Chair .....

Contact officer: David Abbott  
Governance and Scrutiny  
E-mail: david.abbott@lbhf.gov.uk

### ITEM 2

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>SCHOOLS FORUM</b></p> <p><b>October 2021</b></p>
Maintained Special School and Resourced Provision Strategy	
<b>Open</b>	
<b>Classification</b> - For review and comment	
<b>Key Decision:</b> No	
<b>Wards Affected: (All Wards):</b> All	
<b>Accountable Director:</b> Jacqui McShannon, Director of Children's Services	
<p><b>Report Authors:</b></p> <p>Joe Gunning - Programme Lead, Children's Services</p> <p>Daryle Mathurin, Strategic Lead Education, Assets and Operations</p>	
<p><b>Purpose of the report</b></p> <p>Hammersmith &amp; Fulham (H&amp;F) is responsible for ensuring sufficient local provision for children and young people with special educational needs. This includes ensuring there is suitable provision and sufficient numbers and types of specialist placements to meet local and regional needs.</p> <p>This paper summarises the short-term strategy in lieu of the outcome of the SEN sufficiency review for H&amp;F Special Schools and additionally resourced provision in H&amp;F for the 2022/23 financial year.</p>	

### Background and Context

#### Existing local provision and identified gaps

1. There are four Special Schools in H&F all of which are rated Outstanding or Good by Ofsted. There are two traditional resourced provisions in H&F; Miles Coverdale for children with speech, language, and communication needs (SLCN), and Queens Manor for children with moderate learning difficulties (MLD). Queensmill Special School also operates satellite provision for autism spectrum condition (ASC) at Fulham Primary, Fulham College Boys and Fulham Cross. This approach was developed in response to rising demand for Autism specific places, however these are not traditional resourced bases as the children remain on the Queensmill School roll.
2. We have strong special school provision in H&F but recognise that the current range of provision for SEND and structure of our additional resourced/unit provisions is somewhat limited and that many learners could benefit from placements that offer a hybrid of specialist and mainstream interventions that supports their gradual and active inclusion in mainstream settings.

3. Speech, language and communication needs, ASC, SLCN and Social Emotional and Mental Health (SEMH) continue to be the most significant assessed primary needs in children with Education, Health and Care (EHC) Plans in H&F.
4. The 2019/20 school census data show high numbers of H&F learners with autism in Special School provision compared to Inner London. The Inner London average is 49% of pupils with ASD in Special Schools with H&F at 58% for resident population. A limited ASD pathway and the structure of local ASD provision has resulted in the overuse of specialist provision and subsequent use of the independent day sector to meet local need. The overall national care sufficiency for children with complex needs has also resulted in an increasing demand for independent placements for Looked After Children.
5. SEMH is a gap in the H&F local provision that is being met by the independent sector which often limits the use of the ordinarily available provision, community inclusion and integration into the wider local offer pathways.

## **Vision**

6. Our vision is to build a better future for children and young people. We are committed to making H&F a place where every child has the best possible start in life, grows up feeling cherished, loved and realises their full potential as young citizens. We will provide the right support at the right time to enable our families and communities to ensure all children are safe, healthy and thrive. We will nurture relationships that are respectful, collaborative and empowering. Our highly skilled teams will work in partnership to ensure services remain efficient, responsive and support the building of resilience and prosperity for all children and young people.

## **LA strategy and identified commissioning and development priorities**

7. Officers are working to develop a SEN sufficiency and Alternative Provision (AP) planning strategy to ensure best value for money by place planning in advance and ensuring our specialist settings meet present and future needs of H&F children and young people. The sufficiency review will identify opportunities for the creation of enhanced provision or resource bases to offer greater choice within mainstream provision.
8. H&F specialist services are currently being re-designed to align with the medium to long term provision needs of the borough, with a particular focus at SEN Support, developing capacity in mainstream settings to meet a higher level of need at all ages and stages through access to a hybrid model of traded and centrally supported interventions.
9. Several innovative solutions have been piloted to support inclusion and develop cost effective approaches to meet the needs of children and young people including:
  - A current pilot at Miles Coverdale provides access to intensive SLCN interventions to support re-integration into mainstream schools without the need for an EHCP. Referrals and oversight of this new approach is being overseen by the Early Support panel.

- An enhanced provision for learners with autism at The Singh Suite at St John XXIII Primary School supporting learners that would have otherwise been placed at Queensmill Special School.
  - An extension and creation of an enhanced local offer at Old Oak Primary and Wormholt Park Primary to meet the needs of over 30 children creatively at SEN support and prevent escalation to the EHCP process.
  - Enhanced provision in other mainstream primary schools to meet local demand for specialist provision and prevent the need for children to travel outside of the borough.
10. Work is now on the way to learn and build on the pilots undertaken to date. One of the key aims of our SEN sufficiency review is to build capacity in mainstream settings to develop local, cost effective provision for children and young people who can access a mainstream curriculum but may find accessing a mainstream classroom on a full time basis challenging.

### **Interim approach per setting**

#### St. John XXIII Catholic Primary School

11. Following the successful pilot across the last two academic years, this paper seeks to regularise the current arrangements for the 2021/22 academic year in lieu of the outcome of the SEN Sufficiency Review.
12. The Singh Suite provides enhanced inclusive provision for pupils with an EHC Plan or undergoing an EHC needs assessment.
13. It is proposed to temporarily retain this provision to enable the school to continue to effectively meet ASD needs within an inclusive mainstream setting prevent escalation to specialist provision. The temporary arrangement will result in a top-up funding band from £9,458.33 to £12,000, discounting the £6,000 SEN notional funding per each pupil.

#### Miles Coverdale Primary School

14. Miles Coverdale operates a Specialist Speech and Language Resource Base for children aged 3 to 7 years with have speech, language, and communication needs (SLCN).
15. The Miles Coverdale Resource provision is commissioned to provide 20 places for Key Stage 1 (KS1), children aged between 5 and 7, during Years 1 and 2.
16. There is increasing demand for SLCN provision in Key Stage 2 (KS2), children aged between 7 and 11, during Years 3 to 6, leading to several pupils being offered places out of the borough. The cost of an out of borough placement in a neighbouring borough is £15,158 per learner which has indicated their intention to make additional charges for Speech and Language Therapy which would increase the cost of future placements. The cost of travel support depends on the number of children that can travel together and the passenger assistant requirements. The annual taxi costs for a daily 4.9-mile journey for 39 weeks is calculated at £8,903. The cost of the taxi and the passenger assistant is £13,650 per annum per learner. The total cost of transport for the 5 learners is estimated to be more than £50,000 per annum. 19 of the 20 commissioned

places are being used. Eight of these children have an EHCP with the remainder at SEN Support. This pilot was put in place for a two-year period to address the under use of places at the time and moderated through the Early Support Panel.

17. It is intended that these places will no longer be used as the newly formed Joint Communication Team in INSPIRE will be supporting a whole school communication approach to meet the needs of pupils in their school, which removes the need for the targeted interventions at Miles Coverdale.
18. It is proposed to maintain the commissioning numbers at 20 and re-purpose the places used under the current SCLN pilot to accommodate the KS2 expansion.

#### Woodlane High School

19. Woodlane High School is a H&F maintained special secondary school. The school supports young people with SLCN; ASD; and MLD.
20. Woodlane is commissioned to support 100 young people and there are currently 100 pupils on roll. A review has been undertaken of the Top-Up for Woodlane School and was approved by the Director of Children's Services on the 13 July 2021. The revised top-up is now inclusive of therapies to enable the school to deliver a whole school therapy model to meeting SLCN, as well as Occupational Therapy Needs. Historically therapies costs have been recouped separately from placing authorities.
21. It is recommended to maintain the current 100 commissioned places at Woodlane.

#### Cambridge Special School

22. Cambridge School is a H&F maintained special school for young people of secondary school age. The school supports young people with MLD; severe learning difficulties; SEMH needs.
23. The current commissioning arrangements for Cambridge School is historic and has not been reviewed to reflect the current demand and pupils on roll. The school is currently operating 42 places more than the 75 commissioned places.
24. There is shared agreement on the need to regularise the place funding arrangements at Cambridge and in so doing, use enhanced core funding to create a whole school therapy offer.
25. The Cabinet report of 1 February 2021 delegated authority to the Director of Children's Services to increase the number of commissioned places at Cambridge School up to 25 places from 1 April 2021. Cambridge governors and school leadership have challenged our recommended increase.
26. Finance and Education Service colleagues worked with the school to support a shared understanding of their finances and the delivery of a school therapy offer.

27. It is therefore recommended that we increase Cambridge school place funding by 42 places to reflect the 117 pupils currently on roll. The increased place funding will allow the delivery of Speech, Language and Communication Needs (SLCN) provision as well as Occupational Therapy (OT) to ensure a whole school approach to the delivery of therapies.

#### Jack Tizard Special School

28. Jack Tizard is a H&F maintained special school for children and young people with profound and multiple learning difficulties.
29. The top-up rate at the school was set in 2013 at £24,482 per pupil per annum, irrespective of level of need. Since 2013, however, the health and learning needs of the cohort of pupils at the school markedly increased in complexity, meaning pupils at Jack Tizard School require an increasingly high ratio of supervision.
30. H&F Schools Forum agreed a top-up funding rate increase of £6,475 for Jack Tizard Special School. This took annual top-up rates to £30,957 with effect from the 2019 Autumn term.
31. Jack Tizard is currently commissioned to support 70 children and young people. It is recommended to maintain the current commissioning arrangements.

#### **Reasons for Decision**

32. As detailed in the High Needs Funding Operational Guidance: 2021 to 2022: "High needs funding is provided to local authorities through the high needs block of the dedicated schools grant (DSG). Local authorities must spend that funding in line with the associated conditions of grant, and School and Early Years Finance Regulations."
33. The high needs funding block provides local authorities with resources to support provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, enabling both local authorities and institutions to meet their statutory duties under the Children and Families Act 2014.
34. Local authorities determine how much to set aside in their high needs budget for place and top-up funding given to institutions and have flexibility to change funded place numbers.
35. Place funding should broadly reflect both local authorities' recent commissioning activity and strategic planning to secure suitable special educational needs and disabilities (SEND) provision and AP, in line with their statutory responsibilities and regional requirements.
36. Local authorities are required to consult with institutions in their area and discuss both current numbers of places being taken up, which will be included

on the school census and special educational needs and disabilities (SEND) provision (ILR) returns, and the number of places required in future.

## **Equality Implications**

37. There are no direct negative equality implications for groups with protected characteristics, under the Equality Act 2010, by the approval of the school place commissioning arrangements set out in the recommendations.
38. Officers anticipate a neutral impact as the funding model outlined in this report is intended to provide financial stability to schools. The report does not recommend a decrease in the place funding allocation. In some cases, the report allows for an increase in the place funding allocation.
39. In addition to place funding, individual learners also attract top-up funding to deliver to the specification in their Education, Health and Care Plans.

## **Risk Management Implications**

40. The report sets out the interim arrangements per setting pending the SEN Sufficiency review and ensures the Local Authority through commissioning activity and strategic planning secures suitable special educational needs and disabilities (SEND) provision in line with their statutory responsibilities.

*Implications verified by: Ray Chitty, Head of Insurance, 07739315565*

## **Climate and Ecological Emergency Implications**

41. Schools are a key partner for supporting H&F's climate agenda alongside partner organisations; continuing to raise awareness and understanding of the climate and ecological emergency, and the steps that people can take. The H&F Education Service and Climate Emergency Unit will shortly begin work to co-produce a H&F schools decarbonisation plan with our school community.

*Implications verified by: Hinesh Mehta Strategic Lead – Climate Emergency  
07960 470125*

## **Financial Impact**

### St. John XXIII Catholic Primary School

42. The proposal is to regularise the funding for the provision of an enhanced service within the Singh Suite.
43. In Financial Year (FY) 2020/21 the school received a lump sum payment from the High Needs Block of £127,500 to set up this provision. Top-up was paid for an average of 11 pupils totalling £85,595. The average top-up per pupil was £7,781. It is assumed that for each pupil that the school contributed £6,000 per

pupil from within its school budget share funded through the Dedicated Schools Grant (DSG) Schools Block. In total, the school received total FY 2020/21 funding of £213,095 from the High Needs Block (HNB).

44. The proposal for 2022/23 assumes a higher top-up per pupil in the range of £9,458 to £12,000 which assuming 11 pupils are eligible would give a full year cost to the High Needs Block of between £104,038 and £132,000. The school will not receive an additional lump sum.

#### Miles Coverdale Primary School

45. There are 20 high needs places commissioned at the unit within the school. The cost to the DSG HNB is £120,000 for the financial year 2021/22 as the HNB contributes £6,000 per place. The school contribute £4,000 per place.
46. At the beginning of the academic year 2021/22 there are 21 pupils accessing the unit. Only 8 current pupils have an Education and Health Care Plan (EHCP).

#### FY 2021/22 Current position

Core Funding	Number of places	Rate £	Schools contribution: Schools Block DSG £	High Needs Block DSG £
Filled places element 1	20	4,000	80,000	
Filled places element 2	20	6,000		120,000
Filled places element 3 Top-up	8	4,256		34,048
Further top-up if all 20 places are filled with young people with EHCPs	12	4,256		51,076
<b>Total</b>			<b>80,000</b>	<b>154,048</b>

47. The proposal is to re-purpose the provision to extend to KS2 pupils with specific speech and language needs. This is intended to ensure that the full complement of 20 commissioned places are utilised as these are being commissioned and funded by the DSG HNB.
48. Should the 20 places be filled, the HNB will incur additional top-up costs as each pupil will have an EHCP which could result in an increased cost to the DSG HNB of £51,072. This is based on 20 pupils at a top-up rate of £4,256 generating a top-up cost of £85,120. It is expected however that this will lead to savings elsewhere in the DSG HNB as it will reduce more expensive out of borough provision and associated transport costs.

#### Woodlane High School

49. There is no financial impact as the proposal is to maintain the number of places at Woodlane High School at the existing commissioned level of 100.

### Cambridge Special School

50. The proposal to increase the commissioned place numbers to 117 for FY 2021/22 increases the place funded through the DSG HNB by 42 compared to the previously commissioned figure of 75, an overall increase of £420,000.
51. An expected increase of 25 places (£250,000) was included in the ESFA safety valve forecast and action plan. However, the further 17 place increase has a full year adverse impact of £170,000. A proportion of the increased cost will be in relation to non-H&F resident pupils for which H&F HNB funding will be adjusted.
52. The increase in funding is linked to targeted HNB savings on special school therapies of circa £70,000 at Cambridge School.

### Jack Tizard Special School

53. There is no financial impact as the proposal is to maintain the number of places at the Jack Tizard Special School at the existing commissioned level of 70.

Implications provided by: Caroline Baxter, Strategic Finance Manager, 02087534322. Reviewed by Tony Burton, Head of Finance Children's Services and Education, [tony.burton@lbhf.gov.uk](mailto:tony.burton@lbhf.gov.uk). Verified by Emily Hill, Director of Finance

### **Legal Implications**

54. Section 13 of the Education Act 1996 places a duty on a Local Authority to ensure sufficient primary and secondary education provision is available to meet the needs of the population in its area including pupils with additional Special Educational Needs.
55. The Council also has duties under the Children and Families Act 2014 to make special educational provision for children and young people whose needs cannot reasonably be met from the resources normally available to schools and post-16 institutions
56. Education funded by the High Needs Block of the DSG is provided to meet the Council's statutory duties under section 19 of the Education Act 1996 to provide education for pupils needing alternative education and the Council's statutory duties under the Children and Families Act 2014 to meet the needs of pupils and young people up to the age of 25 with special educational needs.
57. Approval of the strategy contributes to the fulfilment by the Council of these obligations.

Implications provided by: Jade Monroe, Chief Solicitor Social Care, 0208 753 2695, [jade.monroe@lbhf.gov.uk](mailto:jade.monroe@lbhf.gov.uk)

## **Consultation**

58. Hammersmith & Fulham have the role of sub-regional commissioner for special school and resource base provision located within the borough. As the Commissioner H&F must consult with its regional partner authorities to set the number of places to meet the needs in the local area.
59. In recent years, neighbouring authorities (Kensington and Chelsea, Westminster, Brent, Ealing, and Hounslow) have placed significant numbers of learners in H&F Special Schools, and this is likely to continue in the future. Consultation with each of these placing authorities will take place on a termly basis and include analysis of relevant parts of their Pupil Place Planning data and their forecasts for placements.
60. Officers will work to establish a shared regional approach for high needs placement planning via the Commissioning Alliance and London Strategic Managers Forum.

## **LIST OF APPENDICES**

Appendix A – 2020/23 Place Commissioning Requirements


# LONDON BOROUGH OF HAMMERSMITH & FULHAM

## Item 2 Appendix A – 2022/23 Financial Year Place Commissioning Requirements

School	2022/23 Commissioned places	Place Commissioning rate £	Total £
Miles Coverdale	20	6,000	120,000
Woodlane	100	10,000	1,000,000
Cambridge	117	10,000	1,170,000
Jack Tizard	70	10,000	700,000
<b>Total</b>			<b><u>2,990,000</u></b>

Setting	Full year effect FY2021/22 £	Full year effect FY2022/23 £	Full year effect FY2023/24 £
St John XXIII	27,072	46,409	46,409
Miles Coverdale	51,072	51,072	51,072
Woodlane	0	0	0
Cambridge	170,000	170,000	170,000
Jack Tizard	0	0	0
<b>Total</b>	<b><u>248,144</u></b>	<b><u>267,481</u></b>	<b><u>267,481</u></b>

### ITEM 3

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>SCHOOLS FORUM</b></p> <p><b>October 2021</b></p>
<p>High Needs Academies Placement Strategy and Commissioning Process</p>	
<p><b>Open</b></p>	
<p><b>Classification</b> - For review and comment</p>	
<p><b>Key Decision:</b> No</p>	
<p><b>Wards Affected: (All Wards):</b> All</p>	
<p><b>Accountable Director:</b> Jacqui McShannon, Director of Children's Services</p>	
<p><b>Report Authors:</b>          Joe Gunning - Programme Lead, Children's Services          Daryle Mathurin, Strategic Lead Education, Assets and Operations</p>	
<p><b>Purpose of the report</b></p> <p>Hammersmith &amp; Fulham (H&amp;F) is responsible for ensuring sufficient local provision for children and young people with special educational needs. This includes ensuring there is suitable provision and sufficient numbers and types of specialist placements to meet local and regional needs in H&amp;F Special Provision.</p> <p>This paper summarises the 2022/23 High Needs Placement Strategy and the Commissioning Process and outlines the number of high needs places commissioned at establishment level for academies for the 2022/23 academic year</p>	

### Background and context

1. Local Authorities have a duty to ensure there is sufficient provision locally for children and young people with special educational needs. This includes ensuring there is suitable provision and sufficient numbers and types of specialist placements to meet local need and that placement processes are effective.
2. Following recent work on the High Needs Block Programme, together with sufficiency planning and schools budget setting there is a need to bring the different elements together into an interim High Needs Placement Strategy.
3. The purpose of this paper is to set out the commissioning approach for children and young people in receipt of High Needs Funding and the operational arrangements with academies to ensure high quality and good value provision and sufficient places to meet need.

## Vision

4. Hammersmith & Fulham have high aspirations for all children and young people and are committed to ensuring every child has the best possible start in life. Through effective commissioning this will ensure we can provide the right support at the right time to ensure all children reach their full potential.

## High Needs Commissioning cycle

5. An interim high needs place commissioning approach has been developed in lieu of the SEN Sufficiency Strategy which is currently being commissioned.
6. The interim approach includes three key tenets as part of the commissioning cycle:
  - Efficient systems and controls through standardised place planning activity and streamlined processes
  - Clear local offer supply and demand using data to support future requirements planning and to support strategic conversations with partners
  - Quality Assurance and Monitoring Frameworks that ensure continued high-quality place commissioning with robust controls and monitoring procedures in place.



## Approach per setting

### Queen's Manor Primary School

7. Queens Manor operates the Pavilion, a Specialist Resource Base for children with moderate learning difficulties. Places at the Pavilion were capped to allow the use of the second classroom for a bespoke arrangement for five children with

complex autism that could not have been accommodated at Queensmill School. This arrangement has now ended.

8. It is proposed to maintain the commissioned numbers for this placement at 20 places for the 2022/23 academic year to provide the Pavilion with the required core funding to maintain the viability of the Unit for the next academic year.
9. The SEN sufficiency will inform both the future designation and commissioning arrangements for the Pavilion to meet the projected medium to long-term needs.

#### Queensmill Academy

10. Queensmill School is a former H&F maintained special school for children and young people with a diagnosis of autism from 3 to 19 years. The school caters for children and young people with complex learning needs.
11. Cabinet approved the academy conversion of Queensmill Special School on 19 April 2021 and delegated authority to the Director of Children's Services to finalise an SLA with Queensmill.
12. On the 10 May 2021 the Director of Children's Services approved the increase of commissioned places at Queensmill Special School by 50 places to reflect the number of learners on roll and support the development of a robust ordinarily available offer at the school. This takes the total commissioned places to 246.
13. The enhanced core funding was based on several core Service Level Agreement principles including the delivery of Speech, Language and Communication Needs (SLCN) provision as well as Occupational Therapy (OT) to ensure a whole school approach to the delivery of therapies.

#### West London College

14. West London College (WLC) is the H&F local Further Education Provider. The college offers an inclusive approach to post-16 education and training where learners attend mainstream courses as well as bespoke provision through the inclusive learning department.
15. The college provides tuition for Supported Internships and Apprenticeships. It is the Education partner for the H&F and L'Oréal Supported Internship and provides the tuition programmes for some Inclusive Apprenticeships.
16. As the headquarters of WLC are in the borough, H&F operates as the regional commissioner and in this role has a duty to work with partner authorities to understand their future commissioning needs.
17. WLC commissioning places were increased in-year from 102 to 251 in 2019/20 to reflect regional needs and regularise arrangements. The import/export element of the High Needs Formula compensated the H&F DSG for young people from other local authorities and consequently for this increase.
18. Ongoing planning discussions with the WLC and placing local authorities have indicated the need for a further increase in commissioning numbers to reflect regional needs. It is proposed to increase WLC commissioning numbers for the 2022/23 academic year to 300 high needs places. As highlighted earlier, the

import/export element of the High Needs Formula compensates the H&F DSG for young people from other local authorities.

19. In keeping with the High Needs Operational Guidance, a review will be undertaken with the college to agree any additional in-year funding. Officers will work with WLC and other placing authorities to develop a strategic high needs plan for the college, to provide clarity and predictive modelling for future growth.

#### The Bridge Academy and Courtyard Academy

20. H&F is required to provide alternative provision (AP) places for all children of statutory school age who are subject to a permanent exclusion.
21. H&F also funds places for some Fair Access Panel placements at AP and retains the option to fund managed moves to AP in exceptional circumstances.
22. Officers have undertaken a review of historic activity and determined the following requirements moving forward from 2022/23.
23. The previous commissioning arrangements were complex and employed a dual process of place numbers to support the running costs of the provision with surplus place commissioning monies being invested into an Outreach offer. In the case of Courtyard this saw commissioning intentions of 16 and agreement to fund top-up for 8 places. The recommendations in this paper seek to regularise these arrangements.
24. Following analysis of available data in relation to demand from these three cohorts over the preceding three to five years, it is suggested the H&F will need to secure a total of 45 places at Bridge Secondary AP and eight at Courtyard Primary AP. Overall total - 53 places. This does not include specialise EHCP provision which is to be determined as part of the SEN Sufficiency review.
25. The current commissioning intentions are provisional and were developed to meet H&F's statutory responsibilities. Work is ongoing with OAT London colleagues to support a shared understanding of the AP requirements and an interim approach for specialist EHCP provision in lieu of the SEN Sufficiency review.

### **Reasons for Decision**

26. As detailed in the High Needs Funding Operational Guidance: 2021 to 2022:  
“High needs funding is provided to local authorities through the high needs block of the dedicated schools grant (DSG). Local authorities must spend that funding in line with the associated conditions of grant, and School and Early Years Finance Regulations.”
27. The high needs funding block provides local authorities with resources to support provision for children and young people with special educational needs and disabilities (SEND) from their early years to age 25, enabling both local authorities and institutions to meet their statutory duties under the Children and Families Act 2014.

28. Local authorities determine how much to set aside in their high needs budget for place and top-up funding given to institutions and have flexibility to change funded place numbers.
29. Place funding should broadly reflect both local authorities' recent commissioning activity and strategic planning to secure suitable special educational needs and disabilities (SEND) provision and AP, in line with their statutory responsibilities and regional requirements.
30. Local authorities are required to consult with institutions in their area and discuss both current numbers of places being taken up, which will be included on the school census and special educational needs and disabilities (SEND) provision (ILR) returns, and the number of places required in future.

### **Equality Implications**

31. There are no direct negative equality implications for groups with protected characteristics, under the Equality Act 2010, by the approval of the school place commissioning arrangements set out in the recommendations.
32. Officers anticipate a neutral impact as the funding model outlined in this report is intended to provide financial stability to schools. The report does not recommend a decrease in the place funding allocation. In some cases, the report allows for an increase in the place funding allocation.
33. In addition to place funding, individual learners also attract top-up funding to deliver to the specification in their Education, Health and Care Plans.

### **Risk Management Implications**

34. The paper sets out the Council's place commissioning intentions for the 2022/23 academic year enabling both the Local Authority and local education settings to meet their statutory responsibilities by securing sufficient provision to meet local needs through commissioning activity and strategic planning.

*Implications verified by: Ray Chitty, Head of Insurance, 07739315565*

### **Climate and Ecological Emergency Implications**

35. Schools are a key partner for supporting H&F's climate agenda alongside partner organisations; continuing to raise awareness and understanding of the climate and ecological emergency, and the steps that people can take. The H&F Education Service and Climate Emergency Unit will shortly begin work to co-produce a H&F schools decarbonisation plan with our school community.

*Implications verified by: Hinesh Mehta Strategic Lead – Climate Emergency  
07960 470125*

## Financial Impact

36. The number of commissioned places within H&F must reflect the commissioning decisions of other local authorities for places being taken up by non-resident pupils.
37. High Needs Block funding for Academies is deducted from the council's allocation based on commissioned numbers and paid directly to the provider by Education and Skills Funding Agency (ESFA).
38. An adjustment is made in the high needs funding formula allocation to compensate the higher costs that are incurred for being an authority that attracts more pupils and students with high needs who live outside the local authority area into their schools and colleges. Hammersmith & Fulham is a net importer of pupils and therefore has a higher proportion of pupils from other areas compared to the number of H&F pupils that are placed in provision outside of the borough.

### Queens Manor Primary School

39. The proposal is to continue with the current commissioned place funding arrangements of 20 places until the SEN sufficiency review is completed.
40. Initial figures, from the SEN top-up model, shows that for the new academic year 2021/22 there are 7 pupils registered in the unit and 13 unused commissioned places. This is used to inform the school budget allocations in January each year. If the number of pupils in the unit is 7 in January 2022 there will be a financial impact on the dedicated schools grant (DSG) high needs block (HNB) for the unfilled places as there will be no schools block contribution for voids. The final unit figure will be identified from the publication of the October 2021 school census data.
41. Each unfilled commissioned place is subject contribution of £10,000 from the DSG HNB. The impact of this in academic year 2022/23 on the HNB is shown in table 1.
42. HNB funding is made up of three elements:
- Element 1 and 2 are place funding and vary dependent of the type of provision and is paid by the commissioning local authority or the ESFA as appropriate
  - Element 3 funding is in relation to place top-up contributions for children in special provision is paid by the placing local authority.
  - Element 3 funding is in relation to place top-up contributions for children in alternative provision is paid by the commissioning local authority.

**Table 1 – Academic Year 2022/23 costs of commissioned places**

	Number of places	Rate £	Schools contribution (Schools Block) DSG £	High Needs Block DSG £
Core Funding				

A. Filled places element 1	7	4,000	28,000	
B. Filled places element 2	7	6,000		42,000
C. Unfilled places elements 1	13	4,000		52,000
D. Unfilled places element 2	13	6,000		78,000
E. Filled places element 3 top-up	7	10,985		76,895
F. Further top-up if all 20 places filled	13	10,985		142,805
<b>Total</b>			<b>28,000</b>	<b>391,700</b>

43. The SEN Sufficiency review scheduled for Spring 2022 will determine the quantity and nature of places required at the provision in future but that the current 20 commissioned places are maintained pending this review.

44. In total, £130,000 of HNB will be spent on place funding for unfilled/void places in 2022/23 academic year, per lines C and D in Table 1.

#### Queensmill Academy

45. The proposed commissioned places of 246 for the academic year 2022/23 represents no change to the current commissioned places. This is in line with the forecast reported to ESFA as part of the DSG Safety Valve process.

#### West London College

46. The proposal is to increase the 251 commissioned places costing £1,506,000 by 49 to 300 for the academic year 2022/23

47. The full year effect of the proposal to increase places is £1,702,000 resulting in an increased cost £196,000. If the commissioned numbers remain at 300, the full year cost for financial year 2023/24 is £1,800,000 representing an increase of £294,000 on the current commissioning levels (or £6,000 per place for a post 16 special place).

48. H&F will be responsible for funding the increase in H&F resident learners from resources within the HNB. The places taken up by non-resident pupils will result in increased funding through a funding adjustment and is expected to partially offset the £294,000 increase in expenditure.

49. These increased costs were not reflected in the submitted ESFA safety valve action plan and therefore represent a pressure on the H&F HNB budget.

50. Element 3 top-up rates will be regularly reviewed as part of SLA review meetings with the college in light of increased places and place funding to ensure overall funding to the college is reasonable.

#### The Bridge Academy and Courtyard Academy

51. The proposal is to commission 45 places at the Bridge Academy and 8 places at the Courtyard Academy for the academic year 2022/23.

52. The School and Early Years Finance (England) Regulations 2020 state that the local authority should agree the number of AP places to be commissioned in consultation with schools in the area. Consultation may also be required with other local authorities and schools out of the area if they are likely to commission places at the provision also.
53. The current arrangements for the academic year 2021/22 are 72 commissioned places at the Bridge and 16 at the Courtyard.
54. The impact of the proposed 35 place reduction from September 2022 for the 2022/23 academic year is shown in table 2

Table 2 – Financial Impact of Proposed 2022/23 Place Numbers

Provision	2021/22 Academic Year Places to support core running of provision	2022/23 Academic Year Proposed Places	Change Places / Cost £
The Bridge	72	45	(27) / (£270,000)
Courtyard	16	8	(8) / (£80,000)
<b>Total</b>	<b>88</b>	<b>53</b>	<b>(35) / (£350,000)</b>

55. In addition to the place funding saving of £350,000 from the 2022/23 academic year, there will be further savings of £420,735 from top-ups (at £12,021 per place in 2021/22), a total estimated saving of £770,735 per academic year based on current rates.
56. However, it is likely that the new service provider will seek to renegotiate the top-up rate based on service delivery costs at a lower level of activity which will need to be considered on the basis of a transparent and joint understanding of provider costs.
57. The safety valve agreement assumed expenditure reductions of £225,000 from 2022/23 academic year. Additional savings of up to £545,735 may be possible subject to negotiations on an appropriate top-up rate.

Implications provided by: Caroline Baxter, Strategic Finance Manager, 02087534322. Reviewed by Tony Burton, Head of Finance Children's Services and Education, [tony.burton@lbhf.gov.uk](mailto:tony.burton@lbhf.gov.uk). Verified by Emily Hill, Director of Finance

## Legal Implications

58. Section 13 of the Education Act 1996 places a duty on a Local Authority to ensure sufficient primary and secondary education provision is available to meet the needs of the population in its area including pupils with additional Special Educational Needs.
59. The Council also has duties under the Children and Families Act 2014 to make special educational provision for children and young people whose needs cannot

reasonably be met from the resources normally available to schools and post-16 institutions

60. Education funded by the High Needs Block of the DSG is provided to meet the Council's statutory duties under section 19 of the Education Act 1996 to provide education for pupils needing alternative education and the Council's statutory duties under the Children and Families Act 2014 to meet the needs of pupils and young people up to the age of 25 with special educational needs.
61. Approval of the strategy contributes to the fulfilment by the Council of these obligations.

Implications provided by: Jade Monroe, Chief Solicitor Social Care, 0208 753 2695, [jade.monroe@lbhf.gov.uk](mailto:jade.monroe@lbhf.gov.uk)

## **Consultation**

62. Hammersmith & Fulham have the role of sub-regional commissioner for academies and Further Education provision located within the borough. As the Commissioner H&F must consult with its regional partner authorities to set the number of places to meet the needs in the local area.
63. In recent years, neighbouring authorities (Kensington and Chelsea, Westminster, Brent, Ealing, and Hounslow) have placed significant numbers of learners in H&F Special Schools and in West London College and this is likely to continue in the future. Consultation with each of these placing authorities will take place on a termly basis and include analysis of relevant parts of their Pupil Place Planning data and their forecasts for placements. Where necessary consultations can be set up for all placing authorities on strategic place planning and where feasible and desirable linked to the strategic place planning for London and through London Strategic Managers Forum and sub-regionally with the Commissioning Alliance. Consultation with authorities placing lower numbers will generally be via email correspondence with dedicated meetings set up as needed.

## **LIST OF APPENDICES**

Appendix A – 2020/23 Academies Place Commissioning Requirements


# LONDON BOROUGH OF HAMMERSMITH & FULHAM

## Item 3 - Appendix A – 2022/23 Academies Place Commissioning Requirements

School	AY 2022/23 Proposed Commissioned places	Place Commissioning rate £	Total £
Queens Manor Resource Unit	20	10,000	200,000
Queensmill Academy	246	10,000	2,460,000
Ealing, Hammersmith and West London FE college	300	6,000	1,800,000
Courtyard AP Academy	8	10,000	80,000
The Bridge AP Academy	45	10,000	450,000
<b>Total</b>	<b><u>617</u></b>		<b><u>4,990,000</u></b>

Setting	Full year effect FY2021/22 £	Full year effect FY2022/23 £	Full year effect FY2023/24 £
Queens Manor	0	33,333	50,000
Queensmill	0	0	0
West London College	0	196,000	294,000
Bridge and Courtyard	0	-204,167	-350,000
<b>Total</b>	<b><u>0</u></b>	<b><u>25,167</u></b>	<b><u>-6,000</u></b>

## ITEM 4

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>SCHOOLS FORUM</b></p> <p><b>October 2021</b></p>
<b>Q2 Update: High Needs Block 2021/22</b>	
<b>Open</b>	
<b>Classification - For Scrutiny Review &amp; Comment</b>	
<b>Key Decision:</b> No	
<b>Wards Affected: (All Wards):</b> All	
<b>Accountable Director:</b> Jacqui McShannon, Director of Children's Services	
<b>Report Authors:</b>	
Joe Gunning - Programme Lead, Children's Services	
Jan Parnell – Director of Education	
<b>Purpose of the report</b>	
This report provides an update on the High Needs Block programmes of work and performance against the Safety Valve agreement at Q2.	

### Recommendations:

1. Schools Forum to note the current position of the High Needs Block (HNB) and forthcoming transformation programmes.

### Programme Update


Is your authority still on track to meet the deficit control or reduction targets as set out in the agreement?						RAG status
Hammersmith and Fulham remain on track to pay down the cumulative deficit in line with the release of the Safety Valve payments as agreed.						
Financial Year April - March	21/22	22/23	23/24	24/25	25/26	
Safety Valve Funding to be received	4,000,000	4,000,000	3,000,000	3,000,000		
DSG Retained Deficit/Surplus	13,509,894	9,178,179	6,121,399	2,150,247	(8,313)	

Programme	Aims/Update	Delivery date and status
Inclusion Funding	<ul style="list-style-type: none"> <li>A new pilot is on track to be launched that will focus on the development of a 'Team Around the school approach'.</li> <li>The approach will support schools in ensuring best access to the ordinarily available and local offer and the range of SEN support services and resources available to meet needs pre EHC Needs Assessment.</li> </ul>	Autumn term 2021
SLCN Transformation	<ul style="list-style-type: none"> <li>Launch of the Joint Communication Team that will focus on improving accessibility to Speech, Language and Communication support without the need for an EHCP to</li> </ul>	Soft launch Autumn term 2021

Programme	Aims/Update	Delivery date and status
	<p>ensure early identification and intervention via a multi-disciplinary team.</p> <ul style="list-style-type: none"> <li>The service will support building capacity across the workforce through a training offer to support children with SLCN and integration into the curriculum building capacity at SEN Support.</li> <li>Communication Champions relaunch and developing network support for schools</li> </ul>	Full launch January 2022
Interim Tuition Phase 2 – Medical Needs Pathways	<p>A number of service refinements have been undertaken to date including:</p> <ul style="list-style-type: none"> <li>Referrals considered on a case-by-case basis to ensure the best provision for the child or young person.</li> <li>There is greater emphasis on schools' responsibility to use best endeavours to ensure that the child and young person has access to learning.</li> <li>Support from medical professionals in advising where the child is not fit to return to school.</li> <li>Better value for money packages secured and existing tuition packages reviewed and clarified.</li> <li>A brokerage function has been introduced to spot purchase from a variety of home tuition providers.</li> </ul> <p>Next steps include development of long-term procurement strategy for provision.</p>	TBC
AP review	<ul style="list-style-type: none"> <li>Regularisation of AP place commissioning requirements is on track as per the separate paper to Schools Forum setting out the 2022/23 commissioning intentions.</li> <li>Regularisation of LA contributions to schools commissioned provision for fixed term exclusions will deliver a part year effect from September 2021 with full year effect from September 2022 as agreed with Secondary Headteachers.</li> <li>Regularisation of funding recoupment activities is agreed effective from April 2021.</li> </ul>	<p>September 2022</p> <p>September 2021 – September 2022</p> <p>April 2021</p>
Outreach	<ul style="list-style-type: none"> <li>Launch of a new ASD Outreach model with central coordination, triage, and intervention support is on track for delivery across the Autumn term 2021.</li> <li>Autism Education Training model funded by Local Authority will be rolled out to develop a whole school training approach to create capacity within mainstream environments to support children with presenting needs as part of the ordinarily available offer.</li> <li>Review of SEMH Outreach provision is ongoing. Phase 1: has focused on the central coordination and single front door for outreach referrals developing an integrated offer with inhouse Outreach services and TBAP commissioned provision. Phase 2: will focus on a review and design of future delivery model for implementation from September 2022 with the aim of building capacity and providing mainstream settings with sufficient knowledge and skills to meet needs through a team that 'in-reaches' to schools to provide support to children, families and teachers.</li> </ul>	<p>Autumn term 2021</p> <p>September 2021</p> <p>Phase 1: September 2021 / Phase 2 September 2022</p>
SEN Sufficiency	<ul style="list-style-type: none"> <li>H&amp;F will shortly be releasing a tender to identify a provider to commence in January 2022 to support in developing a</li> </ul>	2021/22 Academic

Programme	Aims/Update	Delivery date and status
planning	<p>medium to long-term plan to re-design specialist provision in H&amp;F in collaboration with schools, parents, and partners.</p> <ul style="list-style-type: none"> <li>The programme will aim to build a system-wide mechanism across education, health and care to capture changing population needs, accurately project future specialist provision requirements so appropriate provisions can be identified and commissioned.</li> </ul>	Year
SEND Strategy	<ul style="list-style-type: none"> <li>Since becoming a sovereign service in 2018, considerable work has been undertaken in partnership with and full consultation with our young people, parents, carers and schools</li> <li>The feedback to date has shaped the SEND Transformation Programme (High Needs Block programme) and the development of a draft SEND Strategy which we anticipate consulting on in the Autumn term</li> <li>We will also be seeking to coproduce an Inclusion Charter with schools to support the implementation of the strategy via an agreed set of inclusion principles that schools and services commit to in delivery services to child, young people and their families</li> <li>The Ordinarily Available document will also be launched to support schools in understanding the local offer, universal, targeted and specialist provision available.</li> </ul>	October-December 2021

# Agenda Item 5

	<p><b>London Borough of Hammersmith &amp; Fulham</b></p> <p><b>SCHOOLS FORUM</b></p> <p><b>Tuesday, 12<sup>th</sup> October 2021</b></p>
<p><b>2022/23 Provisional Schools Block Budget Share Options</b></p>	
<p><b>Open</b></p>	
<p><b>Classification - For Scrutiny Review &amp; Comment</b></p> <p><b>Key Decision: No</b></p>	

## Agenda Item 5

<b>Wards Affected: (All Wards); All</b>	
<b>Accountable Director:</b> Jacqui McShannon, Director of Children's Services	
Report Authors: Jan Parnell Director of Education  Tony Burton Head of Finance for Children's Services and Education	
<b>Purpose of the report</b>  The report provides a briefing on the decisions required for the 2022/23 budget setting process for the provisional Schools Block allocation of the Dedicated Schools Grant, following the receipt of provisional funding allocations in Summer 2021 and the Authority Proforma Tool in August 2021.  These decisions are requested from Schools Forum representatives in advance of formal consultation with schools which will take place following this meeting for a period of 4 weeks ending on Monday 15 <sup>th</sup> November 2021. The consultation is limited to the principles of the Schools Block Budget Share model.  Schools Forum are asked to record any preferences with respect to the options available for the distribution of Schools Block funding in Hammersmith and Fulham and prior to consultation with the wider schools community.	

## Introduction

- 1.1. The provisional allocation of the Schools Block of the Dedicated Schools Grant has been received from the ESFA at £111,977,259 based on October 2020 census numbers.
- 1.2. This allocation excludes growth which will be announced in December in the final allocation. Therefore, the Schools Block final allocation for 2022/23 may increase or decrease dependent on the October 2021 census returns.
- 1.3. Table 1 below details the change in the provisional allocation for 2022/23 (before growth) notified in August 2021 compared with the final 2021/22 Schools Block allocation. The allocation before growth has increased by £1.916m or 1.74%.

**Table 1 Schools Block Funding Allocation Year on Year**

	2021/22 Final Allocation  £m	2022/23 Provisional Allocation £m	Change  £m	Change  %
Funding	110.061	111.977	1.916	1.74%

- 1.4. Individual schools can anticipate the final budget shares modelled in Appendix 2 & 3 based on October 2020 census count and before taking into account any expected changes in rolls as at October 2021 using the funding value per pupil. In particular, the two growing schools with expanding forms of entry in September 2021 should expect final allocations to reflect the additional cohort following the October 2021 census.

## **2. 2022/23 Initial Modelling**

- 2.1. The initial modelling uses the ESFA's Authority Proforma Tool (APT) and operational guidance to model two affordable models for 2022/23 based on the initial allocation which excludes growth and is based on the October 2020 census. These two models are:

- Model 1 (M5) – National Funding Formula rates with Inner London area cost adjustment and allowance for:
  - £0.200m Falling Rolls Provision
  - £0.56m Transfer of 0.5% from Schools Block to support the High Needs Block
  - Minimum Funding Guarantee (MFG) on pupil led funding of 0.5% year on year - the minimum increase within the NFF.
  - 7.67% premium on NFF ACA rates, which is slightly lower than the final factor rates for 2021/22. – see Appendix 1 for details.
  - Continuation of the local LAC factor allowance at a cost of £30,000 per annum.
- Model 2 (M4) – National Funding Formula rates with Inner London area cost adjustment and allowance for:
  - £0.200m allowance for Falling Rolls Provision
  - £0.56m Transfer of 0.5% from Schools Block to support the High Needs Block
  - Minimum Funding Guarantee (MFG) on pupil led funding of 2.0% year on year - the maximum increase within the NFF.

- 7.06% premium on NFF ACA rates
  - Continuation of the local LAC factor allowance at a cost of £30,000 per annum
- 2.2. Note modelling of NFF ACA rates (rather than uplifted local LBHF rates) with both 0.5% and 2% MFG results in an under allocation of circa £2m and £0.5m respectively with other items remaining equal. Therefore we must set local factor rates above NFF rates to allocate all the funding to schools.
- 2.3. The updated APT will be issued in December populated with the October 2021 census and including growth. The growth funding and final census may enable greater flexibility in the model to increase the factor rates further above the NFF ACA level or to confirm a falling rolls fund at an appropriate level.
- 2.4. Key elements of both models for maintained primary schools only:
- De-delegated budget provision of £0.666m of maintained schools budgets – see section 4 for details
  - Education functions fund of £0.258m of maintained schools budgets – see section 5 for details
- 2.5. The full list of factor rates can be found in Appendix 1 – Factor rates current and NFF values with area cost adjustment.
- 2.6. Appendix 2 shows how total funding is allocated across the factors in each model.
- 2.7. Appendix 3 shows the impact of Model 1 and Model 2 at school level, with a comparison to 2021/22 final budget shares. The pupil numbers used for this modelling is from October 2020 and final school budget shares will be based on October 2021 pupil numbers.

### **3. Falling rolls fund**

- 3.1. There is a provisional proposed fund of £0.200m from the 2022/23 budget included within both models with respect to roll falls between October 2020 and 2021 census dates.
- 3.2. ESFA guidance states that the local authority may set aside schools block funding to create a small fund to support good schools with falling rolls where local planning data shows that surplus places will be needed within the next three years.

3.3. The ESFA advise that the allocation of falling rolls funding should contain clear objective trigger points for qualification and a clear formula for calculating allocations.

3.4. It is proposed to invite expressions of interest from schools with respect to available funding where:

- Key trigger point is reached for falling rolls support. The fall in roll is more than 3% year on year.
- An Ofsted category of Good or Outstanding (Mandatory per the regulations)

Plus any of the following where the school can evidence the impact on the School and the actions taken to adjust to a lower role or clear plan to recover the role based on clear planning data agreed by the LA:

- surplus capacity exceeds a minimum number of pupils, or a percentage of the published admission number
- local planning data shows a requirement for a minimum percentage of the surplus places within the next three years
- formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- the school will need to make redundancies in order to contain spending within its formula budget

3.5. It is proposed that the subgroup (representing all mainstream schools) consider applications from schools with a year on year fall in roll to be allocated of more than 3% in line with the eligible applications in paragraph 5.5. This assumes that schools with modest falls in roll are able to mitigate the impact within existing budgets. More than 3% would represent a fall in roll of more than 1 pupil per form of entry of 30 pupils across the school.

3.6. Funding would be awarded for roll falls over 3% year on year on the basis of the AWPU rate for the relevant phase, or a proportion thereof if the available budget would otherwise be exceeded by demand.

3.7. Schools will be asked for applications for falling rolls funding as part of the schools budget consultation. Falling rolls funding allocations can be made:

- In 2022/23 up to the available resource agreed by Schools Forum in January 2022.

#### **4. De-delegated Services (Maintained Schools Only) (PROVISIONAL)**

- 4.1. De-delegated services are for maintained schools only. The funding is allocated through the schools funding formula but can be passed back for maintained schools with schools forum approval. Table 5 sets out the proposed allocations for 2021/22. De-delegation is made from individual school budgets on the basis of pupil headcount.

**Table 5 – Maintained Mainstream Schools De-delegated Budgets Proposed 2022/23**

Area of Expenditure	2021/22 Final Maintained Mainstream Primary De- delegation	2022/23 Proposed Maintained Mainstream Primary De- delegation	Change from 2021/22	Note
	£	£		
Schools in Financial Difficulty/Contingency	191,700	175,000	(16,700)	Propose to maintain de-delegation at 2021/22 level
Maintained Schools Trade Union Facilities Cover	30,000	25,200	(4,800)	Maintained Mainstream Contribution to Trade union Facilities
Maintained Schools Maternity Cover Fund	134,200	130,000	(4,200)	Propose to maintain de-delegation at 2021/22 level
Maintained Schools Licence Fees	32,000	32,000	0	Covers Capita licence costs based on pupil numbers. Query Paul Triantis – who will this be dealt with in 2022/23
Behavioural Support to mainstream (SEND)	52,000	52,000	0	Propose to maintain at 2021/22 levels
Free School Meals Eligibility	30,700	31,000	300	Contribution to benefits team for assessing FSM eligibility
Subscription for Professional Development Centre & Learning Partnership	0	46,200	46,200	Additional contribution proposed to continue support with the ongoing reduction of Central Services Schools Block DSG.
School Improvement	225,200	174,500	(50,700)	Contribution to School Improvement and supplements School Improvement Grant
<b>Total</b>	<b>695,800</b>	<b>665,900</b>	<b>(29,900)</b>	

- 4.2. De-delegated budgets proposed for 2022/23 reflect the allocations in 2021/22 and total £665,900, a reduction of £29,900 on 2021/22. The consultation process will allow maintained schools to feedback on the proposed de-delegations.
- 4.3. The dedelegation for 2022/23 includes a subscription to support the Professional Development Centre and Learning Partnership from 2022/23. This service will also be supported by a reduced level of CSSB DSG funding in 2022/23 in addition to a contribution from Local Authority resources.
- 4.4. Maintained Special Schools, maintained Nursery schools and maintained 6<sup>th</sup> Forms will be consulted with respect to proposals relating to de-delegated services from April 2022. The aim being to regularise and ensure parity and fairness across all maintained schools for the following areas:
- Trade Union Facilities cover

- Maintained Schools Licence Fees
- Professional Development Centre and Learning Partnership Subscription
- School Improvement

## **5. Education Functions (Maintained Schools Only) (PROVISIONAL)**

- 5.1. The top-slice for Education Functions was added to the National Funding Formula In 2016/17 to reflect the withdrawal of the Education Services Grant paid to Local Authorities from 2017/18.
- 5.2. Statutory functions retained by Local Authorities were to be funded as follows:
- Responsibilities for all schools – to be funded from Central Services DSG
  - Responsibilities for mainstream maintained schools – to be funded from maintained schools budget shares
- 5.3. Education functions were not funded within the Schools Block in the period from 2017/18 to 2019/20. Maintained schools education functions were funded by central services DSG.
- 5.4. Following the announcement that the DfE/ESFA will start clawing back the CSSB from 2020/21, it was agreed for the 2020/21 schools block budget that the functions detailed in Table 6 are funded from mainstream maintained schools budgets.
- 5.5. Table 6 below details the proposed Education Functions top-slice for maintained mainstream primaries in 2022/23.
- 5.6. Maintained Special Schools, maintained Nursery schools and maintained 6<sup>th</sup> Forms will be consulted with respect to proposed Education Functions top-slice of their respective block funding from April 2022 to regularise and ensure parity and fairness across all maintained schools for the following areas:
- Schools Finance Team
  - Asset Management Support
  - Asbestos and Risk Management

**Table 6 – Education Functions for Maintained Mainstream Schools (PROVISIONAL)**

Area of Expenditure	2021/22 Final Maintained Mainstream Primary	2022/23 Proposed Maintained Mainstream Primary	Change from 2021/22	Note

	Education Functions	Education Functions		
	£	£		
Finance	96,000	88,100	(7,900)	Local Authority statutory duties, advice and support for maintained schools
Asset Management	91,700	74,300	(17,400)	Local Authority statutory duties, advice and support for maintained schools
Asbestos Risk Management and Surveys	47,900	73,000	25,100	Risk management, surveys and re-inspections, advice and support for maintained schools.
SIMS support	15,000	0	(15,000)	SIMS Support
Business Intelligence	22,800	22,800	0	To support Termly Census and workforce census
<b>Total</b>	<b>273,400</b>	<b>258,200</b>	<b>(15,200)</b>	

## 6. Recommendations and Decisions Required

- 6.1. Recommendation 1: Model 1 is recommended because it ensures that funding is allocated to schools through the factor rates and according to the census and the characteristics and needs of pupils as defined by the national funding formula. Together with an MFG at 0.5% this ensures the most even distribution of the 1.74% funding increase between schools.
- 6.2. Recommendation 2: It is recommended that Schools Forum agree a proposal to continue to transfer 0.5% of the total Schools Block to the High Needs Block in 2022/23. This equates to £0.56m based on the provisional allocation.
- 6.3. Recommendation 3: It is recommended that Schools Forum agree a provisional top-slice the 2022/23 Schools Block to the value of £0.200m or 0.18% of the total funding for the Falling Rolls protection fund in 2022/23. The need for a fund will be assessed following the October 2021 census and consultation responses with respect to accessing potential funding.
- 6.4. Recommendation 4: It is recommended that Schools Forum approve the request to adjust the amount funded through the Minimum Funding Guarantee (MFG) for Ark Burlington Danes Academy (BDA). This adjustment is required as BDA has converted to an all-through school resulting in the MFG being weighted towards the higher per pupil value for secondary phase pupils. This estimated £41,212 adjustment requires the local authority to submit a disapplication request to the ESFA.
- 6.5. Recommendation 5: It is recommended that Schools Forum consider the approach to maintained school de-delegation and education functions top-slice to extend to all maintained schools on a consistent basis in line with school funding regulations.
- 6.6. Recommendation 6: It is recommended that Schools Forum agree for the LA to consult schools on the basis of the above recommendations 1 to 6.



## 7. Key dates

### 7.1. Table 11 – key dates and next steps

Date	Activity
12 <sup>th</sup> October 2021	Schools Forum consider initial modelling and agree basis for schools block budget consultation
2x late October/Early Nov	Schools Block 2022/23 budget consultation and workshop via Teams
15 <sup>th</sup> November 2021	Consultation feedback deadlines
Late December 2021	DfE release final Authority Proforma Tool with October 2021 census data and final allocation released by ESFA
Week Commencing 4 <sup>th</sup> January 2022	TBA School Budget Briefings via Teams
18 <sup>th</sup> January 2022	Schools Forum receive consultation feedback and final school budget recommendations
21 <sup>st</sup> January 2022	Deadline for submission of the final 2022 to 2023 APT to the ESFA
January/February 2022	Urgent Committee Decision for Council's approval of the 2022/23 Schools budget.
28 February 2022	Deadline for confirmation of school budget shares to maintained schools.

**Report ends**

Item 5, Appendix 1 - Factor Rates		Area Cost Adjustment		1.18623 MFG Range = 0.5% to 2.00%		
	2021/22 Final	2022-23 Model 1	2022-23 Model 2			
	A	B	C			
Rate Uplift if applicable	8.42%	7.67%	7.06%			
	21-22 Final factors	Recommended Model 22-23		Alternative Model 22-23		Rates pre-Weighting
	2021/22 NFF ACA Weighted (ACA 1.18623) with Falling Rolls	2021/22 NFF ACA Weighted (ACA 1.18623) with Falling Rolls	21/22 H&F Unit vs 22/23 Model 1 B-A	2021/22 NFF ACA Weighted (ACA 1.18623) No Falling Rolls	21/22 H&F Unit vs 22/23 Model 2 C-A	NFF Unit Values 22-23 from NFF for Schools and HN 22-23
MFG	0.50%	0.50%		2.00%		
AWPU						
Primary AWPU	4,008.15	4,108.79	100.65	4,085.39	77.24	£3,217
KS3 AWPU	5,652.22	5,793.44	141.22	5,760.45	108.23	£4,536
KS4 AWPU	6,369.66	6,529.12	159.46	6,491.94	122.28	£5,112
Additional Needs Funding						
Deprivation						
Primary FSM	590.37	600.29	9.92	596.87	6.50	£470
Secondary FSM	590.37	600.29	9.92	596.87	6.50	£470
Primary FSM6	737.97	753.56	15.59	749.27	11.30	£590
Secondary FSM6	1,078.08	1,104.79	26.71	1,098.50	20.42	£865
Primary IDACI A	795.72	817.42	21.70	812.76	17.04	£640
Primary IDACI B	609.63	625.83	16.20	622.27	12.64	£490
Primary IDACI C	571.13	587.52	16.39	584.18	13.05	£460
Primary IDACI D	526.20	536.43	10.23	533.38	7.17	£420
Primary IDACI E	333.69	344.85	11.15	342.88	9.19	£270
Primary IDACI F	275.94	280.99	5.05	279.39	3.45	£220
Secondary IDACI A	1,103.75	1,136.72	32.96	1,130.24	26.49	£890
Secondary IDACI B	872.73	894.05	21.32	888.96	16.23	£700
Secondary IDACI C	808.56	830.19	21.63	825.46	16.90	£650
Secondary IDACI D	744.39	759.95	15.56	755.62	11.23	£595
Secondary IDACI E	532.62	542.82	10.20	539.73	7.11	£425
Secondary IDACI F	397.86	408.70	10.84	406.38	8.52	£320
Low Prior Attainment						
Primary LPA	1,405.35	1,443.25	37.90	1,435.03	29.68	£1,130
Secondary LPA	2,130.49	2,184.03	53.55	2,171.59	41.11	£1,710
EAL						
Primary EAL	705.89	721.63	15.74	717.52	11.63	£565
Secondary EAL	1,905.89	1,954.14	48.24	1,943.01	37.11	£1,530
Mobility						
Primary Mobility	1,155.09	1,181.42	26.33	1,174.69	19.60	£925
Secondary Mobility	1,655.62	1,698.70	43.08	1,689.02	33.41	£1,330
Looked After Children						
School Led Funding	551.23	551.23	0.00	551.23		
Lump Sum						
Primary lump sum	151,187.91	154,926.04	3,738.13	154,044	2,855.80	£121,300
Secondary lump sum	151,187.91	154,926.04	3,738.13	154,044	2,855.80	£121,300
Sparsity						
Primary sparsity	n/a	n/a		n/a		n/a
Secondary sparsity	n/a	n/a		n/a		n/a
Premises						

**Item 5, Appendix 2 - Total Funding across the Models**  
**(before maintained schools de-delegation and education functions)**


School Block Allocation		£110,060,948.00	£111,977,259.00	£111,977,259.00
Rate Uplift		8.42%	7.67%	7.06%
		21-22 APT	22-23 Model 1	22-23 Model 2
MFG		0.50%	0.50%	2.00%
AWPU	Primary (Years R-6)	£37,973,231.60	£38,832,220.32	£38,611,063.84
	Key Stage 3 (Years 7-9)	£25,259,791.46	£25,838,754.70	£25,691,598.35
	Key Stage 4 (Years 10-11)	£18,013,403.80	£18,444,762.78	£18,339,716.54
<b>Total AWPU</b>		<b>£81,246,426.86</b>	<b>£83,115,737.79</b>	<b>£82,642,378.73</b>
Deprivation	FSM	£0.00	£0.00	£0.00
	FSM6	£4,890,866.05	£4,991,263.15	£4,962,837.01
	IDACI Band F	£596,973.83	£609,027.59	£605,559.07
	IDACI Band E	£1,289,550.25	£1,319,547.68	£1,312,032.62
	IDACI Band D	£965,446.90	£981,842.88	£976,251.11
	IDACI Band C	£1,371,883.37	£1,404,556.00	£1,396,556.80
	IDACI Band B	£912,234.32	£932,618.36	£927,306.93
	IDACI Band A	£201,434.73	£206,534.48	£205,358.23
<b>Total Deprivation</b>		<b>£10,228,389.43</b>	<b>£10,445,390.15</b>	<b>£10,385,901.77</b>
Looked After Children (LAC)		£30,318.24	£30,236.72	£30,236.72
EAL 3 Primary		£1,616,653.50	£1,647,586.58	£1,638,203.28
EAL 3 Secondary		£690,332.52	£707,133.07	£703,105.82
Mobility		£104,325.82	£106,755.57	£106,147.58
		<b>£2,441,630.08</b>	<b>£2,491,711.94</b>	<b>£2,477,693.39</b>
LPA	Primary	£3,604,998.43	£3,693,256.72	£3,672,222.96
	Secondary	£2,287,250.76	£2,340,128.73	£2,326,801.28
<b>Total Low Prior Attainment</b>		<b>£5,892,249.18</b>	<b>£6,033,385.45</b>	<b>£5,999,024.23</b>
<b>Lump sum</b>		<b>£7,105,836.02</b>	<b>7,281,523.83</b>	<b>7,240,054.24</b>
<b>Funding through MFG</b>		<b>£1,087,800.42</b>	<b>£256,330.30</b>	<b>£878,997.40</b>
<b>Other Items</b>				
HNB Transfer		£528,200.00	£559,858.00	£559,887.00
Falling Rolls		£200,000.00	£200,000.00	£200,000.00
Split Sites		£217,312.00	£217,312.00	£217,312.00
Rates		£1,113,104.00	£1,376,010.00	£1,376,010.00
<b>Grand Total</b>		<b>£110,060,948.00</b>	<b>£111,977,259.44</b>	<b>£111,977,258.76</b>

**Item 5, Appendix 3 - Initial Modelling October 2021 School Level Allocations**  
(before maintained schools de-delegation and education functions)

All models assume 0.5% transfer to High needs block and a £200,000 Falling Roll Fund

				Factor uplift		8.42%		7.67%		7.06%		7.06%	
						APT 21-22		22-23 Model 1		22-23 Model 2			
MFG				0.50%		0.50%		0.50%		2.00%			
LAESTAB	School Name	FINAL NOR 21-22	DRAFT 2022/23 NOR	21-22 Post MFG per pupil Budget	21-22 Post MFG Budget	22-23 Post MFG per pupil Budget	22-23 Post MFG Budget	22-23 Post MFG per pupil Budget	22-23 Post MFG Budget	22-23 Post MFG per pupil Budget	22-23 Post MFG Budget	22-23 Post MFG per pupil Budget	22-23 Post MFG Budget
	TOTAL All Schools	16,771	16,736	£6,519	£109,332,748	£6,645.40	£111,217,401.21	£6,645.40	£111,217,371.53				
	Total Primary Schools	9,178	9,160	£5,818	£53,396,000	£5,933.02	£54,346,439.79	£5,914.38	£54,175,716.12				
	Total Secondary Schools	6,505	6,505	£7,362	£47,889,393	£7,501.48	£48,797,102.65	£7,511.55	£48,862,654.95				
	Total Through Schools	1,089	1,071	£7,393	£8,047,355	£7,538.62	£8,073,858.77	£7,636.79	£8,179,000.46				
2052002	Addison Primary School	274	274	£6,120	£1,676,955	£6,265.73	£1,716,809.92	£6,231.34	£1,707,386.35				
2052026	Avonmore Primary School	196	196	£6,176	£1,210,407	£6,325.37	£1,239,772.63	£6,290.32	£1,232,902.90				
2052061	Brackenbury Primary School	376	376	£5,852	£2,200,430	£5,993.36	£2,253,504.12	£5,960.17	£2,241,024.50				
2052134	Miles Coverdale Primary School	203	203	£6,126	£1,243,635	£6,310.01	£1,280,932.95	£6,275.18	£1,273,862.01				
2052223	Flora Gardens Primary School	183	183	£6,416	£1,174,164	£6,479.63	£1,185,772.85	£6,560.66	£1,200,600.60				
2052350	Kenmont Primary School	190	190	£6,092	£1,157,430	£6,240.47	£1,185,689.17	£6,248.66	£1,187,245.99				
2052408	Melcombe Primary School	264	264	£6,079	£1,604,918	£6,276.04	£1,656,874.79	£6,241.45	£1,647,743.38				
2052444	Old Oak Primary School	221	221	£6,597	£1,457,976	£6,624.19	£1,463,945.27	£6,708.86	£1,482,658.84				
2052555	Sir John Lillie Primary School	264	264	£6,130	£1,618,303	£6,266.59	£1,654,379.46	£6,235.47	£1,646,165.35				
2052632	Wendell Park Primary School	369	369	£5,551	£2,048,398	£5,708.24	£2,106,339.25	£5,676.49	£2,094,626.56				
2052660	Wormholt Park Primary School	335	335	£6,280	£2,103,936	£6,433.07	£2,155,079.58	£6,397.43	£2,143,140.43				
2053300	All Saints CofE Primary School	199	199	£5,274	£1,049,562	£5,406.08	£1,075,810.37	£5,375.37	£1,069,698.65				
2053354	Holy Cross RC School	591	591	£5,441	£3,215,650	£5,568.72	£3,291,116.46	£5,544.43	£3,276,757.88				
2053368	John Betts Primary School	206	206	£5,341	£1,100,236	£5,475.30	£1,127,911.15	£5,444.20	£1,121,504.41				
2053378	St Augustine's RC Primary School	204	204	£5,664	£1,155,441	£5,809.90	£1,185,219.58	£5,776.89	£1,178,486.31				
2053463	St Johns Walham Green Church of	346	346	£5,185	£1,794,171	£5,314.70	£1,838,884.65	£5,284.61	£1,828,473.97				
2053529	St Mary's Catholic Primary School	181	181	£5,994	£1,084,844	£6,146.59	£1,112,532.59	£6,111.68	£1,106,214.45				
2053566	St Paul's CofE Primary School	175	175	£6,198	£1,084,626	£6,355.04	£1,112,131.55	£6,318.98	£1,105,821.16				
2053578	St Peter's Primary School	206	206	£5,447	£1,122,092	£5,565.55	£1,146,503.39	£5,543.15	£1,141,888.81				
2053600	St Stephen's CofE Primary School	418	418	£5,210	£2,177,687	£5,342.67	£2,233,237.21	£5,312.29	£2,220,538.70				
2053602	Good Shepherd RC Primary School	195	195	£5,550	£1,082,297	£5,670.20	£1,105,689.83	£5,645.01	£1,100,776.73				
2053645	St John XXIII Catholic Primary School	333	315	£5,830	£1,938,383	£5,991.91	£1,887,453.01	£5,965.10	£1,879,007.37				
2053648	St Thomas of Canterbury Catholic	191	191	£5,650	£1,079,191	£5,780.49	£1,104,073.17	£5,748.30	£1,097,925.50				
2053649	Larmenier & Sacred Heart Catholic	416	416	£5,117	£2,128,783	£5,244.32	£2,181,635.32	£5,214.64	£2,169,289.65				
2053650	Normand Croft Community School	179	179	£8,636	£1,545,896	£7,758.62	£1,388,792.76	£7,857.41	£1,406,475.97				
2052000	Ark Conway Primary Academy	202	202	£5,727	£1,156,922	£5,873.88	£1,186,523.81	£5,840.70	£1,179,821.99				
2052001	West London Free School Primary	418	418	£5,208	£2,176,823	£5,334.66	£2,229,886.97	£5,305.08	£2,217,525.24				
2052003	Ark Swift Primary Academy	194	194	£6,226	£1,207,839	£6,360.26	£1,233,890.38	£6,333.47	£1,228,693.06				
2052004	Earl's Court Free School Primary	209	209	£5,495	£1,148,500	£5,632.55	£1,177,202.39	£5,600.47	£1,170,498.01				
2052005	Langford Primary School	217	217	£6,230	£1,351,870	£6,283.93	£1,363,613.15	£6,339.60	£1,375,693.30				
2052045	Ark Bentworth Primary Academy	181	181	£6,059	£1,096,607	£6,088.60	£1,102,036.94	£6,166.33	£1,116,104.98				
2052286	Fulham Primary School	249	249	£6,075	£1,512,602	£6,225.41	£1,550,127.45	£6,190.12	£1,541,340.12				
2052309	Thomas's Academy	200	200	£6,078	£1,215,503	£6,238.55	£1,247,710.09	£6,203.23	£1,240,645.17				
2052484	Queen's Manor School and Special	182	182	£5,859	£1,066,325	£6,016.91	£1,095,077.38	£5,982.88	£1,088,883.44				
2052577	Sulivan Primary School	208	208	£5,923	£1,232,018	£6,077.41	£1,264,100.48	£6,043.01	£1,256,945.14				
2052913	Greenside Primary School	203	203	£5,791	£1,175,580	£5,941.77	£1,206,179.72	£5,908.13	£1,199,349.68				
2054000	West London Free School	649	649	£7,196	£4,670,260	£7,388.68	£4,795,253.32	£7,348.91	£4,769,441.55				
2054001	The Fulham Boys School	581	581	£7,177	£4,169,659	£7,423.79	£4,313,222.63	£7,383.30	£4,289,696.77				
2054002	The Hurlingham Academy	600	600	£7,961	£4,776,799	£8,050.88	£4,830,530.52	£8,114.80	£4,868,879.56				
2054004	Phoenix Academy	450	450	£8,760	£3,941,865	£8,801.31	£3,960,588.20	£8,926.17	£4,016,776.56				
2054106	Fulham College Boys' School	335	335	£8,381	£2,807,689	£8,436.32	£2,826,166.21	£8,538.26	£2,860,315.52				
2054315	Fulham Cross Girls' School and La	632	632	£7,772	£4,911,776	£7,841.06	£4,955,552.92	£7,921.74	£5,006,537.67				
2054620	Sacred Heart High School	976	976	£6,859	£6,694,136	£7,032.77	£6,863,988.09	£6,995.93	£6,828,026.61				
2054632	Lady Margaret School	596	596	£6,835	£4,073,413	£7,004.56	£4,174,716.24	£6,965.63	£4,151,516.79				
2055400	The London Oratory School	997	997	£6,572	£6,552,419	£6,734.35	£6,714,151.93	£6,699.04	£6,678,943.08				
2056906	Hammersmith Academy	689	689	£7,680	£5,291,378	£7,783.65	£5,362,932.59	£7,826.59	£5,392,520.82				
2056905	Ark Burlington Danes Academy	1,089	1,071	£7,393	£8,047,355	£7,538.62	£8,073,858.77	£7,636.79	£8,179,000.46				

## Agenda Item 6

	<p align="center"><b>London Borough of Hammersmith &amp; Fulham</b></p> <p align="center"><b>SCHOOLS FORUM</b></p> <p align="center"><b>October 12<sup>th</sup> 2021</b></p>
<p align="center"><b>DEDICATED SCHOOLS GRANT MONITORING QUARTER 2 2021/22</b></p>	
<p><b>Open</b></p>	
<p><b>Wards Affected: (All Wards); All</b></p>	
<p><b>Accountable Director:</b> Jacqui McShannon, Director of Children Services</p>	
<p><b>Report Authors:</b>          Tony Burton          Head of Finance for Children's Services and Education</p>	<p><b>Contact Details:</b>  <b>Tel:</b> 07909 004 710  <b>E-mail:</b>          tony.burton@lbhf.gov.uk</p>
<p><b>Purpose of the report</b></p> <p>This report updates forum on the 2021/22 quarter 2 budget monitoring position after updates to the allocation received in July 2020 from the Education and Skills Funding Agency (ESFA). It also includes the forecast accumulated Dedicated Schools Grant (DSG) carry forward deficit position in 2021/22.</p>	

### 1. Introduction

- 1.1. This paper sets out:
- Carry forward balances at 1<sup>st</sup> April 2021
  - Forecast variances in each of the blocks of the Dedicated Schools Grant in 2021/22
  - Projected closing balances at 31<sup>st</sup> March 2022
  - Changes in 2021/22 dedicated schools grant allocations advised by Education and Skills Funding Agency (ESFA)

### 2. Summary Position

- 2.1. Table 1 below shows the high-level position for 2021/22 financial year at quarter 2.

**Table 1 – Accumulated Adjusted DSG Carry Forward from 2020/21 (balances at 31/03/21 and forecast balances at 31/03/22)**

<b>Dedicated Schools Grant (DSG) Balances by Block</b>			
<b>Figures in red and brackets represent surplus</b>	<b>Balance 31/03/21</b>	<b>2021/22 Forecast Variance</b>	<b>Forecast Balance 31/03/22</b>
	£m	£m	£m
Schools Block	(0.755)	0.755	0
Central Services Schools Block	0	0	0
High Needs Block (including Safety Valve £4m)	16.679	(3.17)	13.509
Early Years Block	(1.418)	1.418	0
<b>TOTAL DSG</b>	<b>14.505</b>	<b>(0.997)</b>	<b>13.509</b>

### 3. High Needs Block

- 3.1. The High Needs Block is forecast to overspend by £0.8m versus the funding allocation in 2021/22, which represents a significant improvement versus overspend on High Needs over recent years.
- 3.2. The retained HNB deficit at 31/03/21 was £16.7m after receipt of the first £6.0m of agreed Safety Valve funding. The retained deficit is forecast to reduce to £13.5m at 31/03/22 following the expected receipt of £4m further safety valve funding in 2021/22 financial year.
- 3.3. The £13.5m balance of the retained HNB deficit at 31/03/22 is forecast to be eliminated by 31st March 2026 following further expected receipts of £10m of DfE Safety Valve funding over the period. Total expenditure on the HNB is forecast to increase by 26.3% from £26.638m in 2020/21 to £33.636m in 2025/26.

### 4. Schools Block and Maintained De-delegation 2021/2022

- 4.1. The £0.755m Schools Block surplus carry forward at 31/03/21 relates to the underspend on maintained primary dedelegated budget since April 2018.
- 4.2. Provisions are held as follows:
  - £0.265m of this surplus has been returned to maintained primary schools as agreed at Schools Forum in June 2021. Values were calculated on a pro-rated basis in line with each schools contribution.
  - £0.382m provision for additional support to maintained primaries to support their transition to lower rolls and subject to due diligence with respect to the appropriate and proportionate support by the appointed subgroup.
  - £0.100m – Provision for short term budget support for two schools in financial difficulty and subject to an agreed medium-term sustainable budget plan.

- 4.3. Allocations and payments from the balance will be agreed with the maintained schools sub-group of the schools forum and report at subsequent meetings.

**Table 2 - Schools Block Forecast 2021/22**

	£m	£m	£m
	<b>2021/22 Budget</b>	<b>2021/22 Forecast</b>	<b>2021/22 Variance</b>
Schools Block delegated (after academy recoupment)	38.086	38.086	0
Falling Rolls Fund	0.200	0.200	0
Maintained schools de-delegated Budget	0.696	1.451	0.755
Maintained schools Education Functions	0.273	0.273	0
Transfer to High Needs Block	0.528	0.528	0
<b>Total Schools Block received by LBHF. (underspend to c/f)</b>	<b>39.780</b>	<b>40.530</b>	<b>0.755</b>

- 4.4. Projected underspends and use of retained balances in the 2021/22 schools block are indicated in Table 2 above. At the present time it is assumed the £0.755m retained balance will be allocated and disbursed in 2021/22 financial year. Any underspends on the schools' block will be carried forward to 2022/23 as school funds per the conditions of grant.
- 4.5. Within the maintained schools Education Functions budget is an allowance of £47,900 in 2021/22 for Asbestos management, surveys and inspections. Additional asbestos surveys and re-inspections have been conducted to bring risk management information up to date which will be met by the council's approved schools capital programme or the Education Functions budget as appropriate. Forecast expenditure in 2021/22 is £90,000, representing an adverse variance of £42,100. No overspend is reported against Education Functions in table 2 above as it is likely this pressure can be contained in 2021/22. However, the budget for 2022/23 will need to increase to cover the full cost of asbestos management and surveys.

## **5. Falling Rolls**

- 5.1. The falling rolls fund of £0.200m in the 2021/22 budget has been allocated to schools in accordance with the principles agreed by Schools Forum during the 2020/21 financial year.

## **6. Early Years Block 2021/22**

- 6.1. Early years DSG closed with a retained surplus in 2020/21 of £1.418m. This will be adjusted due to the retrospective adjustments for 2020/21 still outstanding. Due to changes in the methodology for calculating Early Years funding entitlements for 2020/21 and 2021/22 the ESFA will not be in a position to finalise the adjustments until November 2021.

- 6.2. The Early Years block is forecast to spend to budget in 2021/22 based on current data available. There are risks and uncertainties concerning the final level of funding due to the change in methodology used by the ESFA to determine entitlement.
- 6.3. For the 2021/22 financial year funding will be calculated on a term by term basis; Summer term 2021 headcount will be used to determine 5 months of funding, Autumn term 2021 headcount 4 months of funding and January 2022 headcount 3 months of funding. It is expected that for 2022/23 ESFA will revert to using January headcounts to determine the annual allocation. As funding will follow the individual headcount numbers it seems reasonable to assume that funding will be adequate to cover the costs incurred.
- 6.4. Initial calculations for the Summer term based on the May 2021 headcount indicate a small reduction in take up of the 3 and 4 year old offer which could lead to less funding being available for central early years spend which must remain at only 5% of the funding allocated. This will be reviewed fully during the 2022/23 budget setting process.
- 6.5. The Early Years block is adjusted retrospectively each year so the final allocation for 2021/22 will not be known until July 2022. In previous years ESFA would have updated the 2021/22 allocation by this stage but we only have the initial allocation due to the changes mentioned in earlier paragraphs as detailed in Table 3 below.

**Table 3 Early Years Grant Funding 2021/22**

	£m
<b>Early Years Funding Element</b>	2021/22 Original Budget
3 and 4 YO universal & extended offer	14.860
2 YO Disadvantaged offer	1.161
EY Pupil Premium	0.089
Disability Access Fund	0.048
MNS supplementary funding	0.850
<b>Total 2020/21 Early Years</b>	<b>17.008</b>

## **7. Central Services Schools block 2021/22**

- 7.1. The CSSB block is forecast to outturn to budget. Any efficiencies or savings possible within the CSSB ahead of the notified further grant reduction in April 2022 will be passed through to support the High Needs Block pressure in year.

**Report ends**





## SCHEME FOR FINANCING SCHOOLS

PUBLISHED: 3<sup>RD</sup> MAY 2019 – WITH PROPOSED CHANGES OCTOBER 2021

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## 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 aided 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 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.

Should a school decide to opt out of the FMS financial system the headteacher must guarantee that the reports and returns are available in the format and timescales required. Equally, should the school decide to change their school's finance support, notification of intent should be communicated to the local authority and this should include a clear and competent alternative support.

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

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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:

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**

**Monthly throughout the financial year – 7<sup>th</sup> working day**

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i) VAT submittal report

ii) Full VAT report

iii) ~~Payroll reports for external audit scrutiny including:~~

a. — Staff numbers report, listing all employees on the payroll in the current month with details of their full-time equivalent working hours; details of starters and leavers with relevant dates and names

b. The monthly payroll report must detail total gross pay including NI and pension contributions

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Quarterly – 15<sup>th</sup>-7<sup>th</sup> working day

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- i) A copy of the termly governor's budget report.
- ii) Bank reconciliation statement including unreconciled items and last page of bank statement
- iii) I&E balance report plus I&E transactions for external audit sampling
- iv) Monthly CFR upload (trial balance)

v) Full financial year out-turn forecast approved by the Governing Body/Resources Committee

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Financial Year End – Corporate Closing deadlines – advised annually

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- i) Bank reconciliation including unreconciled items and last page of bank statement
- ii) I&E balance report plus I&E transactions for external audit sampling
- iii) Monthly CFR upload – trial balance

iv) Full financial year pPayroll Information as requested – schools not with Prospect provider only. Details of pay over £50k for the Senior Officers disclosure in the Statement of Accounts.

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#### 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

**The following are also required at the end of the financial year:-**

- i) Debtor and Creditor accruals.
- ii) Prepayments and receipts in advance.
- iii) Statement of use of reserves and carry forward.
- iv) Confirmation of Lettings Income.
- v) Confirmation 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~~ **Director of Finance** ~~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;

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- 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.~~ The Director of Finance ~~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.

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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 accruals basis. Schools will therefore be required to provide the information to enable relevant accruals to be entered into the Authority's accounts.

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

## **2.3 Submission of budget plans**

### **Timetable**

Schools are required to submit a 3-3-year 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 format of the budget plan shall be determined by the Head of Finance for Children's Services. It will provide the following data:-

- A forecast for income and expenditure over the coming 3 years (not including the current year)
- A statement of assumptions underpinning the budget plan for each year (e.g. inflation, other fluctuations in salary costs, mitigation plans for forecasted deficits and any other material item)

Schools ~~will be able to~~ should take full account of estimated deficits/surpluses at the previous 31 March in their budget plan.

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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~~ funding -data which it holds, ~~and~~ 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.~~ The Authority will supply schools with an annual statement showing when this information will be available at times through the year.

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

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The ~~Director of Finance for Children's Services~~ Head of Children's Services  
Finance 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.

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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 as regard internal audit, and the Authority's external audit regime as determined by the Local Audit and Accountability Act 2014.

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.

~~Can we add something that points schools to a contact in the LA when they want to change contracts~~

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 21

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 Head 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 Head 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, [Workplace Regulations, Regulatory Reform Order, Equality Act and Building Regulations](#)~~DfE Construction Standards and health and safety legislation.~~

[All provisions above don't affect expenditure made available by the LA outside the delegated revenue and Devolved Formula Capital budget share.](#)

## **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 Head 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, **unless amended by DfE.**

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## **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 monthly basis. Provision is also made to allow the payment in full of additional devolved funding, where appropriate.

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

For schools' Early Years funding, payments will be made termly based on an estimate which will be adjusted for actual the following term.

### **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, the Head 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. ~~Do we need something about staff from non LBHF schools who are doing the financial support for LBHF schools and requiring signing authority.~~

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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 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 Head of Children's Services Finance before making such requests.

The Secretary of State has clarified that loans should only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.

Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income. If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under para.13(4) of Schedule 1 of the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new academy school.

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, if any.

### 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.~~

As a result of schools' full access to online banking there is the ability to use BACS for payments and the Local Authority recommends this as the main payment method to be used.

#### BACS pathway – Check list – to be inserted by Valerie

- ✓ Get formal approval from the school's Governing body and keep a copy of the relevant meeting minutes recording the decision
- ✓ Contact your 3BM rep to set up the FMS configuration and interface with Bankline
- ✓ Set up your suppliers on FMS
  - Bank details need to be verified (supplier contacted and bank account details confirmed)
  - Record of the verification needs to be kept for audit purposes
- ✓ Contact the local authority's Schools Finance Team who will:
  - Ask you to confirm that your current bank mandate is up to date; if not, relevant changes will have to be requested from the bank as per the usual bank mandate process, which consists of filling-in the "Names to be added" – "Names to be removed" form and the mandate control panel form;  
**PLEASE NOTE:** Only officers who are signatories on the school's bank mandate can be set up as an Authorizers on Bankline.
  - Ask you to supply each user's email address
  - Create your roles. There are 3 dedicated roles for schools:
    - The School's Processor (SP), who generates the BACS payment files
    - The School's Authorizer (SA), who authorizes the payments  
**PLEASE NOTE:** we apply a strict "separation of roles" rule, therefore SBMs who happen to be listed on the bank mandate will not be set up as an authorizer on Bankline.
    - The School's Business Support (SBS), who only has access to the Account Information menu on Bankline. This role will only be created on request and has no involvement in BACS payments on Bankline.
  - Communicate with you once set up as been completed and confirm the Customer ID of the platform and your users' respective ID.

- Send you the relevant user guidelines and links to the Natwest website where you can book yourself on a training webinar;

### **What happens next:**

- ✓ As soon as set up is completed and approved, the bank will send you an activation code; this code will expire within 21 days so we strongly recommend you attempt logging-in as soon as you have received all the items listed in the next paragraph.
- ✓ You should receive: 1 smartcard, 1 receiver with QR scan facility, and 1 temporary PIN for the smartcard within 5 to 10 working days. Because of the pandemic, all devices and PINs are sent to the school's address.
- ✓ It is the school's staff responsibility to:
  - acknowledge receipt of the devices as soon as they are received. If anything is missing, the SBM has to contact the local authority's Schools Finance Team promptly;
  - keep all devices, PINs and passwords safe. If anything is lost or faulty, users have to advise the Schools Finance Team as soon as possible.
  - Discard all previous cards you had so as not to confuse them with the new ones. The new smartcard you will receive will only work for the BACS platform.
  - The receiver you currently have will work for the new set-up, as long as it is the black model with QR scanner facility.

Purchase cards to be used with current bank accounts will also be available to schools and will be rolled out later in the year.

## **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**

Schools hold their surplus balances locally in their own bank accounts which earn interest. The interest received should be accounted for through individual school Income and Expenditure accounts.

#### **4.4 Obligation to carry forward deficit balances**

Deficit [revenue and capital](#) 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**

Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, the Local Authority may add an amount to the budget share of the new or enlarged new school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes.

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 for either revenue or capital loans.

Please refer to 3.6. for clarification around the purpose and conditions of borrowing.

## **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 Head 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 an Education and Health Care Plan (EHCP), 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. 40

## **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 41

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 Head 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 Head 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**

#### **Context**

Maintained schools can elect to create a central budget through an additional deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the schools' forum agree.

A similar contribution may be required from maintained Special Schools or nursery schools, who do not receive a budget share from the school's block of the DSG, in order for them to benefit from financial support in relation to redundancy costs.

Maintained schools have elected to de-delegate budget to the Local Authority to assist schools in financial difficulty. This contingency funding may be used to contribute to the costs schools incur in restructuring in line with their 3-year budget planning, to ensure future financial sustainability.

**Please see Annex B for conditions and decision-making process.**

## SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

### 12.1 Responsibility for repairs and maintenance

Schools have responsibility for their own revenue repairs and maintenance. Only capital expenditure will be met by the LA. Annex C contains illustrative examples of the difference between capital and revenue expenditure in line with the CIPFA Code of Practice. Only the cost of capital expenditure (as defined by the CIPFA Code of Practice) should be met by the Local Authority. All revenue maintenance should be paid for by schools through their revenue budgets.

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.

Schools' Devolved Formula Capital allocations should be used for capital spend by schools over and above the revenue maintenance that must come from schools' revenue budgets.<sup>49</sup>

### 12.2 De Minimis Threshold

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For Hammersmith and Fulham, the de-minimis level for capital works is £5,000.

Therefore, apart from in exceptional circumstances, the LA will be funding:

- Urgent reactive works of at least £5,000 as below this value would not class as capital expenditure
- Planned maintenance under £5,000 for Nursery schools and schools with less than 250 pupils on roll (excluding nursery cohorts).
- Planned maintenance under £10,000 for schools with 250 or more pupils on roll (excluding nursery cohorts).

Capital works for under £5,000 or £10,000 should be met by the schools' revenue budgets or Devolved Formula Capital allocations.

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### 12.3 Asbestos

The LA has delegated CSSB DSG budget to cover the cost of asbestos management and will provide an asbestos management programme on behalf of the maintained schools. Schools are responsible for covering the costs of their own routine asbestos inspections and removals.

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## **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 Head 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. 53

### **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**

<b>LA NUMBER</b>	<b>ESTABLISHMENT NUMBER</b>	<b>SCHOOL NAME</b>
205	2002	Addison Primary School
205	3300	All Saints CE 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
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
<del>205</del>	<del>7014</del>	<del>Queensmill School</del>
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	3645	St John's Walham Green CE Primary School
205	3529	St Mary's Catholic Primary School
205	3566	St Paul's CE Primary School
205	3578	St Peter's Primary School
205	3600	St Stephen's CE 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

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## **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 and 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

Decisions to meet part or all of premature retirement or redundancy costs, will be taken on behalf of maintained schools, by the Director of Children's Services, upon reviewing a proposal submitted by a school's Headteacher in writing. In consultation with the Head of Children's Services Finance, the Director of Children's Services shall give due consideration to current demand for financial support and to the level of funds available within the Schools in Financial Difficulty de-delegated at the time.

Any submission to the Local Authority of a Head Teacher's request for financial support with regard to redundancy payments must satisfy the following criteria:-

1. The Head of Children's Services Finance 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. A documented statement from the school's Headteacher to the Director of Children's Services detailing the extent to which the school can contain costs within a 3-year budget plan.
3. The headteacher has confirmed in writing to the Director of 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 Funded by the LA	REVENUE Funded by schools
<b>ROOFING</b>		
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 covering associated parts/sub-elements as referred to under capital
	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 Roof 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
	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.	
Roof covering	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, lighting protection etc.	
	N/A	Inspection of free standing chimney stacks for stability e.g. stain-less steel stacks. Cleaning and clearance of all flue ways
<b>EXTERNAL WALLS</b>		
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 replacements to external walls and associated parts or sub-element referred to under capital
	N/A	Tree management to alleviate structural movement. Application of paint finishes, specialist protection or sealants. Hammer testing and other inspection/testing of concrete frames
Cladding	Replacement of 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
	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	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
<b>INTERNAL</b>		
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 and 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 ceilings 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 e.g. 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 wood-strip 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, wood-strip or woodblock floor finishes and quarry tiles
Floors & Floor Finishes	N/A	Sanding and sealing of wood-strip 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
<b>MECHANICAL SERVICES</b>		
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 pressurized systems; maintenance and replacement of mixer valves

Cold Water Services	Major repair, replacement and upgrading of storage tanks, distribution pipework, incoming main, booster pumps etc.	Repair, replacement and upgrading of storage tanks, 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
	N/A	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, ductwork, grilles etc.
		Servicing of all plant and associated equipment including cleaning of fans. Cleansing and disaffecting of all ductwork and grilles
<b>ELECTRICAL SERVICES</b>		
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. Clearing 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
<b>DRAINAGE</b>		
Foul and Surface Systems	Major repairs and replacements to internal, external, surface water and foul water drainage systems above and below the ground including all associated access points and soakaways	Repairs and replacements to internal, external, surface water and foul water drainage systems above and below the ground including all associated access points and soakaways
	N/A	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
<b>EXTERNAL WORKS</b>		
Paving	Major repair or replacement of hard surfaces to playgrounds, car park 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	Major repair or replacement of circulation plant and pipework and any enclosing structure accepted for maintenance	Repair and replacement of circulation plant and pipework and any enclosing structure if accepted for maintenance and 'in-ground' permanent pool tanks

	in 'on-ground' permanent pool tanks	
PTA Pools	N/A	All works to PTA pools other than above
<b>GENERAL</b>		
Asbestos  Asbestos management for maintained schools is covered by the £50k top-sliced Schools Block of DSG budget	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
	N/A	Updating asbestos registers. Inspection, encapsulation or resealing of asbestos based material 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 e.g. sheds, cycle racks, shelters (other than in permanent construction); refuse containers, litter bins etc.

# SCHOOLS FINANCIAL PROCEDURES

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# SECTION A: INTRODUCTION

## 1.1 Background

The financial relationship between the Authority and each school is set out in Authority's Scheme for Financing Schools.

This policy, the Schools Financial Procedures, should be read in conjunction with the Scheme for Financing Schools.

Overall responsibility for financial management and controls in schools remains with the Authority's Section 151 Officer. The day to day management of the school funds and assets is delegated to the Governing Body within the provision of this Schools Financial Procedures.

## 1.2 Purpose of this document

The purpose of this document is to set out in a simple and straightforward manner the framework set by the Authority for maintained schools to manage their financial affairs.

*Who is this document for?*

This document is not just relevant to school staff with responsibilities for financial management, but all school staff and governors so that they understand the procedures they must follow and their responsibilities.

In particular, this document should be made available to the:

- Finance manager, Business Manager or Bursar
- School's senior leadership team
- Headteacher
- Governing body
- Finance subcommittee of the governing body

## **SECTION B: GOVERNANCE**

### **1.1 Background**

The governing body has collective, statutory responsibility for the overall direction of the school and its strategic management, under Section 21 of the Education Act 2002.

This involves determining the guiding principles within which the school operates and using the skills and expertise of governors to consider and make key decisions.

The Department for Education state in their Governance Handbook (November 2015), that all governing bodies have three core functions:

1. ensuring clarity of vision, ethos and strategic direction;
2. holding the headteacher to account for the educational performance of the school and its pupils, and the performance management of staff; and
3. overseeing the financial performance of the school and making sure its money is well spent.

### **1.2 Roles and responsibilities**

The terms of reference of committees should be set out in writing, agreed by the governing body and reviewed annually. A model terms of reference can be found in [Appendix A](#).

The roles and responsibilities of the governing body, its committees, the headteacher and other staff in relation to financial decision-making and administration should be set out in the terms of reference of the governing body.

### **1.3 Finance committee**

A finance committee should be set up to consider strategic financial issues on behalf of the governing body.

**Good practice**

Governing bodies should endeavour to have at least one governor with experience of financial management or accounting, although this does not have to be from an education background.

The finance committee should consist of at least three non-staff governors and include the Headteacher and meet at least termly.

**1.4 Limits of delegated authority**

The governing body should establish the financial limits of delegated authority. Formal approval of the Scheme of Delegation by the governing body should be documented.

**1.5 Financial information for governors**

The governing body should agree with the headteacher the minimum frequency, level of detail and format of the financial information to be provided to it, especially in relation to budget monitoring reports.

This is essential to ensure the governing body can ade~~???~~

**1.6 Minutes**

The governing body and its committees should record minutes of all meetings and decisions taken and any action points to be carried out and by whom. Minutes taken should be signed off by the chair at the next meeting as a true record.

The minutes of governing body meetings must be retained indefinitely, and the minutes of committees for at least six years.

**1.7 Register of business interests**

The governing body should establish a register of business interests of governors, the headteacher and any other staff who are involved in making financial decisions.

This register should be published on the school's website and be open to examination by governors, staff, parents and the Authority. All those involved in spending public money must be able to demonstrate that they do not benefit personally from the decisions they make.

The register should be reviewed regularly by the governing body and evidence of reviews should be kept.

### **1.8 Freedom of Information**

The Freedom of Information Act 2000 (FOIA) was introduced to promote greater openness and accountability across the public sector, and establishes a general right of access to information held by public authorities.

Schools may be asked by the Authority to support them delivering against their statutory requirements to respond to Freedom Of Information (FOI) requests.

Whilst there are exemptions in the legislation, the Authority would expect schools to comply with the timescales set out in the legislation in order for them to deliver against their statutory responsibilities.

## **SECTION C: FINANCIAL PLANNING**

### **1.1 Background**

Financial planning is an important part of a schools financial management. Good financial planning supports schools in ensuring that their educational goals are linked to their budget and the resources available to them.

### **1.2 Financial planning timetable**

A formal timetable and procedures should be drawn up for constructing the School Development Plan (SDP) and Budget to ensure that the governors have time to consider all relevant factors.

### **1.3 School Development Plan**

#### **1.3.1 Writing the School Development Plan**

The school should have a SDP which is linked to the school's budget. The SDP should outline the school's educational priorities and budget plans for the next three years, showing how the use of resources is linked to the achievement of the school's goals.

Any new initiatives should be carefully appraised in relation to all likely costs, benefits and their financial sustainability before being approved by the governing body.

The SDP should also state intended expenditure on continuing commitments including a short commentary on any significant changes from the previous financial year.

#### **1.3.2 Linking the School Development Plan to the budget**

The school's budget should be based on realistic estimates of all expected expenditure and income, including grant income, so that planned expenditure does not exceed the available budget.

### **1.3.3 Periodic review of the School Development Plan and Budget**

The governing body should ensure that the main elements of the school's budget are periodically reviewed to ensure that detrimental historic spending patterns are not perpetuated.

The Headteacher should ensure that the budget is correctly profiled and forecast cash flows reflect, as far as possible, future spending plans.

### **1.3.4 Approving the School Development Plan**

Any new initiatives should be carefully appraised in relation to all likely costs and benefits and presented to the Headteacher and governing body's as part of their decision making process.

The governing body should approve the school's budget and SDP after careful consideration and before the beginning of the relevant financial year.

The headteacher should promptly forward details of the approved budget and any subsequent budget changes to the Authority.

## **1.4 Setting the Budget**

The Governing Body must set a detailed operating Budget for 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). The budget should also include the estimated expenditure required to perform the activities planned to achieve the outcomes set out in its School Development Plan.

Governing Bodies are required to set and maintain a 'balanced budget' – such that total anticipated income (including where necessary, any use of revenue reserves) is not less than total estimated expenditure (including, where appropriate, any planned addition to revenue reserves).

The format of the budget will be determined by the ~~Director of Finance~~Head of Finance for Children's Services. Guidance and a template will be sent to schools for completion.

### **1.5 Earmarking of surpluses and reserves**

Any budget surpluses should be earmarked for specific future needs to ensure that pupils benefit from a planned approach that does not deprive them of resources in a given year.

The Authority will ask for a statement of the planned use of earmarked reserves as part of the year end closure of accounts.

### **1.6 Deficit budgets**

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.

[Any deficits at year end should be deducted from the following year's budgets, including any deficit on Devolved Formula Capital allocations.](#)

### **1.7 Restrictions on the Use of Reserves**

When setting the budget, Governing Bodies must ensure that the planned use of existing reserves that have carried forward from the previous financial year is in accordance with previously declared reasons for holding such reserves. The Authority will reserve the right to examine that there has been sufficient governance of the use of reserves.

If such reasons have been superseded by events, then this should be clearly identified in the School Development Plan and Budget assumptions.

### **1.8 Submission of the budget to the Authority**

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).

## **1.9 Submission of reports**

The Scheme for Financing Schools requires that the school provides the Authority with financial reports throughout the year in a format predetermined by the Authority.

In order to keep an overview of schools' finances, the Schools' Finance Team will request local accounting system monitoring reports from schools reflecting the spend and commitments as per the reporting timetable set out at the start of the financial year.

## SECTION D: BUDGET MONITORING

### 1.1 Introduction

The school should produce monthly budget monitoring reports for income and expenditure against the approved budget, including sums committed but not yet paid and outturn forecasts. These reports should be reconciled with those of the Authority and be derived from the school's accounting system.

Income and expenditure reports should be run from the school's accounting system.

The headteacher should provide budget monitoring reports to the finance committee at least once every term. These reports should show any significant variances against the budget with explanatory notes and, where necessary, remedial action plans to bring budgets back within spend, where overspends have occurred, including the use of virements where appropriate.

It is the responsibility of the Governing Body to control income and expenditure within their school and to monitor performance. They should take necessary action to avoid exceeding their budget allocation and alert the Authority of any problems.

Information for financial reports should be extracted directly from the school's accounting systems and be incorporated with the most up-to-date information regarding the schools future spending plans to accurately predict current and year end outturns for income and expenditure.

The headteacher should monitor expenditure on the initiatives set out in the School Development Plan (SDP).

#### **Good practice**

The headteacher should profile the budget and forecast cash flow to take account of likely spending patterns. For example, it is likely that the energy budget would be profiled to account for higher energy consumption in the winter months.

Profiling allows more effective budget monitoring: a budget deficit in a particular month may be the product of a one-off expenditure item. Conversely, a surplus may reflect expenditure that was due in a particular month, but was not paid.

## **1.2 Virements**

A virement is deemed as any change, or transfer, of budget allocation where the budget will be used for a different purpose. If a budget is overspent, then an adjustment to the budget can be made from a budget that is underspent.

In order to maintain budget control between governing body meetings, the headteacher will need delegated power to authorise virements of budgets up to a set limit as determined by the governing body. Such virements should be presented to the governing body with their reason as part of the next financial report.

Where an expenditure budget is likely to overspend, or income is unlikely to be achieved by the end of the financial year, the appropriate course of action will be:

- where the overspend is within the levels delegated to the headteacher, the headteacher or finance committee may approve financing of the excess expenditure, or income shortfall, by the virement of an equivalent sum from an identified revenue budget saving or unallocated reserves.
- where the amount is over the delegation limit, the governing body must agree the virement before spending takes place.

A written record of agreed virements must be kept. The school's accounting system should be updated to show the latest approved budget.

The school's procedures for the authorisation and processing of virements should be documented in the Scheme of Delegation.

The school's budget share is profiled into the bank account on a monthly basis with budget adjustments made as they are identified.

## **1.3 New initiatives and projects**

Any proposal to significantly increase or reduce either expenditure or income by the introduction of new or significantly different policy, must be the subject of a report to the governing body by the headteacher and shall draw attention to the likely financial implications for the current and future years spending plans.

#### **1.4 Cash flow monitoring**

Cash flow monitoring is an important part of budget monitoring. Schools should give regard to the forecast expenditure in each month and ensure they have sufficient funds available to meet their obligations.

Where cash flow is a concern and not related to a deficit situation, the Headteacher school should alert the Authority at the earliest opportunity using the form in Appendix C.

Requests by email or phone cannot be accepted as the Local Authority requires a clear audit trail of the request.

# SECTION E: PURCHASING

## 1.1 Introduction

All procurement on behalf of the Authority must, where applicable, comply with relevant legislation, statutory guidance and policies published by the Authority.

Each headteacher shall maintain and supply the ~~Director of~~Head of Finance for Children's Services Finance with such information as is required for corporate compliance with these rules.

The school should always consider price, quality and fitness for purpose when purchasing goods or services.

## 1.2 Expenditure limits

Where a contract for goods or services is above £10,000, the school has a duty to ensure that steps are taken to ensure value for money. This may be achieved by obtaining three written quotations.

It is advisable for the school to maintain a register of quotes received as a record of their procurement decisions should a query or Freedom of Information request be raised.

### Authorisation levels

- **Below £10,000** – Expenditure must be approved by the Headteacher or Business Manager, as defined in the school's local delegation of responsibilities
- **Above £10,000** – Must be signed off by the Governing body, with three written quotes and in compliance with procurement legislation
- **Above £100,000** – Must be signed off by the ~~Director of Finance~~Head of Finance Childrens Services, with three written quotes and in compliance with procurement legislation

## 1.3 Value for money

The lowest tender does not have to be accepted if it does not appear to give value for money. Where a quotation other than the lowest is accepted, the reasons for this decision must be reported to the governing body and included in the minutes of governors' meeting.

#### **1.4 Health and safety**

Schools will be required to assess in advance, where relevant, the health and safety competence, technical competence and financial standing of the contractor.

#### **1.5 Safeguarding**

Contractors working on site at the school or near pupils should have sufficient Disclosure Barring Service (DBS) checks and provisions should be placed in any contractual agreements to place this obligation on to suppliers.

#### **1.6 Contract specifications**

Contract specifications should define the service to be provided in terms of its nature, quality standards, information and monitoring requirements and contract review procedures.

Schools should ensure that a contract specification is drawn up and matches its requirements. Where a school has concerns that it does not have the expertise to draft a specification, it should seek the support of the Authority.

#### **1.7 Contract management**

The headteacher shall keep a register, recording amounts due and payments made under contracts for works where payments are to be made in instalments.

Where contracts are supervised and managed by persons other than officers of the Authority, the agreements with the person(s) shall provide that they furnish to the governing body, for inspection by authorised personnel, vouchers and documents relating to prime cost, provisional sums and any other documents that may reasonably be required.

## **1.8 Claims**

The governing body should seek legal advice for claims by contractors in respect of matters not clearly within the terms of any existing contracts.

## **1.9 Capital implications**

The school must not enter into any financial agreement with capital implications without the approval of the Authority or appropriate body.

Any agreement with capital implications should be linked to the Asset Management Plan.

## **1.10 Orders**

Official orders directly from the school's accounting system in normal circumstances should be used for all goods and services except utilities, rents, rates and petty cash payments.

Orders must state an exact description of the goods, the price to be paid, any discounts applicable and the timescales for delivery (if relevant).

Orders should be used only for goods and services provided to the school. Individuals must not use official orders to obtain goods or services for their private use.

Payment of examination fees or goods, works or services of a proprietary/specialist nature may be processed by schools, but schools should notify the governing body.

All orders must be signed by a member of staff authorised by the governing body and the school should maintain a list of all such staff in the scheme of delegation.

## **1.11 Receipt of goods**

The signatory of the order should be satisfied that the goods or services ordered are appropriate and needed, there is adequate budgetary provision and quotations or tenders have been obtained where necessary.

Orders will be generated through the school's accounting system to show that expenditure has been committed against the budget.

The school should check goods and services on receipt to ensure they match the order, and mark off accordingly. This should not be done by the person who signed the order.

### **1.12 Payment on proper invoices**

Payment should be made within time limits specified in law for the payment of debts and only when an official invoice has been received, checked, coded and certified for payment against an authorised Purchase Order.

It is good practice before payment to ensure that all invoices are stamped with a payment authorising stamp. The person who receives the goods should act as the 'certifying officer' and sign in the stamp to confirm that:

- The goods supplied, work done, or services rendered have been satisfactorily carried out and in compliance with the order.
- The charges are correct and in accordance with quotations or contracts.
- All appropriate discounts have been claimed.
- The proper entries have been made in the inventories or stores records.
- The order and the delivery note are attached to the invoice.
- Any VAT recoverable on the payment has been identified and expenditure coded accordingly.
- Payment must not be made on proforma invoices. Only original invoices must be certified for payment.

### **1.13 Approval of invoices for payment**

It is good practice for a member of staff approved by the governing body to authorise invoices for payment. This should be neither the person who signed the order nor the person who checked the receipt of goods or services. However, it is recognised

that this may not be always practicable, e.g., in very small primary schools or nurseries, it may be difficult to have this degree of separation of duties.

The authorising officer then authorises the invoice for payment by signing in the stamp to confirm that:

- the invoice has been correctly certified and coded;
- the invoice has not previously been paid. Only authorise originals, not fax copies, photocopies or pro-forma invoices; and
- the expenditure is covered by an approved revenue budget provision.

All paid invoices should have the relevant expenditure code, cheque number and the word 'Paid'. All paid invoices should be securely stored and filed in the order which they were paid.

Under no circumstances should payment be made against statements or delivery notes. Where an invoice has been lost or mislaid a duplicate invoice should be sought, clearly marked as such and signed by the authorised person in the company and checked before certification and payment.

Payments in advance of delivery should not be made under normal circumstances. In exceptional circumstances, where the supplier insists upon payment in advance, e.g., course fees, hotel accommodation, the supplier must provide a pro-forma invoice and a receipt must be obtained when payment is received. The recipient of the goods/services should later provide proof that the payment has been made.

If a school intends to reclaim VAT from purchases made on a proforma invoice then they must ensure that a proper VAT invoice is issued once the goods have been delivered. Failure to do this may result in the VAT having to be refunded to Her Majesty's Revenue & Customs (HMRC).

Invoices should not be returned with the ~~cheque payment~~, as they must be retained at the school (stored in files which should be clearly separated by the month in which they were paid) for inspection by Audit.

Any queries relating to ~~cheques payments~~ and statements should be raised with the bank.

#### 1.14 Certification of invoices for payment

Is this paragraph required? LA doesn't make payments for any schools The school should maintain a list of staff authorised to certify invoices for payment. Where the payments are made by the Authority on behalf of the school, the names of authorised staff, together with specimen signatures, should be forwarded to the Authority.is

# SECTION F: FINANCIAL CONTROL

## 1.1 Introduction

It is important that financial systems are robust in order to ensure that information derived from the system can be relied upon for decision making and reporting. By building internal financial controls into systems, schools should be confident that transactions will be properly processed and that any errors or fraud will be detected quickly.

### Examples of internal controls are:

- internal checks - one person checking another person's work;
- separation of duties - distributing the work so that key tasks are assigned to separate members of staff;
- systems manuals - clear, readable descriptions of how systems work and who does what;
- a system of authorisations - each transaction is authorised before passing on to the next stage of the process; and
- a clear audit trail covering all stages of a transaction, for example from copy order to invoice, to accounts, to payment, and in reverse.

It is the responsibility of the headteacher and governing body to ensure sufficient financial controls are in place and those controls are sufficiently robust and effective.

## 1.2 Local written policies

All schools should have a written finance policy, which should be reviewed annually by the headteacher and governing body.

The headteacher and governing body should ensure that the school has written descriptions of all its financial systems and procedures. These should be kept up to

date and all appropriate staff should be trained in their use. Documenting procedures is particularly useful when staff are absent for any reason or length of time. It will also highlight any problems with separation of duties and assist in job design or creation of job descriptions.

### **1.3 Financial control when staff are absent**

The headteacher should ensure that financial control is maintained in the absence of key personnel through staff training or by arranging job shadowing.

### **1.4 Separation of duties**

The separation of duties is a cornerstone of good financial management. The headteacher should ensure that duties related to financial administration are distributed so that at least two people are involved. The work of one should act as a check on the work of the other and all checks should be fully documented.

### **1.5 Audit trail of transactions**

All financial transactions must have a clear audit trail running from the original documentation, its appearance on the school's accounting system, and vice versa. It is likely that this will be tested through the Authority's external audit procedures.

Any alterations to original documents such as cheques, invoices and orders should be clearly made in ink and initialled by people authorised to do so.

All accounting records should be securely retained when not in use and only authorised staff should be permitted access.

### **1.6 Earmarked funding**

The headteacher should ensure that all expenditure from sources of earmarked funding is clearly identified, accounted for and used for its intended purpose.

### **1.7 Maintaining accounting records**

All documents relating to financial transactions must be retained by the school for a period of six years, unless otherwise directed by the ~~Director of~~Head of Finance Children's Services ~~Finance~~.

# SECTION G: INCOME

## 1.1 Introduction

The governing body should establish a charging policy for the supply of goods or services. This policy should be reviewed annually by the full governing body and shall take account of any advice from ~~the Director of~~ the Head of Finance Children's Services ~~Finance~~.

Governors must ensure that the school's budget share does not in any direct or indirect way, subsidise community activities or use, but equally should ensure that policies and charges encourage the provision of varied sessions for the benefit of the school community.

Governors should also decide on the level of profits (if any) desired and the suitability of charges in relation to other providers.

## 1.2 Maintaining records of income

The headteacher is responsible for maintaining proper records for the collection, recording and recovering of all income due to the school. This will include:

- collection of all income due to the school for services provided by the school;
- the safe custody of all income;
- effective systems for the recovery of income due to the schools;
- performance management systems to monitor the recovery of income; and
- maintaining all records relating to income collection and debt write-off.

## 1.3 Collection of income

Wherever possible, income should be collected prior to, or at the point of the delivery of the service. Headteachers must ensure the appropriate rate of VAT is charged where necessary. Further advice on VAT issues can be obtained from the Authority on request.

All lettings must be authorised by the headteacher or other person(s) identified by the governing body within a framework determined by the governing body and should be recorded in a diary or register.

The responsibility for identifying sums due to the school should be separate from the responsibility for collecting and banking such sums.

Where invoices are required, they should be raised as soon as it is practicable.

The school should always maintain other formal documentation for all income collected. Receipts should be securely stored in an auditable manner.

#### **1.4 Storing of cash and cheques**

Cash and cheques received should be stored securely, as soon as they are received, until they can be banked, preferably on the day they are received, or as soon as is practicable to do so. Access to the secure storage facility should be only be accessible by selected members of staff who have delegated authority from the Headteacher to administer and access the facility.

Schools should give due regard to the safety and security of staff who may be banking large sums of cash on behalf of the school and make appropriate arrangements.

Collections should be paid into the appropriate bank account promptly and in full. Bank paying-in slips must show clearly the split between cash and cheques, with each cheque listed individually.

Income collections should not be used for the encashment of personal cheques or for any other payments.

#### **1.5 Reconciliation**

The designated officer should reconcile monthly the sums collected with the sums deposited at the bank. Any major discrepancies in income collected against income banked must be immediately investigated and notified to the Authority's Schools Finance Team or ~~Director of~~Head of Finance Children's Services ~~Finance~~.

The school should have documented procedures for following up invoices outstanding for more than 30 days. Debts should be written off only in accordance with Authority's Scheme for Financing Schools.

The designated officer should ensure that any machines taking money are emptied regularly and the cash is counted by at least two people.

The designated officer should ensure that transfers of school money between staff are recorded and signed for (e.g. payment of petty cash).

# SECTION H: BANKING

## 1.1 Introduction

Headteachers must ensure that adequate security arrangements exist for the holding of cash including controlling access to safes and other receptacles. Cash holdings should be kept to a minimum at all times.

The Headteacher should maintain bank accounts that they, in consultation with the ~~Director of~~Head of Finance Children's Services ~~Finance~~, considers necessary for the efficient operation of the school's finances.

Headteachers should seek to ensure they close dormant bank accounts and accounts that are no longer in use as part of their responsibilities to ensure they have good financial controls.

## 1.2 Authorised signatories

Headteachers are responsible for approving the authorised signatories to all bank accounts within their school and ensuring there are sufficient signatories to carry on the financial affairs of the school at all times.

The ~~Director~~Head of Finance Children's Services ~~Finance~~ must be added as a signatory on school bank accounts.

### Payment options available

- BACS – the facility exists for schools to use BACS to pay employees and this has been extended to allow schools to pay all suppliers who are able to receive payments by this method.
- Cheques – this facility is still available but many suppliers do not accept cheques and require electronic payments
- Standing orders
- Direct debits
- Purchase cards – not yet available to schools but scheme is being developed with Corporate Finance and the Nat West Bank.

### 1.3 Bank statements

The school should make arrangements with the bank to provide statements for their account to aid in the reconciliation of accounts. This will allow discrepancies to be quickly identified, investigated and resolved. Major discrepancies between the bank statements and accounting records, where fraud is suspected, should be reported immediately to the Schools Finance Team or the ~~Director of~~ Head of Finance Children's Services ~~Finance~~.

Schools should undertake a monthly bank reconciliation as a part of their routine financial management.

It is good practice for staff responsible for undertaking bank reconciliations not to be responsible for the processing of receipts or payments.

Personal and private bank accounts of members of staff, must not be used for any payment or receipt related to the school's budget.

All cheques must bear the signatures of signatories approved by the governing body.

In these cases, the cheque, together with the supporting documentation, must be submitted to the Director of Children's Services Finance for clearance.

An authorised signatory should never sign a cheque when:

- the cheque is made payable to him/herself, or
- the cheque is not completed correctly. The date, payee, amount in words and amount in figures must be completed.

In addition, a cheque must never be amended by anybody other than the original provider of the cheque.

All cheques drawn on the account(s) must be crossed with account payee only to avoid improper negotiation of the cheques.

Cheques should be produced directly from the school's accounting system where this feature exists.

Cheques must never be pre-signed.

## **1.4 Debt facilities**

Schools should not go overdrawn or negotiate overdraft facilities with their banking provider. Imprest and petty cash accounts must also not be overdrawn at any time. Headteachers must ensure that the school bank account(s) remain in credit and discuss any cash flow issues with the Authority.

The school should not enter into any loan agreements without the prior written approval of the ~~Director of~~ Head of Finance Children's Services ~~Finance~~.

## **1.5 Cancelling cheques**

When cancelling a cheque, schools should draw lines and write "CANCELLED" in between them, in red ink, on the cheque and cheque stub.

The cheque should then be stapled to the cheque stub. Printed cheques which are cancelled should be retained and kept securely.

## **1.6 Maintaining a list of accounts**

The headteacher should maintain a list of all bank and building society accounts held and the mandates for each account. It is recommended that the headteacher and two other members of the Senior Management Team are signatories to each account.

## **1.7 Bank mandates**

To delete or add signatories, schools must complete a mandate together with an authorised signatory form and send it to Schools Finance Team who will inform the bank.

Schools must delete authorised signatories as soon as employment is terminated. In the case of long-term sickness (over three months), the person must be suspended from or removed from the mandate until they are able to return to work.

## **1.8 Standing Orders**

Documentation for school use of any standing orders set up must be signed by the finance officer in the school, authorised by the headteacher and kept as a record. A list of any new standing orders must be circulated at the next finance committee meeting of the governing body and a full list circulated to the committee on an annual basis at the start of the financial year. It should be noted in any minutes that this has been circulated.

### **1.9 Direct Debits**

As with standing orders, documentation for school use of any direct debits set up must be signed by the finance officer in the school, authorised by the headteacher and kept as a record. A list of any new direct debits must be circulated at the next finance committee meeting of the governing body and a full list circulated to the committee on an annual basis at the start of the financial year. It should be noted in any minutes that this has been circulated.

### **1.10 Credit cards**

Schools are explicitly barred from using credit cards, which are regarded as borrowing. However, schools may obtain an electronic Purchasing Card (ePC).

# SECTION I: PAYROLL

## 1.1 Introduction

The governing body should establish procedures for the administration of personnel activities, including appointments, terminations and promotions. At least one person on each interview panel should have completed the Safer Recruitment Training Course.

The headteacher should ensure that, where practicable, the duties of authorising appointments, making changes to individuals' conditions or terminating the employment of staff are separated from the duties of processing claims.

The headteacher should ensure that at least two people wherever possible are involved in the processes of completing, checking and authorising all documents and claims relating to appointments, terminations of employment and expenses.

Where the payroll is administered by the Authority, the school should send in the names and specimen signatures of certifying officers.

The headteacher should ensure that only authorised staff have access to personnel files and that arrangements for staff to gain access to their own records are in place.

Payroll transactions must be processed only through the payroll provider and not using any kind of direct payment facility available to the school.

## 1.2 Tax

The Authority is liable to declare to HMRC all payments made to individuals for tax reasons.

When HMRC discover irregularities they will seek to recover the appropriate portion of tax from the Authority. Any such payments will be recovered from the school's delegated budget.

## 1.3 Staff records

The school should maintain a list of staff employed. School procedures should ensure that this list is updated promptly to reflect new starters, leavers and absences.

The headteacher should obtain regular reports on payroll transactions and check them against the school's documentation on staffing and pay to ensure they reconcile.

#### **1.4 Overtime**

Overtime forms must be completed by school staff and authorised by the headteacher before submitting to payroll, where this facility is available to schools.

Schools should give regard to their policy on overtime, including the approval process and any cap on the amount of overtime that can be claimed by an individual.

#### **1.5 Invoices from suppliers**

If an invoice is submitted from a company, it is the school's responsibility to check that the company is legitimate and the services were delivered. Generally, if the company is registered with Companies House and where relevant, registered for VAT.

#### **1.6 Provision of reports to the Authority**

Schools should provide the Authority with such information as it may require to oblige with its obligations for both staff payroll information, including pensions data.

## **SECTION J: PETTY CASH**

### **1.1 Introduction**

The governing body should set out in writing an appropriate level for the amount of petty cash to be held. This amount should represent a balance between convenience and the risk of holding cash on the premises.

### **1.2 Security of petty cash**

The headteacher should ensure that the petty cash fund is held securely and that only authorised staff have access to it.

### **1.3 Proper use of petty cash**

Payments from the petty cash fund should be limited to minor items which have been approved in advance by an authorised member of staff.

### **1.4 Maintaining the accounting record**

All expenditure from the fund must be supported by receipts, identifying any VAT paid. It must be signed for by the recipient and countersigned by an authorised member of staff.

Proper records should be kept of amounts paid into and taken out of the fund.

Receipts/Invoices presented for reimbursement must not include any personal items.

Reimbursement of petty cash claims can only be made after the claimant has completed a petty cash form with appropriate receipts attached and the claim authorised by the relevant officer.

### **1.5 Reconciliation of petty cash account**

A petty cash facility is one in which funds are delegated from the school's dedicated bank account that is replenished to keep the cash balance at a constant level.

If the school has a petty cash facility, monthly reconciliations should be carried out between the petty cash accounting records and the cash balance and reviewed by a different member of staff (to ensure segregation of duties) for verification that the funds have been used in accordance with these procedures.

# **SECTION K: TAX**

## **1.1 Introduction**

The headteacher and Governing Body are responsible for ensuring that the school complies with all VAT and other tax regulations.

VAT is a very specialist area and the importance of correctly accounting for VAT cannot be emphasised too highly. It is the responsibility of the headteacher to ensure that all relevant staff be made aware of the importance of the correct treatment of VAT and to take advice when necessary. Penalties may be imposed on the Authority if it submits incorrect VAT returns. Any penalties resulting from incorrect declarations from a school will be charged to the school.

## **1.2 VAT submissions**

It is the responsibility of the Section 151 Officer to make arrangements for the completion of all VAT returns to HMRC. Headteachers must submit both a VAT statement and VAT report, signed by the headteacher, to the Authority's VAT officer.

The VAT officer will incorporate the school's input and output VAT into the Authority's VAT return. These submissions are to be in a format prescribed by the Director of Children's Services Finance and must be submitted within specified timescales to ensure the timely payment of any reimbursements.

Schools must ensure that all VAT is coded correctly on the school's financial management system.

## **1.3 Payment on VAT invoices**

VAT should only be claimed against a proper VAT invoice, as the school will not be reimbursed in the absence of such documentation.

A proper VAT invoice is the only basis on which VAT can be reclaimed. It contains the

following elements:

- the supplier's name, address and VAT registration number
- the date goods/services were supplied
- the name and address of the school
- the goods or services supplied
- amount payable excluding VAT
- amount of VAT

#### **1.4 VAT on business activities**

VAT on business activities, school trips and other taxable activities should be appropriately accounted for, both within the delegated budget and in voluntary funds.

VAT payable on income received by the school will depend on the nature of the income.

#### **1.5 Construction Industry Scheme**

The tax implications of payments to sub-contractors employed by the school for work of a construction nature are subject to special verification and reporting.

In the case of self-employed contractors and consultants, schools should take care in verifying the self-employed status of the contractor before agreeing to engage them and paying them gross. Schools should note that they may be liable for any tax and NI if they have been found to have paid someone who doesn't satisfy the HMRC conditions for self-employment.

In the case of contractors who are registered under the Construction Industry Scheme (CIS), the school should check with HMRC that the person is registered under the scheme and the percentage of tax to be deducted. The headteacher must submit monthly returns to the Chief Finance Officer providing details of payments made for construction operations under CIS. Please note the school will be exempt from operating a Construction industry Scheme if the labour cost of the construction scheme is £1,000 or less.



# **SECTION L: VOLUNTARY FUNDS**

## **1.1 Introduction**

Voluntary funds can provide schools with an additional source of income away from their delegated budget.

Although such funds are not public money, the regulation of these funds should be as stringent as the provisions made for public funds, as set out in the Scheme for Finance and these Procedures.

## **1.2 Separate accounting from the school's delegated budget**

The headteacher should ensure that voluntary funds are accounted for separately from the school's delegated budget and are held in a separate bank account(s). This is extremely important to note as the funds must be treated as separate from the schools delegated budget.

This means that all income and expenditure which is to be paid from the voluntary funds, must be made from the bank account in which the funds are held and accounted for in the accounts related to the voluntary fund.

Funding of activities, which are to be borne from the voluntary fund should under no circumstances be paid for from the school's budget and then later reimbursed from the voluntary fund. This creates ambiguity in the audit trail of income and expenditure.

## **1.3 Independent audit**

The school must commission an accountant's or an independent examiner's report on all voluntary funds for the scrutiny and approval by the governing body.

The headteacher should ensure that the audited accounts are copied promptly to the Director of Children's Services Finance after the governing body has accepted them.

## **1.4 Accounting and year end**

The headteacher should ensure that the same standards of financial accounting which apply to income and expenditure for the school's delegated budget are applied to the voluntary funds.

At the end of the accounting year the headteacher is responsible for ensuring that an annual statement of account is prepared. This should be signed by the chair of governors and the headteacher. A copy must be sent to the Schools Finance team as part of their year end submission of their accounts for the school's delegated budget.

### **1.5 Receipt of donations and income**

Receipts should be issued for any donations or income entering voluntary funds.

### **1.6 Reconciliation**

The headteacher should ensure that regular reconciliations between the accounting records and bank statements are undertaken. It is good practice for this to be undertaken on the same basis as the reconciliation of the school's main bank account.

### **1.7 Insurance cover for voluntary funds**

The governing body should ensure that voluntary funds are covered by adequate insurance arrangements, including fidelity guarantee (employee dishonesty) insurance.

### **1.8 Registering with the Charities Commission**

The governing body should ensure that relevant voluntary funds are registered with the Charity Commission, if income or expenditure related to the fund exceeds £1,000 per annum.

Further details can be found on:

<https://www.gov.uk/government/organisations/charity-commission>

# SECTION M: ASSETS

## 1.1 Introduction

Schools will typically have a range of assets from small moveable items to larger fixed assets. As all school assets that have been purchased with public funds, effectively public assets, it is important that these assets need to be kept securely and recorded in an asset register.

Headteachers should make the necessary arrangements to identify such items as school property, to record where they are located and ensure that there is adequate insurance in place.

## 1.2 Assets Register

Every school should have an Assets Register that sets out the:

- assets the schools owns;
- the type of asset (leased or not leased)
- location;
- quantity (if more than one);
- value; and
- date of purchase.

An up to date register should be maintained for all items of equipment (non-capital assets) valued at £10,000 or over. Such items should be identified as school property with a security marking.

The governing body should determine for items worth less than £10,000, how they are to be recorded. Items which are not readily portable or cannot easily be re-sold need not be recorded.

### **1.3 Asset Management Plan**

Alongside the Assets Register, schools should create an Asset Management Plan (AMP). The purpose of the AMP is to:

- provide a statement of identified need for building and maintenance works for each of the school's buildings and grounds;
- to ensure the school is compliant with its health and safety obligations to ensure all users of the site are safe;
- to support the delivery and development of the curriculum in line with the objectives within the School Development Plan.
- provide a basis for prioritisation of funding between assets that is fair and transparent;
- help the headteacher and governing body prioritise the allocation of funding for the maintenance of assets;
- form part of the business case for bids for capital funding;
- assist with long term site planning; and
- ensure best value in the use of resources.

Headteachers and governing bodies should have a clear view of how they wish to use their premises resources and will therefore need a plan for the use, maintenance and development of their buildings.

### **1.4 Inventories**

The headteacher should arrange for inventories to be checked at least once a year against physical items once a year. All material discrepancies should be investigated and reported to the governing body.

### **1.5 Procedures for property taken off site**

Whenever school property, for example musical instruments or computers, is taken off the school site, a record should be kept detailing the equipment on loan and include the signature of the employee/pupil responsible.

## **1.6 Disposal of assets**

All papers relating to a disposal should be recorded in a disposal file, stating the reason for it and any other relevant information. It should be held in a secure place and available for inspection for a period of six years after the disposal.

The disposal file should include at least:

- the headteacher's written record declaring the asset is surplus to requirements and instructions to the person appointed as responsible for the disposal;
- the advertisement;
- offers made; and
- receipts

The headteacher must ensure that a member of school staff who determines that an asset is surplus to requirements, or is involved in the disposal, must never attempt to purchase it or take it for him/herself.

The headteacher must appoint a single person responsible for disposal whose name will be clearly stated in the disposal file. He or she should be instructed in writing on the disposal and will be accountable to the headteacher and the governing body for ensuring that disposal is for the best price reasonably obtainable.

Disposal of surplus stock and equipment should be made within the following guidelines (using the appropriate form where applicable):

In order to achieve the best price available all assets for disposal with a value exceeding £500 must be subject to an individual valuation and disposed of by way of competitive bids, auction, or both.

Where the estimated value of the asset is less than £500, an independent valuation alone will be acceptable provided the person making the valuation is qualified to do so.

Disposal of individual assets below £5,000 can be authorised in writing by the headteacher. For amounts over £5,000 additional authorisation should be obtained from the Director of Children's Services Finance.

An independent valuation of the asset must be obtained for assets with an estimated value of over £5,000. For individual assets with a value of £5,000 or above, at least three written quotations or tenders must be obtained.

Prior written authorisation from the governing body must be obtained for any proposed disposal under this procedure is to a current or former member of staff or external organisation which receives monies from the Authority. Any such proposal will only be considered if it is a response to a widely published advert, e.g. a Newsletter or Website.

It is important to take account of the VAT status of the original purchase because if VAT was included in the purchase, it follows that income received from its disposal will include a VAT liability that will need to be included in the next VAT return.

## **1.7 Write offs**

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 the Scheme for Finance 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.

Where a headteacher feels that they should write-off a bad debt above the value of £2,000, advice must be sought from the Director of Children's Services Finance and approval obtained from the governing body where appropriate.

Following approval to write-off debt, headteachers must ensure that the appropriate accounting and budget adjustments are made and that the decision is recorded by the governing body in the form of the minutes of the meeting.

### **1.8 Security**

Safes and similar deposits should be kept locked, the keys removed and held in a different and secure location.

Key holders should normally carry keys on their person and keys should not be left in the vicinity of the secure area. The loss of any keys should be reported immediately.

# **SECTION N: INSURANCE**

## **1.1 Introduction**

The school in conjunction with the Authority, where appropriate, should review all risks annually, to ensure that the sums insured are commensurate with any potential risk. Schools choosing to insure with the Authority's framework will be covered by the Authority's insurance. The Authority will determine minimum levels of cover for each category.

## **1.2 Additional insurance cover**

The governing body should consider whether or not to insure risks not covered by the Authority, voluntary body or foundation. The cost of such premiums should be met from the school's delegated budget.

The school should notify its insurers and the Authority, as appropriate, of all new risks, property, equipment and vehicles which require insurance, or of any other alteration affecting existing insurance.

## **1.3 Indemnities to third parties**

The school must not give any indemnity to a third party without the written consent of its insurers and the Authority.

The school should immediately inform its insurers and the Authority of all accidents, losses and other incidents that may give rise to an insurance claim. Schools should never directly negotiate or make settlements with a third party in relation to an insurance claim.

## **1.4 Annual review of risks**

The school should review all risks annually, in conjunction with the Director of Children's Services Finance where appropriate, to ensure that the sums insured are commensurate with the risks.

### **1.5 Insurance of property taken off site**

Insurance arrangements should cover the use of school property such as musical instruments or computers when off the premises.

# SECTION O: DATA SECURITY

## 1.1 Introduction

The Data Protection Act controls personal information is used by organisations, businesses or the government.

Everyone responsible for using data has to follow strict rules called 'data protection principles'. They must make sure the information is:

- used fairly and lawfully
- used for limited, specifically stated purposes
- used in a way that is adequate, relevant and not excessive
- accurate
- kept for no longer than is absolutely necessary
- handled according to people's data protection rights
- kept safe and secure
- not transferred outside the European Economic Area without adequate protection

## 1.2 Security

Computer systems used for school management should be protected by password security to ensure that only authorised staff has access to them. Passwords should be changed regularly and updated to reflect staff changes.

The headteacher should ensure that systems are in place to safeguard school software and data against computer viruses. To prevent viruses being imported, only authorised software should be used.

The headteacher should notify all staff with access to systems that they should not be left unattended when they are logged in. Steps should be taken when transporting confidential information that it is encrypted where possible to prevent it being accessed by any unauthorised person(s).

### **1.3 Back-up procedures**

The headteacher should ensure that data is backed up regularly and that all back-ups are securely held in a fireproof location, preferably off-site.

### **1.4 Business continuity and emergency planning**

The headteacher and governing body should establish a business continuity and recovery plan to ensure continuity of the functions of the school in case of emergency.

The Business Continuity and Emergency plan should be reviewed annually by the governing body or a sub-committee.

### **1.5 Data Protection Act 1998**

The governing body should ensure that the Data Protection Commissioner is notified, in accordance with the Data Protection Act 1998, of the school's use of any electronic or relevant manual systems to record or process personal information and that any disclosure of that information complies with legislation.

# **SECTION P: AUDIT**

## **1.1 Introduction**

The Director of Children's Service Finance and any other officer to whom they has delegated authority to shall have access at any reasonable time to all educational premises. Such persons shall have the authority to apply any test or make any checks they deem necessary to the accounts, cash, securities, or any other property or records (including those electronically stored) which relate in any way to the governance and financial management of the school.

The Chair of Governors must:

- consider and ensure head teachers and other school staff respond promptly to recommendations in both internal and external audit reports;
- ensure that agreed actions arising from the audit recommendations are carried out in a timely and efficient manner;
- report to the governing body the reasons for any failure by head teachers, other school staff or governors to implement those audit recommendations.

## **1.2 Audit recommendations**

Head teachers shall ensure that the Director of Children's Service Finance or their representatives are provided with appropriate facilities to enable an audit to be carried out. Governors and school employees are required to provide such explanations as the Director of Children's Service Finance considers necessary.

## **1.3 Reporting of irregularities**

Whenever any matter arises which may point to irregularity, fraud or corruption in respect of any financial, stores or accounting transactions within any educational establishment, it shall be the duty of the governors and the headteacher to notify the Director of Children's Services Finance immediately.

## **1.4 Audit procedures**

The Director of Children's Services Finance shall issue such guidelines on financial procedures and practices as they deem necessary to satisfy themselves that proper arrangements are being made to secure economy, efficiency and effectiveness in the use of Authority's resources.

All governing bodies are required to make available such financial and governance information and returns as the Director of Children's Service Finance, their nominees, and the Authority's external auditors require. This includes information appropriate for HMRC returns.

The accounting procedures adopted by the Authority reflect recommended professional practice. Departure from recommended practice must be declared and must be acceptable to the Director of Children's Service Finance and the Authority's auditors.

## **1.5 Record keeping**

The school must retain all documents relating to financial transactions for a period of six years.

## **1.6 Consistent Financial Reporting**

Under Consistent Financial Reporting governing bodies have a strategic role in planning the school's direction and monitoring its performance. This is achieved by ensuring that the internal audit arrangements commissioned by the governing body provide sufficient evidence and assurance that the internal controls are adequate and operating correctly.

## **1.7 Chartered Institute of Public Finance and Accounting**

The internal audit must be conducted in accordance with the Chartered Institute of Public Finance and Accounting (CIPFA) Code of Practice for Internal Audit in Local Government. The auditor is responsible for presenting a report to the governing body at the end of each audit. Normally an audit of the school is carried out once every three years.

# SECTION Q: CAPITAL

## 1.1 Introduction

Schools receive a capital funding allocation each year to meet the costs of capital expenditure on school premises. The funding is based on an allocation for each pupil in school at the January census, plus a fixed allocation given to all schools irrespective of the number of pupils or the type of school.

For voluntary-aided schools capital funding is received via the local diocese. For maintained schools it is received via the Authority. In each case the basis for the allocation is the same.

## 1.2 Capital accounting

Schools are required to account for capital expenditure and income separately to their revenue expenditure and income.

## 1.33 Devolved Formula Capital

In general, Devolved Formula Capital (DFC) is expected to be used within three years. However, The Department for Education does not expect to recover DFC from local authorities or diocesan boards and DFC can be saved up for a longer period for specific, earmarked projects.

[The DFC can be used for capital spend only, over and above the revenue maintenance which schools must cover from their revenue budgets.](#)

## 1.44 Spending from budget share on capital works

[Schools are able to use their revenue budget share to meet the cost of capital expenditure on school premises. However, s](#)

Schools are 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- [and a](#)

Any spending on capital works which has an impact on Authority premises requires the authority of [Director-Head](#) of Children's Services Finance. [The Authority can only deny these works on Health & Safety grounds. The reason for seeking the Authority's approval is to meet responsibilities within the School Premises \(England\) Regulations 2012, the Workplace \(Health, Safety and Welfare\) Regulations 1992, the Regulatory Reform \(Fire Safety\) Order 2005, the Equality Act 2010, and the Building Regulations 2010.](#)

[The provisions above don't apply to expenditure made available by the Authority to schools for capital works outside of their delegated revenue and Devolved Formula Capital budget shares.](#)

## Appendix A – Model Terms of Reference

### COMMITTEE STRUCTURE, TERMS OF REFERENCE AND SCHEME OF DELEGATION

**School Name:**

**Date:**

**ADOPTED ON DATE:** .....

**SIGNED:** ..... *Chair of Governing Body*

### **The role of the governing body and its committees**

In accordance with education legislation set out in the Education (School Government) (Terms of Reference) Regulations 2000, the School Governance (Procedures) Regulations, 2003, the School Governance (Constitution) (England) Regulations 2007 and the School Governance (Constitution) (England) Regulations 2012 this governing body and its committees will:

- act, at all times, with integrity, objectivity and honesty in the best interests of the school; and
- be open about their decisions and actions to all parties with a legitimate interest in the school (staff, pupils, parents, etc.).

### **The Governing Body and its Committees will act strategically by:**

- setting the aims and objectives for the school
- setting policies for achieving those aims and objectives
- setting targets by which progress towards those aims and objectives can be measured
- reviewing and monitoring progress in achieving the aims and objectives.

In all of the above, the governing body and its committees will act in accordance with education law and will consider any advice given by the headteacher.

The governing body and its committees will act as a "critical friend" to the headteacher - offering support, advice, a second opinion and help, and also challenging, asking questions and offering constructive criticism when necessary.

### **The Role of the Headteacher**

The headteacher is a governor of the school and is a governor member of all those committees as specified in this document. Where the headteacher is not a member of the committee, he/she is entitled to attend every governing body committee meeting unless the regulations state otherwise.

The headteacher, as the principal manager for the school, is responsible for the internal organisation, management and control of the school; for advising the other governors; and for implementing the strategic framework.

Incorporated in the role of advising the governing body are:

- formulating aims and objectives for the school, for adoption, modification or rejection by the governing body
- formulating policies and targets for the governing body to consider adopting
- reporting to the governing body on progress, at least once per year.

### **Delegation of the Governing Body's Functions**

Decisions about delegation have been taken by the full governing body, and that delegation has been considered in the light of:

- the requirement for the governing body to fulfil a largely strategic function within the school
- the responsibility of the headteacher for the internal organisation, management and control of the school
- the requirement for the headteacher to comply with any reasonable direction of the governing body in carrying out a function delegated by the governing body.

## **The Governing Body Committee Structure and Terms of Reference**

The individual committees are responsible for the functions which have been delegated to them by the full governing body. They operate under their own terms of reference and in compliance with existing legislation, including the Education (School Government) (Terms of Reference) Regulations 2000 and the School Governance (Procedures) Regulations 2003 and the School Governance (Constitution) (England) Regulations 2007 & 2012. These policies and other documents that governing bodies are required to have by law have been highlighted in bold throughout this document.

The governing body will review the establishment, terms of reference, constitution and membership of committees at least once a year.

## General committee structure

Governing bodies may choose to set up their committees in whichever way they agree will be most appropriate to their school, taking separate areas of responsibility under separate committees, or combining several areas under one committee.

The Authority recommends the following committees are set up at a minimum:

- Finance;
- Staffing and Performance Management;
- Achievement and Standards;
- Premises & Health and Safety.

## Terms of Reference for all committees

**Membership:** A minimum of three governors. Additional people can be appointed and given voting rights (associate members), but must not out-number the governor members on the committee.

**Quorum:** not less than three governors.

**Frequency:** Meetings of the committees will be held at least once per term.

**Procedures:** the committee shall follow the procedures required by the School Governance (Procedures) Regulations 2003 and the School Governance (Constitution) (England) 2007 & 2012.

Chair's responsibilities:	Clerk's responsibilities
To chair meetings.	To convene meetings.
To set agenda, with reference to the committee's terms of reference, and including matters referred by the governing body and the headteacher	To send agendas to members at least seven clear days in advance (except when matters require urgent attention, as determined by the chair of the committee).
To sign the meetings of the last meeting, when approved by the committee.	To draw up minutes of the meeting. To keep on file signed copies of the minutes.

The responsibilities of the chair and the clerk must not be carried out by the same person on any committee.

### **General responsibilities**

- **To act strategically**, in accordance with the School Government Terms of Reference Regulations 2000.
- **To provide** regular written minutes of meetings to the governing body, identifying decisions taken or action required, and to keep a signed copy of all minutes at the school, available for inspection on request.
- **To establish** a list of policies coming within the area of responsibility of the committee and monitor, evaluate and review them regularly.
- **To review** the effectiveness of the committee and recommend variations to the terms of reference.

## Finance Committee

### Delegated responsibilities

- Plan, and prepare the School Budget Plan, in line with the priorities identified in the School Development Plan (SDP), or Post Ofsted Action Plan, and present to the governing body for approval.
- Monitor the budget at least once per term and ensure expenditure stays within agreed limits, reporting significant potential variances to the Governing Body.
- Identify and approve the allocation of any surplus funds in line with SDP priorities.
- Monitor compliance with approved financial procedure and consider action required as a result of internal/external audit report.
- Ensure that an audit of the voluntary school fund is carried out annually.
- Monitor and ensure the implementation of the **Charging Policy** and remissions for non-National Curriculum school activities and review if necessary.
- Monitor and ensure implementation of the **Governors' Allowances Scheme** if the governing body has decided to pay allowances.
- Draft the **School Pay Policy** and present it to the governing body for approval.
- Review and monitor the implementation of the **School Pay Policy**.
- Observe all statutory and contractual obligations.
- Review the salaries and any discretionary allowances of the headteacher, deputy headteacher and other staff in line with the performance reviews and the **School Pay Policy**.
- Consider any pay assessment appeals, in accordance with the **School Pay Policy**.
- Monitor and review relevant aspects of the **Race Equality Policy**.

### Scheme of delegation to the headteacher

- To authorise expenditure, in line with the school's financial policy, within the agreed budget plan.
- To approve any urgent/emergency expenditure not identified in the agreed budget plan to a limit of **\*£10,000 per term** in consultation with the chair of the finance committee and to report said expenditure to the committee.
- For any urgent/emergency expenditure **over \*£10,000** the headteacher must have prior approval from the finance committee.
- For any urgent/emergency expenditure **over \*£25,000** the headteacher must have prior approval from the full governing body.
- To adjust the budget plan (process virements), across budget headings including the allocation of contingency funds, in line with the school development plan, subject to the following limits:
  - **up to \*£10,000**; in consultation with the Headteacher
  - **over \*£10,000** in consultation with the chair of finance;
  - **Over \*£15,000** in consultation with the finance committee;
  - **Over \*£25,000** in consultation with the full governing body.
- **N.B These amounts** are suggested levels of delegation only – governing bodies may fix higher or lower limits.

### **Pay assessment**

Chair of Committee in consultation with the headteacher:

- To undertake pay assessments and issue salary statements in accordance with the Whole School Pay Policy, including:
  - new appointments;
  - recommending the award of additional points, allowances or other financial support benefits or payments;
  - correcting factual errors in the assessment.

## **Staffing and Performance Management committee**

### **Delegated responsibilities**

- Draft and recommend the staffing structure of the school, in line with the SDP and any changes in the National Agreement.
- Undertake the recruitment and selection of the headteacher and deputy headteacher.
- Ensure that all recruitment will be undertaken in accordance with the Authority Personnel Procedures Manual.
- Implement the Confidential Reporting Code, if adopted by the governing body.
- Monitor and review relevant aspects of the **Race Equality Policy**.
- Oversee and advise on the continuing professional development of the school management and staff, in line with the educational priorities of the school and the recommendations made by the performance reviewers.
- Take primary responsibility for matters concerning staff welfare.
- Implement the **Disciplinary and Grievance Policy and Procedures** adopted by the governing body.
- Undertake any procedure that comes under the remit of the Governing Body in relation to staff grievance, discipline or dismissal, in accordance with the policies adopted by the governing body.
- Monitor, evaluate and review the **Performance Management Policy** for teaching staff, including (see below).
- Carry out the **Headteacher's Performance Review** – Two or three governors, who are not employed at the school, are to be appointed by the governing body from among the members of the committee, to carry out the review.

### **Scheme of delegation to the headteacher**

- Appointment of teaching assistants, NQTs, support teachers and class teachers.

- Appointment of non- teaching staff – headteacher to report to relevant committee.
- (in cases where posts are advertised internally, 1 non-staff governor shall attend)

## **Achievement and Standards committee**

### **Delegated responsibilities**

- Ensure the National Curriculum is taught to all pupils.
- Set targets for the achievement of pupils at the end of KS2, KS3 and KS4 in the following school year, and ensure those targets are published in accordance with requirements (except in nursery schools), and review pupil achievement against the targets set.
- Set targets for pupil attendance and monitor pupil attendance against those targets.
- Ensure that the register of pupils is maintained.
- Review the school curriculum policies and recommend for governing body approval
- Review the Sex Education Policy, and the Collective Worship Policy, and recommend any changes for Governing Body approval.
- Monitor and review the relevant sections of the School Accessibility Plan.
- Monitor and review the relevant sections of the Race Equality Policy.
- Monitor and review the SDP and recommend to the governing body.
- Monitor and review the School Self Evaluation Form (SEF) and recommend to the governing body.
- Monitor implementation of the SEN Policy and Code of Practice, and review if necessary.
- Monitor the implementation of the Governors' policy on visits to the school (if held) and review if necessary
- Hear appeals against the Head's decision to lift or change the National Curriculum for a particular pupil
- Hear complaints about the curriculum, in accordance with the Authority procedures.
- Ensure that careers education and information is provided (secondary schools only).

- Draft the Annual Report to Parents (nursery schools only) and recommend to the governing body.
- Review the School Profile (all schools other than nursery schools) and recommend to the governing body.
- Monitor and Review the Home-School Agreement.
- Hear complaints about matters other than the curriculum, in accordance with the Complaints Procedure adopted by the school and review the Policy if necessary.
- Ascertain parents' views of the school for input to the SEF.
- Monitor the implementation of the Freedom of Information Publication Scheme.
- Monitor the impact of the Pupil Discipline or Behaviour Policy and review regularly.
- Draft the School Prospectus (meeting legal requirements), recommend to the Governing Body, and arrange its publication.
- Ensure the implementation of the Child Protection Policy and review if necessary
- Strategically review home/school links.
- Undertake the functions of the governing body in relation to excluded pupils.
- Consider and respond to consultations on the LA Admissions policy, Community schools only.
- Draft the Admissions Policy (Voluntary Aided schools only), and recommend to the governing body.

## **Premises, Health and Safety Committee**

- Draft the Health and Safety Policy (Voluntary Aided Schools only) and recommend it to the governing body.
- Ensure that the school complies with standards for health and safety on school premises.
- Receive and consider a report on health and safety, on a termly basis.
- Monitor and review the School Accessibility Plan.
- Where the school premises are let to other users, monitor and review the School Lettings Policy and Arrangements.
- Ensure that maintenance, decoration, and equipment/furniture renewal is planned and budgeted for.
- Audit & Review the use of the school premises, the equipment and resources and ensure they match the requirements of SDP or SEF priorities.
- Oversee site management, cleaning and grounds maintenance
- Oversee site security arrangements and practice and review them periodically.
- Consider and determine the need for capital works at the school, in line with the school's SDP and the Authority's Asset Management Plan priorities, liaising with the Diocese/Trustees/LA, as suitable, and making appropriate use of the school's devolved capital budget.

## **Health and Safety terms of reference:**

These model terms of reference are issued as a direction of the Authority, as employer. As such, they are issued to all community and special schools, and their contents must be complied with.

For voluntary aided (VA) schools, the model terms of reference are advisory, but represent best practice in dealing with these issues. We strongly advise that these schools follow the guidance in full.

- Have a named governor with health and safety responsibilities.
- Review, update the School Health and Safety Policy - Chair to sign and date policy.
- Review school's compliance with the Authority health and safety handbook.
- Develop a governor and staff forum that includes staff from recognised trade unions, for discussing and resolving health and safety issues.
- Communicate with other stakeholders to promote a culture which recognises that controlling health and safety risks is an essential part of everyone's daily life.
- Ensure the School Management Team has considered specific health and safety issues and that legal minimum standards for health and safety are being met.
- Review and ensure adequate welfare provision for staff.
- Oversee site security arrangements and practice and review periodically.
- Monitor the asbestos register and ensure that it is always up to date.
- Monitor and review the Managing Medicines Policy.
- Monitor the performance by checking that:
  - physical controls are in place and working;
  - staff have done what they are supposed to do; and
  - ensure procedures are working.

## Appendix B – Transaction log template

Transaction date	Merchant / vendor name	Description of purchase	Total transaction amount	Staff member	Signature

## Appendix C – Request of advance due to cashflow shortfall form

### General information

Date of request	
School name	
Local Authority	

### Current financial position

Current bank balance (at the date of request)	£ <i>Attach bank statement to the request</i>
Unreconciled items	£ <i>Attach a report from the system</i>

### Request

Funding stream requested	
Reason for advance request	
Impact on the school if this request is denied	

### AC4 Authorisation

Headteacher Name	
Headteacher Signature	

## Appendix D – Revenue vs capital maintenance breakdown

<u>ELEMENT</u>	<u>CAPITAL Funded by the LA</u>	<u>REVENUE Funded by schools</u>
<u>ROOFING</u>		
<u>Flat Roofs Structure</u>	<u>Replacement of, or major repair to the roof structure, i.e. structural members such as beams, joists, structural concrete slabs, etc.</u>	<u>Repairs and replacements of roof structure, as referred to under Capital</u>
<u>Structure</u>	<u>N/A</u>	<u>Application of paint finishes, specialist protection or sealants, to roof structure above</u>
<u>Roof covering</u>	<u>Replacement of roof coverings (e.g. asphalt or felt) together with any necessary associated replacement deck, improved insulation, screeds, fascias, soffits, edge &amp; upstand details, rooflights, flashings, associated rainwater gutters and outlets, lightning protection, walkways and services support and/or protection</u>	<u>Repairs and replacements of roof covering associated parts/sub-elements as referred to under capital</u>
	<u>N/A</u>	<u>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.</u>

<u>Pitched Roof Structure</u>	<u>Replacement of, or major repair to the roof structure, i.e. structural members such as timber or metal beams, joists, rafters, trusses, etc.</u>	<u>Repairs and replacements of roof structure as referred to under Capital</u>
<u>Structure</u>	<u>N/A</u>	<u>The application of paint finishes, specialist protection or sealant to roof structure above</u>
<u>Roof covering</u>	<u>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.</u>	
	<u>N/A</u>	<u>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 fittings and gaskets etc.</u>
<u>Chimney Stacks</u>	<u>Replacement, rebuilding or major structural repairs or repointing to chimney stacks and flues including associated flashings, dpc's, restraint, lightning protection etc.</u>	

	<a href="#">N/A</a>	<a href="#">Inspection of free standing chimney stacks for stability e.g. stain-less steel stacks. Cleaning and clearance of all flue ways</a>
<b><a href="#">EXTERNAL WALLS</a></b>		
<a href="#">Masonry &amp; Structural Frames</a>	<a href="#">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</a>	<a href="#">Repairs and replacements to external walls and associated parts or sub-element referred to under capital</a>
	<a href="#">N/A</a>	<a href="#">Tree management to alleviate structural movement. Application of paint finishes, specialist protection or sealants. Hammer testing and other inspection/testing of concrete frames</a>
<a href="#">Cladding</a>	<a href="#">Replacement of 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.</a>	<a href="#">Repairs and replacement to all cladding panels and window walling including all parts and sub-elements referred to under capital</a>
	<a href="#">N/A</a>	<a href="#">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</a>

<a href="#"><u>Windows &amp; Doors</u></a>	<a href="#"><u>Major replacement of windows and doors including improved double glazed units and associated fitments and locks</u></a>	<a href="#"><u>Repair of windows and doors and fitments including overhaul of metal framed windows</u></a>
<a href="#"><u>Windows</u></a>	<a href="#"><u>N/A</u></a>	<a href="#"><u>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</u></a>
<b><a href="#"><u>INTERNAL</u></a></b>		
<a href="#"><u>Loadbearing Partitions</u></a>	<a href="#"><u>Major repairs and replacement of loadbearing partitions due to structural movement</u></a>	<a href="#"><u>Repairs and replacement of loadbearing partitions</u></a>
	<a href="#"><u>N/A</u></a>	<a href="#"><u>Repairs and replacement of plaster, lining, tiling and other surface finishes. All decoration, specialist protective coatings and sealants</u></a>
<a href="#"><u>Non-loadbearing Partitions or Demountable Partitions</u></a>	<a href="#"><u>N/A</u></a>	<a href="#"><u>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</u></a>
<a href="#"><u>Internal Doors, Screens and Window/Hatches</u></a>	<a href="#"><u>N/A</u></a>	<a href="#"><u>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</u></a>

<u>Ceilings</u>	<u>Major replacement of failing lathe and plaster ceilings</u>	<u>Repairs and replacement of lathe and plaster ceilings</u>
	<u>N/A</u>	<u>All repairs and replacement of other types of ceilings 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</u>
<u>Floors &amp; Floor Finishes</u>	<u>Major repairs or replacement of failing structural floors e.g. 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 wood-strip or woodblock floor finishes (except where failure caused by overlaying with carpet/vinyl etc.) and quarry tiles</u>	<u>Repairs to structural floors, dpm's, screeds, floor boards, wood-strip or woodblock floor finishes and quarry tiles</u>
<u>Floors &amp; Floor Finishes</u>	<u>N/A</u>	<u>Sanding and sealing of wood-strip 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.</u>
	<u>N/A</u>	<u>Repair and replacement of floor finishes other than as above, including carpets, vinyl and linoleum coverings and all matting</u>

<a href="#"><u>Sanitary Ware</u></a>	<a href="#"><u>N/A</u></a>	<a href="#"><u>Repair and replacement of all sanitary ware, fittings and associated fitted units or work surfaces</u></a>
<a href="#"><u>Fitted Units</u></a>	<a href="#"><u>N/A</u></a>	<a href="#"><u>Repair and replacement of all fitted cupboard units, shelves, work surfaces and supports etc. to kitchens serveries, staffrooms, classrooms etc</u></a>
<a href="#"><u>Staircases</u></a>	<a href="#"><u>Major repairs or replacement of staircases and associated balustrades and guarding</u></a>	<a href="#"><u>Repair or replacement of staircases and associated balustrades and guarding</u></a>
	<a href="#"><u>N/A</u></a>	<a href="#"><u>Repairs to staircase finishes</u></a>
<b><a href="#"><u>MECHANICAL SERVICES</u></a></b>		
<a href="#"><u>Heating &amp; Hot Water Services</u></a>	<a href="#"><u>Major repair or replacement of boiler plant, distribution pipework, ductwork and heating emitters. Upgrading of tanks</u></a>	<a href="#"><u>Repair or replacement of boiler plant, distribution pipework, ductwork and heating emitters. Upgrading of tanks</u></a>
	<a href="#"><u>N/A</u></a>	<a href="#"><u>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 pressurized systems; maintenance and replacement of mixer valves</u></a>
<a href="#"><u>Cold Water Services</u></a>	<a href="#"><u>Major repair, replacement and upgrading of storage tanks, distribution pipework, incoming main, booster pumps etc.</u></a>	<a href="#"><u>Repair, replacement and upgrading of storage tanks, distribution pipework, incoming mains, booster pumps etc.</u></a>

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

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

## EXTERNAL WORKS

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

## GENERAL

<u>Asbestos</u>  <u>Asbestos management for maintained schools is covered by the £50k top-sliced Schools Block of DSG budget</u>	<u>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</u>	<u>Removal of broken or removal or encapsulation of disturbed asbestos materials. Removal of asbestos in association with revenue maintenance projects</u>
	<u>N/A</u>	<u>Updating asbestos registers. Inspection, encapsulation or resealing of asbestos based material as necessary</u>
<u>Fire Precautions</u>	<u>N/A</u>	<u>Repairs and maintenance of all fire precautions (previously included above) together with all signage and minor improvement required to fire precautions</u>
<u>Miscellaneous</u>	<u>N/A</u>	<u>All repairs and replacements for buildings of an ancillary nature e.g. sheds, cycle racks, shelters (other than in permanent construction); refuse containers, litter bins etc.</u>

# Agenda Item 8

## **Item 8 - Schools Forum 12<sup>th</sup> October 2021 – Draft Work Programme 2021/22**

*Note: Dates and items to be confirmed*

**Tuesday 18<sup>th</sup> January 2022 2pm (Virtual Teams Meeting TBC)**

- **Schools Block Budget Agreement 2022/23**
- **Central Services Schools Block Budget 2022/23**
- **Early Years Block Budget Proposals 2022/23 and Consultation**
- **High Needs Transformation Update**

**Tuesday 15<sup>th</sup> March 2022 2pm (Virtual Teams Meeting TBC)**

- **Dedicated School Grant 2021/22 Qtr3 Report**
- **Early Years Block Budget Agreement 2022/23**
- **High Needs Transformation Update**

**Tuesday 14<sup>th</sup> June 2022 2pm (Virtual Teams Meeting TBC)**

- **Schools Budget – Outturn (2021/22)**
- **High Needs Transformation Update**
- **Annual Audit – Update**