

Schools Forum

Agenda

Thursday 17 November 2022 at 2.30 pm

Meeting Room 1 (2nd Floor), 3 Shortlands, W6 8DA

If you'd like to attend please contact: David.Abbott@lbhf.gov.uk

<u>Item</u>	<u>Pages</u>
1. APOLOGIES FOR ABSENCE	
2. MINUTES OF THE PREVIOUS MEETING To agree the minutes of the previous meeting and note any outstanding actions.	2 - 4
3. SCHOOLS BUDGET 2023/24 CONSULTATION RESPONSES	5 - 8
4. SCHOOLS BLOCK TO HIGH NEEDS 1% TRANSFER DISAPPLICATION PROPOSAL	9 - 41
5. DISCUSSION AND DECISION ON MERITS OF LIMITED FALLING ROLLS FUND IN 2023/24	
6. DEDICATED SCHOOLS GRANT MONITORING QTR1	42 - 45
7. UPDATED SCHEME FOR FINANCING SCHOOLS AND SCHOOLS FINANCIAL PROCEDURES To formally confirm that the updated Scheme for Financing Schools and Schools Financial Procedures were adopted following Autumn 2021 consultation.	46 - 197

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Agenda Item 2

Hammersmith & Fulham Schools Forum – 11 October 2022 Minutes of the meeting

NOTE: This meeting was held remotely

Present

Voting members	Non-voting members
Primary School Heads Michele Barrett, Randolph Beresford / Vanessa Nursery Kathleen Williams, Holy Cross Primary Academies and Free Schools Gary Kynaston, Hammersmith Academy (Chair) Daniel Upfield, Ark Swift Primary Academy Non-Schools Members Jane Gleasure (Little People, Early Years PVI)	Observers Alex Parker Aiden Smith Jacqueline Munroe

Officers

Jacqui McShannon (Director of Children's Services)
Peter Haylock (Director of Education and SEND)
Tony Burton (Head of Finance for Children's Services and Education)
Caroline Baxter (Finance Manager, Education and Schools)
Nathan Dixon-Chin (Service Manager, Operations)
Valerie Irolla (Principal Accountant)
Adele Patriciello (Senior Finance Officer)
Ozioma Onwochei (Principal Accountant)
Daryle Mathurin (Strategic Lead, Education Assets and Ops)
David Abbott (Head of Governance)

External observers

Patrick Grant (DfE)

1. WELCOME, INTRODUCTIONS & MINUTES OF THE LAST MEETING

The minutes of the previous meeting held on 14 June 2022 were agreed as an accurate record.

2. BRIEFING ON SCHOOLS BLOCK NATIONAL FUNDING FORMULA UPDATE 2023-24

The Chair noted the ongoing challenges for schools around funding which had been exacerbated by inflation, energy costs, the cost-of-living crisis, and pupil number pressures.

Peter Haylock (Director of Education and SEND) presented the report and noted the challenges around the primary roll projections and the High Needs Block (HNB) Safety Valve agreement. He noted the mitigation plan for the HNB agreement was now in phase 3 and was focused on early intervention and alternative provision.

Peter Haylock also highlighted Education Health and Care Plan (EHCP) numbers, noting the number of EHCPs had increased from 1,007 in 2017/18 to 1,237 in 2021.

Tony Burton (Head of Finance for Children's Services and Education) addressed the Forum and highlighted the following key issues for discussion with schools:

- Minimum funding guarantee to be set between 0 and 0.5%.
- Falling rolls provision budget
- Application to the Secretary of State for the High Needs Block transfer to increase to 1% for 2023/23.

3. 2023/24 PROVISIONAL SCHOOLS BLOCK BUDGET SHARE OPTIONS

Tony Burton (Head of Finance for Children's Services and Education) presented the briefing report on the decisions required for the 2023/24 budget setting process for the provisional Schools Block allocation of the Dedicated Schools Grant, following the receipt of provisional funding allocations in Summer 2022 and the Authority Proforma Tool in August 2022.

There were no questions on the report.

4. PROPOSALS FOR 2023/24 HIGH NEEDS BLOCK PLACE FUNDING

Tony Burton (Head of Finance for Children's Services and Education) presented the report which summarised the commissioning approach for place funding for special educational needs provision in receipt of high needs funding for children and young people with special educational needs. He noted that officers would send out requests for consultation responses from schools around the recommendations on falling rolls, the High Needs Block, and the minimum funding guarantee. Officers were also due to be engaging with schools about workshops for budget setting.

Peter Haylock noted that the decisions highlighted in the papers would be voted on at the November meeting. Members suggested the November meeting should be in person.

ACTION: Peter Haylock / David Abbott

Members said, given the complexity of the proposals, it would be useful to have modelling that showed the impact on each school and comparisons with the previous year.

ACTION: Tony Burton

5. Q2 UPDATE: HIGH NEEDS BLOCK 2022/23

Tony Burton (Head of Finance for Children's Services and Education) presented the report which provided an update on the High Needs Block programmes of work and performance against the Safety Valve agreement at Q2.

6. DRAFT WORK PROGRAMME (FOR INFORMATION)

The draft work programme was noted.

7. ANY OTHER BUSINESS

Tony Burton to circulate the budget monitoring report.

Jane Gleasure (Little People, Early Years PVI) highlighted the recruitment crisis in the sector and asked for schools to help with careers signposting to childcare work. She also offered to attend careers fairs. The Chair invited her to talk at the next Secondary Heads meeting. Peter Haylock said he would link her with Matthew Coulbeck to feed into the Council's industrial strategy.

ACTION: Peter Haylock

The Chair noted that there were several vacancies on the Forum and asked officers to make arrangements to fill them.

ACTION: Peter Haylock

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

2023/24 Schools Budget Consultation: Questions and Analysis of Responses

Summary

1. The consultation was made available to all primary and secondary mainstream schools. Forty-seven schools had the opportunity to complete the consultation. The consultation was completed by eight primary schools of which six are maintained and two are academies. The response rate was 17%.

There are no objections to the suggested proposals.

2. The consultation was launched through three schools budget consultation workshops delivered by the Hammersmith and Fulham (H&F) Children's Services Finance team. The workshops delivered updates on schools funding from a national and local perspective including an analysis of the H&F funding formula proposal models. Representatives from approximately twenty H&F schools attended these workshops.
3. Five schools used the consultation to apply for falling rolls funding under the guidance set out in question 3 of the consultation.

Questions

4. **Question 1** – Do you have any comments with respect to the proposed approach for National Funding Formula factors (NFF) to closely mirror NFF rates after cost adjustment for inner London?

Response to question 1:

Primary returns with comments	Primary returns no comments	Secondary returns with comments	Secondary returns no comments
4	4	0	0

Comments:

- a. The approach being taken is the right stance.*
 - b. Schools are under-funded.*
 - c. Agreement with Option 3, Model 5 for the reasons outlined in the consultation, principally that funding is allocated based on pupil need/characteristics.*
 - d. We agree with the option proposed. However, we would like to note that we feel the NFF has a detrimental effect on H&F schools. We are concerned about the impact on schools' budgets moving forward.*
5. **Question 2** – Do you have any comments or feedback on the proposed approach to set the Minimum Funding Guarantee (MFG) at 0.5%, the upper limit in the 2023/24 NFF?

Response to question 2:

Primary returns with comments	Primary returns no comments	Secondary returns with comments	Secondary returns no comments
3	5	0	0

Comments:

- a. We support this approach.*

b. *In agreement with this proposal.*

c. *It is important to set the MFG at the upper limit (0.5%). This will allow an element of protection for those budgets that have low pupil led funding.*

6. **Question 3** – Do you have any comments or feedback on the proposal to establish a limited falling rolls fund in 2022/23 and to target falling rolls protection to schools based on the specified criteria?

Response to question 3:

Primary returns with comments and/or application for falling rolls funding	Primary returns no comments	Secondary returns with comments	Secondary returns no comments
7	1	0	0

Comments in addition to specific request for funding:

- a. *Pupils lost due to varying factors including moving out of the area (Brexit and migrating to other cities) and to other borough schools; lower birth rates.*
- b. *Class sizes continue to fall and amalgamations of classes along with redundancies is a definite consideration in the near future. Tough decisions need to be had in order to balance the in-year budget for 2023-24.*
- c. *Families are moving out of London/UK due to Brexit and Covid.*
- d. *From a recent presentation, it seems that there is a big gap between pupil places and NOR which is a problem across LBHF. The fund is only £0.2m. My question would be how many schools will need to apply and if it is a significant number the funds available per school would be very small. If this is the case, how helpful would the funds be?*
- e. *We have requested this fund in a previous year (when there was a higher amount set aside) and it was always incredible beneficial. We will not be submitting a request this year as our roll has now stabilised.*
- f. *As pupil numbers across the borough are unstable, it is important to support those schools during a transitional period. This will allow them the opportunity to focus funds on strategies to increase their roll.*

7. **Question 4** – Do you have any comments or feedback on the proposal to transfer 1% or estimated £1.154m of Schools Block funding to support expenditure for Hammersmith and Fulham's children with high needs in 2023/24?

Response to question 4:

Primary returns with comments	Primary returns no comments	Secondary returns with comments	Secondary returns no comments
4	4	0	0

Comments:

- a. *We agree with this approach.*
- b. *Funding for EHCP's should match the actual cost of staffing. There is a massive shortfall that needs to be addressed.*

- c. *In principle, there should be greater flexibility to move money between the schools and high needs block but recognising that both are under pressure. The LA are spending significantly more than the allocation provided by central government through the high needs block which has failed to keep pace with rapid and unpredictable demand pressures in recent years.*

A flexible relationship between the schools and high needs block reinforces incentives to control high needs spend and improve high needs outcomes across the entire local education system.

How much of this 1% funding will go to commissioning places in the non-maintained sector and how much will be retained by schools? The funding and accountability pressures on schools are having an impact on our ability to provide support for, and ultimately retain, pupils with SEND in mainstream provision.

The Green Paper dodged a funding issue that's important for mainstream schools – the threshold at which we should pay for a pupil's SEND provision out of our own budget, and the threshold at which the LA should pay high-needs 'top-up' funding.

For eight years now, the DfE's guidance has suggested that for an individual pupil, this threshold could be up to £6,000 of a mainstream school's own budget, on top of standard place funding. The £6,000 figure just doesn't pay for as much support as it used to – if it had kept up with inflation, the £6,000 threshold set in 2014 should be nearer £7,500.

- d. *In an ideal world, this would not be needed at all, however given the level of deficit, it is essential that the proposed transfer happens.*

8. **Question 5** – Do you have any feedback on the proposed maintained schools budget for de-delegated items and education functions?

Response to question 5:

Primary returns with comments	Primary returns no comments	Secondary returns with comments	Secondary returns no comments
2	6	0	0

Comments:

- a. *Schools who receive funding as they are in financial difficulty should be accountable for what they spend it on. Future spending should also be analysed so it can be seen that they are continuing to make savings.*
- b. *We feel that the funding for this should be separate to schools' funding, however we believe the option recommended provides the fairest solution.*

9. **Question 6** – Please let us know of any other comments or feedback on the proposed H&F Schools Block funding formula or other ways to reduce costs through innovation, further collaboration, or cost sharing arrangements?

Response to question 6:


Primary returns with comments	Primary returns no comments	Secondary returns with comments	Secondary returns no comments
4	4	0	0

Comments:

- a. *Schools should not be rebuilt in the current economic climate. The capital should go towards the maintenance of schools. Tough decisions need to be made in regards to school closures.*
- b. *Many thanks to the finance team for an insightful and honest overview that was provided at the recent virtual workshop. Excellent work at a challenging time.*
- c. *Thank you for all your hard work, finding solutions within very tight parameters.*
- d. *It is regrettable that the overall increase in Schools Block funding (before growth) in 2023/2024 will be 1.67% compared to 2022/2023, at a time when inflation is running at approximately 10%. Thereby representing a real term cut in school funding.*

I believe under such circumstances that the LBHF team has made the best set of choices available to them, in order to produce Option 3 Model 5 and thereby mitigate the impact of this real term cut equitably across all of the schools, as far as it is able to do so.

END

 <small>hammersmith & fulham</small>	London Borough of Hammersmith & Fulham
	SCHOOLS FORUM
	November 2022
High Needs Block 2023/24 Disapplication Request	
Open	
Classification: For Decision	
Key Decision: No	
Wards Affected: (All Wards): All	
Accountable Director: Jacqui McShannon, Strategic Director of Children's Services	
Report Authors: Peter Haylock, Operational Director of Education and SEND	
Purpose of the report This report sets out the context of the disapplication request for 2023/24 to support mitigating the High Needs Block budget pressures over the medium term.	

Recommendations:

1. Schools Forum approves the 1% disapplication request from Schools Block to High Needs for the 2023/24 financial year.

Context

1. The Councils transformation programme had been in design and delivery for over two years prior to the Safety Valve Agreement and we have invested significant resources to deliver system change (~£600k). We aim to move the block onto a more sustainable footing, through building capacity in schools to meet a greater level of need earlier at universal and targeted (SEN Support). Despite this, and in the context of updated funding assumptions from the DfE, there continues to be a budget gap in 2024/25 and 2025/26 of £0.8m and £0.2m of the cumulative deficit. These pressures require mitigations resulting in this disapplication request to ensure the High Needs Block spend is within the annual allocation.
2. There are five key drivers that have led to the request:
 - To address pressure on budget from cost inflation since Safety Valve agreement.
 - Lower than originally forecast HNB funding increases now assumed than that originally modelled per DfE's advice.
 - Special Minimum Funding Guarantee FG at 3%. An increase from 0% in the National Funding Formula for 2022/23.
 - To maintain the continued investment of High Needs into H&F mainstream provision.
 - Lack of local placement sufficiency resulting in high cost out of borough placements.
3. We aim to maintain and continue to embed our strategy of meeting SEND Support needs earlier through greater inclusion thus reducing unnecessary escalation to high-cost statutory processes.

4. The additional funding enables us to maintain the contributions to the early intervention offers, including the Joint Communication Team, Autism Education Trust programme and Specialist Teacher services who are working to ensure mainstream schools have the requisite skills and resources to meet needs; ensuring all children, have the same pathway of opportunities available to them and are able to reach their full potential in our ruthless commitment to inclusion.

Report ends

Appendices

Appendix 1 – Disapplication Pro-Forma

Appendix 2 – Equalities Impact Assessment

Appendix 3 – Quarter 2 forecast

Appendix 4 – Example Inspire Framework

Consultation responses are included under Item 3 of the main agenda.

**School and Early Years Finance (England) Regulations
Local Authority Application to Disapply Regulations Form
Schools Block Movement**

Before submitting your request, please read the Schools Operational guide: 2023 to 2024, where we have specified the criteria required. If you do not feel you meet the published criteria, please do not submit your request.

Please complete this form to apply to the Secretary of State for Education to disapply the School and Early Years Finance (England) Regulations, or to vary conditions in the Dedicated Schools Grant.

Please complete all fields. If sections are not satisfactorily completed, your request may be delayed or rejected.

Return the completed form along with any supporting documentation to LA.DISAPPLICATIONS@education.gov.uk

**Please do not embed files but attach supporting documents separately, for example, spreadsheet calculations.
These should be referenced in the relevant box on the form.**

Local Authority number	205
Local Authority	Hammersmith and Fulham
Funding year request relates to	2023-24
Type of request	SCHOOLS BLOCK MOVEMENT

What percentage of the provisional schools block allocation are you requesting to transfer?	1%
What is the cash value you are requesting to move? (please specify if this is an estimate in the any further information box below)	£1,154,400 (based on provisional allocation)
Would you like the request to be based on the percentage or fixed cash value above?	Percentage
Where do you propose to transfer funding to? (High needs block, CSS block)	High Needs Block
What do you propose setting your minimum funding guarantee (MFG) at if the transfer is allowed?	0.50%
Are you still able to meet the MPPL with this transfer?	Yes

Once actual DSG figures are released in December, the cash value of a given percentage will likely change. Therefore please specify whether you wish the cash value or the percentage to be fixed.

DSG forecast carry forward to 2023-24. Deficits to be shown as a negative value/surplus as a positive value	-£7,303,528
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Has the schools forum been consulted?	Yes
Does the schools forum agree with this request?	
Was the meeting quorate?	
What was the date of the schools forum meeting?	17/11/22
Please provide link(s) to the minutes showing schools forum agreement, or details of where this can be found in attached documentation.	http://democracy.lbhf.gov.uk/ieListDocuments.aspx?CId=473&MId=7456&Ver=4
If this has not yet been discussed with schools forum, what date will this be?	

The schools forum must take into account the outcome of the schools consultation before deciding whether to give their consent.
Please include exact agreement / rejection rate

#REF!

Please forward the outcome rate by close of play the following day.

Have all maintained schools and academies been consulted?	Yes
What was the response rate of the consultation? Please include exact breakdown of figures	17%. 8 responses out of 47 schools.
What was the outcome of the consultation? Please include exact breakdown of figures	8 responses of which 4 made comments. 0 objections.
If the consultation has not yet closed, what date will it conclude?	N/A

Local authorities must consult with all local maintained schools and academies if they propose to allocate schools block money to other items.

Please forward the outcome rate by close of play the following day.

Assessment of the equalities implication	
Please provide us with your detailed equality analysis demonstrating your compliance with the public sector equality duty in s.149 of the Equality Act 2010 in relation to your request. If attached separately, please provide details of where this can be found in supporting documentation. Should we consider your analysis to be inadequate we may request further information or REJECT YOUR REQUEST. Please see additional tabs. Stating that there are no equality implications will generally be deemed to be inadequate. Section 149	

See attached Equalities Impact Assessment.

Please ensure the equalities assessment is completed prior to submitting the request

Please complete the table below to provide evidence for your request. If you have not met with the department within the last 3 months it would be useful to include an updated management plan which reflects your transfer request .

If evidence is attached separately, please provide details of where this can be found in supporting documentation.

Category	Description	Details/documents
Previous block movements	Details of all previous movements between blocks (including those that did not require a disapplication request) and what pressures those movements covered. Include details of why those transfers have not been adequate to counter the new cost pressures.	2018/19 £505,000 - 0.5% agreed with Schools Forum 2019/20 £1,002,000 - 1% agreed with Schools Forum after consultation, disapplication accepted 2020/21 £525,000 0.5% - Note disapplication for £1.05m at 1% of Schools Block rejected by Minister of State. 2021/22 £554,000 - 0.5% Transfer agreed at Schools Forum 12/01/2021 2022/23 £556,000 - 0.5% Transfer agreed at Schools Forum 18/01/2022 The transfers have mitigated immediate pressures to allow sufficient time for our early intervention programmes to come on stream and reduce escalation to statutory processes. We recognise that whilst delivery of these programmes is well underway, the impact will take time to be seen in the system. The transfers in 2021/22 supported enabling us to deliver a small in year surplus, as is the forecast for 2022/23.
2022-23 block movement request	Was there a request for 2022-23? If so, please provide details: what was the % and cash value of the request? Was it approved? How much (cash and % value) was transferred following the decision? Also provide details if this request represents a longer term plan agreed previously and details of any consultation with schools and voting.	Yes, a 0.5% request of £556,000 was approved by Schools Forum and transferred. Schools Forum is fully sighted that future requests will need to be under ongoing review subject to cost pressures in the system. http://democracy.lbhf.gov.uk/ieListDocuments.aspx?CId=473&MId=7245&Ver=4
Page 12 Breakdown of specific budget pressures that led to the need to transfer	A full breakdown of the specific budget pressures that have led to the requirement for a transfer. This would include the changes in demand for special provision over the past 3 years, and how the local authority has met that demand by commissioning places in all sectors. It is particularly important that any changes in the provision for mainstream school pupils with high needs are highlighted so those schools can understand both why a transfer of funds from the schools block might be needed, and how future transfers might be avoided.	There are five key drivers that have led to the request: 1) To address pressure on budget from cost inflation since Safety Valve agreement Top-ups in mainstream settings have not been reviewed for over 10 years. There have been no inflation increases due to insufficient headroom within the block to allow for this. This is becoming unsustainable given the current financial climate and the pressures being felt by settings. Independent sector placement costs have seen inflation increases of up to 8% in comparison. 2) Lower than originally forecast HNB funding increases now assumed than originally modelled per DfE advice During the Safety Valve negotiations we were asked to model a 8% increase across the 5 year Safety Valve profile. The DfE subsequently provided updated funding assumptions and in an email from the DfE Safety Valve Team on the 14 January 2022 we were asked us to set out the impact as a result of the changes in assumptions and how this subsequently impacts on our ability to eliminate our deficit. The Council modelled the expenditure forecast to show the revised funding assumptions of a 5% increase in 2023/24 and 3% beyond that which do pose some considerable challenge. Following the ongoing work in embedding our updated finance modelling and the revised High Needs Block (HNB) funding assumptions, we have undertaken significant work to ensure our expenditure is within our annual allocation. We have mitigated the movements in 2021/22, 2022/23 and 2023/24 from the revised funding assumptions, however, we recognise that there is further work required to reduce expenditure in 2024/25 and 2025/26. As such we have had to set an efficiency target to reduce expenditure to within the annual allocation. Even once the efficiency target has been achieved, we are forecasting that there will still be £0.2m remaining of the cumulative deficit. The need to respond to the revised funding assumptions eliminates the Authority's flexibility which was modelled into the original Safety Valve action plan and therefore increases the level of risk in the revised plans. 3) Special MFG at 3%. An increase from 0% in the NFF for 2022/23 3% had not been explicitly modelled for Special Schools in our Safety Valve Agreement. Whilst we had allowed 1.75%, the rate is higher than forecasted.

	Continues from above.	<p>4) Maintains the continued investment of High Needs into H&F mainstream provision. Our transformation programme is centred around early identification and intervention; providing the capacity and resources to be able to meet need earlier and reduce escalation to high cost statutory processes. As such within our Safety Valve forecast we have profiled ongoing investment in these areas. The disapplication is required to create the headroom for the continued investment in these offers including the Joint Communication Team and Autism Education Trust, in the context of the broader pressures.</p> <p>5) Local area placement sufficiency At summer 2022, 280 resident H&F pupils with EHCPs (20%) are educated outside of the local area at a total cost of approximately £8.5million – in comparison to a total in borough cost of approximately £6 million. Frequently these out of borough placements are expensive and the recommendations which evolve from the analysis of our SEND Sufficiency Review, in most cases, would help to create more cost effective in borough provision for children to enable them to be educated locally. This is particularly evident in our SEMH cohort where on average there has been a 20% per annum increase in children requiring an EHCP where SEMH is the primary need. There is a gap in local area specialist provision with needs currently met by the current AP provider and independent sector often at high cost.</p> <p>In response the Council has commissioned a SEND Sufficiency Review to inform the future designation of provision in H&F to ensure there is sufficient local provision to be able to meet needs over the medium to long term. A key recommendation of the SEN Sufficiency Review is the creation of additional local provision, however it will take time for this provision to come on stream; during which time other efficiencies as well as the block transfer are required to mitigate this pressure.</p>
Costed breakdown of what the transfer will be used for	A full breakdown of what the transfer of funds will be used for, along with a breakdown of costs associated with each element.	<p>There is an emerging pressure in 2024/25 and 2025/26 as a result of the updated funding assumptions provided post the Safety Valve negotiations. H&F have mitigated this some way, however with so much volatility the disapplication is required to offset against the remaining £800k in year efficiency target. Whilst we recognise this may not be the permanent solution it provides sufficient headroom to monitor the broader Safety Valve programmes in ensuring the deliver the expected impact.</p> <p>2023/24 Special Schools Minimum Funding Guarantee of 3% £0.315m initial estimate for increase for H&F special schools via an increase in top-up budget: - £0.165m to incorporate 2022/23 supplementary funding proposed - £0.150m additional top-up to ensure 3% special school MFG (TBC)</p>
Assessment of why the high needs costs are exceeding funding levels	Full assessment of funding costs and plans to change the pattern of provision where necessary to reduce these costs.	See attached Q2 2022/23 Safety Valve forecast
	<p>The local authority should demonstrate an assessment and understanding of why the high needs costs are at a level that exceeds the final high needs funding allocation for 2023 to 2024, and that plans are in place to change the pattern of provision where this is necessary, as well as to achieve greater efficiency in other ways. If you are attaching a document please refer to the exact page where this can be found.</p>	<p>The Safety Valve plan at Qtr. 2 2022/23 demonstrates the emerging budget gap in 2024/25 and 2025/26 (£0.8m) which requires mitigation as well as the remaining cumulative deficit (£0.2).</p> <p>Our early identification and intervention programmes continues to be on track, however it will take time to see emerging impact; in turn reducing escalation to Education, Health and Care Plans and subsequent high cost in line with national averages.</p> <p>In line with the H&F local area priority of early and accurate identification and intervention, the long-term designation of provision needs to be reviewed to ensure it is sufficient to meet current and future needs in the context of demonstrating suitable and efficient use of resources whilst preventing needs from escalating unnecessarily to statutory and specialist provision. The draft strategy that has been coproduced with local area partners seeks to develop graduated provision to meet needs locally. The document provides broad recommendations on the future shape of SEN provision in H&F. Alongside this strategy will be two key delivery documents: - The School Organisation Plan which will detail how we redesign the universal, enhanced and special school provision to deliver the recommendations - The SEND Capital Plan to support the development of the H&F enhanced and special school estate</p>
	<p>The local authority should give details of whether the cost pressure is such that they would anticipate the need to seek schools forum approval for a transfer in subsequent years, and how they are planning ahead to avoid such transfers in the longer term (note that the schools forum can only give approval for a one-off transfer of funding out of the 2023-24 schools block.) The local authority should also include here the forecasted DSG brought forward figure for the next 3 years. We would also expect a good level of support from local schools and the schools forum for a transfer, including outcomes of local consultations, please provide evidence of this here. If you are attaching a document please refer to the exact page where this can be found.</p>	<p>Schools Forum recognise these challenges and have supported block transfers. In the Safety Valve we've assumed the 0.5% is ongoing with a clear need to continue with some contribution, however it's unclear if the contribution at 1% would need to be sustained beyond 2023/24 until funding levels for 2024/25 are clear. Given constrained funding growth conflated by inflation we'd hope to put as much into the schools system as possible.</p> <p>See forecast row 55.</p>

<p>Strategic Financial Plan – DSG Management plan</p> <p>Detailing:</p> <ul style="list-style-type: none"> • balancing and sustaining the high needs block • how the local authority plans to reduce the deficit • schools forum • collaborative planning and partnership working • health and social care budget • funding HN pupils in mainstream provision 	<p>We expect evidence, and comprehensive narrative, of effective partnership between the local authority, those institutions offering special and alternative provision (including mainstream schools), and parents; and between the local authority and neighbouring authorities. In addition specific and detailed plans which demonstrate that the transferred funding would contribute to addressing cost pressures in a sustainable way, such as 'invest to save' options.</p> <p>Continues from above.</p> <p>Details and evidence of any contributions coming from the health and social care budgets towards the cost of specialist places.</p> <p>Details of how any additional high needs funding would be targeted to good and outstanding mainstream primary and secondary schools that provide an excellent education for a larger than average number of pupils with high needs, or to support the inclusion of children with special educational needs in mainstream schools. Examples that illustrate how the local authority would support such inclusive practice are also useful.</p>	<p>Our transformation programme had been in design and delivery for over two years prior to the Safety Valve Agreement. This had enabled us to submit realistic plans during negotiations in 2020/21 because we understood the scale of the challenges and had clear plans in place to deliver reforms whilst continuing to provide inclusive and quality services to our young people and children. It has taken significant Council resource and intense stakeholder engagement to realise the improvements we have to date. For example, establishing our Early Intervention Speech and Language offer has taken 18 months from the initial proposal to realisation.</p> <p>We need to maintain and continue to embed our strategy of early identification and intervention to support schools to hold a higher level of need, thus reducing escalation to high cost statutory processes. There are projects within our main programme that require time to progress further to understand any further opportunities that may come from them. In particular, the SEN Sufficiency Review and subsequent strategy which will provide us with the latest, detailed understanding and evidence of current and future Special Education Needs in the borough, inform our strategy for inclusive and universal offers in schools, and what specialist services and provision will be needed beyond this. The strategy will seek to invest in local provision to drive down the need to utilise costly out of borough, independent placements. This programme will require ongoing engagement from stakeholders.</p> <p>Given the government's changes in the HNB funding assumptions, and the additional deficit this creates, we have modelled the continued Schools Block to HNB 0.5% transfer from 2023/24, subject to the normal Schools Forum approval. This has mitigated the additional pressure by £0.6m.</p> <p>The Council's continued investment in early identification and intervention seeks to invest early to avoid the escalation to statutory processes and the subsequent associated costs. By building capacity in schools we seek to move the block onto a more sustainable footing, by continuing to strengthen the offer at universal and targeted through capacity building and ensuring settings have the appropriate resources to meet this level of need. Our schools are engaged in this programme evidenced through the successful uptake in the roll out of these offers. The investment includes £285k per annum for the Joint Communication Team included within our Safety Valve forecast, as well as a total of £850k over three years from the Local Authorities S106 funding; outside of the Schools budget to support this work in its early stages.</p> <p>We have made good progress under the Safety Valve Agreement over the past year 18 months. We are confident that our reforms are on plan, as demonstrated by our favourable 2021/22 closing position and positive forecast for 2022/23 and 2023/24 within the agreed cumulative deficit targets of the Safety Valve Agreement. We remain committed to eliminating the cumulative deficit and reaching in-year balance against our allocation, however the disapplication request is necessary to mitigate pressures in support of the ongoing High Needs transformation and to secure additional funding for schools to meet the learning needs of our SEND cohort.</p> <p>The Joint Funding & Accountability Panel is well established to manage cases where there is a bi or tri-partite joint funding agreement. This is particularly effective where residential placements are necessary. There has been a review of funding formulas pre COVID which delivered increased CCG contributions. The Joint Commissioning Steering Group's purpose is to ensure services and plans are jointly and efficiently commissioned to improve outcomes for children and young people, their families and carers on behalf of Hammersmith and Fulham Integrated Care Board and H&F Council. We also have a jointly funded Strategic Health Partnerships Lead role (Senior DCO) which supports ensuring robust partnership arrangements. In 2022/23 £0.288m contributions for Health are expected and £0.756m from Social Care (including LAC) for joint funded packages.</p> <p>The additional funding enables the continued development and implementation of our early intervention offers; developing inclusive practice and provision in our schools. The frameworks for each of these offers seeks to ensure schools have the requisite resources and skills to provide a differentiated curriculum that embeds the quality first teaching approach and the graduated assess, plan, do, review cycle. The frameworks establish expectations of settings by profile of needs and the subsequent range of support available as part of the graduated response.</p> <p>The frameworks broadly speaking will be an integral part of the setting's provision for all children at universal level. They outline some of the practices and adaptations that are part and parcel of quality first teaching. The provision and strategies outlined in the sections may be required for CYP with SEN and/or disabilities but will undoubtedly be of benefit to many of the CYP in the setting. All CYP are different and the frameworks should not be seen as a checklist but rather schools/ settings should refer to this guidance when making provision for CYP with SEND.</p> <p>The frameworks also provide a strategies, interventions and resources that can help support CYP with a range of needs and barriers to learning at targeted and specialist level. The frameworks are designed as a guide for those working with the CYP when considering the provision that could be put in place to best suit their individual needs.</p> <p>An example of our Speech, Language & Communication Needs (SLCN) Joint Communication Team (JCT) framework is attached.</p>
<p>Impact of transfer on schools block</p>	<p>Details of the impact of the proposed transfer on individual schools' budgets as a result of the reduction in the available funding to be distributed through the local schools funding formula.</p>	<p>Consistent with the 0.5% minimum funding guarantee the 1% block transfer allows for H&F factor rates to be set at 0.04% above NFF rates area cost adjusted for inner London. In the absence of an increase in the block movement from 0.5% to 1% some schools would benefit through factor rates increasing above Inner London cost adjusted rate with many schools still receiving 0.5% MFG.</p>

Any further information about the request not included above.

For any references made to documents supplied separately, please provide details (e.g. page numbers) of where relevant information can be found within the supporting documentation.

Name of requestor	Peter Haylock
Job Title	7341672995
Telephone number	07341672995
Email address	Peter.Haylock@lbhf.gov.uk
Date	18 November 2022

Request number - <i>For DFE use only</i>	
ID - <i>For DFE use only</i>	
Decision outcome - <i>For DFE use only</i>	
Details of the decision (including any conditions) - <i>For DFE use only</i>	

Name - <i>For DFE use only</i>	
Date - <i>For DFE use only</i>	
Type of notification - <i>For DFE use only</i>	
If the notification type is listed as 'intention to approve' the department will notify you when the regulations are authorised.	

H&F Equality Impact Analysis Tool



Conducting an Equality Impact Analysis

An EIA is an improvement process which helps to determine whether our policies, practices, or new proposals will impact on, or affect different groups or communities. It enables officers to assess whether the impacts are positive, negative, or unlikely to have a significant impact on each of the protected characteristic groups.

The tool is informed by the [public sector equality duty](#) which came into force in April 2011. The duty highlights three areas in which public bodies must show compliance. It states that a public authority must, in the exercise of its functions, have due regard to the need to:

- 1. Eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited under the Equality Act 2010**
- 2. Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it**
- 3. Foster good relations between persons who share a relevant protected characteristic and persons who do not share it**

Whilst working on your Equality Impact Assessment, you must analyse your proposal against these three tenets.

General points

1. In the case of matters such as service closures or reductions, considerable thought will need to be given to any potential equality impacts. Case law has established that due regard cannot be demonstrated after the decision has been taken. Your EIA should be considered at the outset and throughout the development of your proposal, it should demonstrably inform the decision, and be made available when the decision is recommended.
2. Wherever appropriate, the outcome of the EIA should be summarised in the Cabinet/Cabinet Member report and equalities issues dealt with and cross referenced as appropriate within the report.
3. Equalities duties are fertile ground for litigation and a failure to deal with them properly can result in considerable delay, expense, and reputational damage.
4. Where dealing with obvious equalities issues e.g. changing services to disabled people/children, take care not to lose sight of other less obvious issues for other protected groups.
5. If you already know that your decision is likely to be of high relevance to equality and/or be of high public interest, you should contact the Strategy & Communities team for support.

Further advice and guidance can be accessed online and on the intranet:

<https://www.gov.uk/government/publications/public-sector-equality-duty>

<https://officesharedservice.sharepoint.com/sites/Governance/SitePages/Reports.aspx>

H&F Equality Impact Analysis Tool

Overall Information	Details of Full Equality Impact Analysis
Financial Year and Quarter	2023/24
Name and details of policy, strategy, function, project, activity, or programme	Schools Block to High Needs Block Disapplication Request
Lead Officer	Name: Joe Gunning Position: Programme Lead, Children's Commissioning Email: joe.gunning@lbhf.gov.uk Telephone No: 07769672031
Date of completion of final EIA	17/10/2022

Page 18

Page 18

Section 02	Scoping of Full EIA		
Plan for completion	Timing: N/A Resources: N/A		
Analyse the impact of the policy, strategy, function, project, activity, or programme	Analyse the impact of the policy on the protected characteristics (including where people / groups may appear in more than one protected characteristic). You should use this to determine whether the policy will have a positive, neutral, or negative impact on equality, giving due regard to relevance and proportionality.		
	Protected characteristic	Analysis	Impact: Positive, Negative, Neutral
	Age	This disapplication enables the continued investment in early identification and intervention offers to ensure every child and young person is supported to ensure their needs are effectively identified and met through a range of offers.	Positive
	Disability	Our approach embeds inclusive practice. Our early identification and intervention programme seeks to build capacity in mainstream settings to enable the delivery of differentiate curriculum to meet the diverse range of needs at	Positive

	SEN Support, whilst ensuring there is sufficient specialist provision for the small number of children and young people who require it. This inclusive approach is in line with what young people tell us they want from our services.	
Gender reassignment	There is no anticipated impact in relation to gender reassignment	Neutral
Marriage and Civil Partnership	There is no anticipated impact in relation to marriage and civil partnership	Neutral
Pregnancy and maternity	There is no anticipated impact in relation pregnancy and maternity	Neutral
Race	The procurement aims to address disproportionality and for services to be fully inclusive. Services commit to value and demonstrate respect for diversity, and to reach into communities to deliver support in the right way for all children and young people to encourage greater engagement. Services are available for all settings across the whole borough with flexibility to address locally emerging needs and hotspot areas, this includes supporting specific children and young people where a need arises.	Positive
Religion/belief (including non-belief)	There is no anticipated impact in relation to religion/belief these services are open to people of all faiths and of no faith.	Neutral
Sex	There is no anticipated impact in relation to sex.	Neutral
Sexual Orientation	There is no anticipated impact in relation to sexual orientation.	Neutral

Human Rights or Children's Rights

If your decision has the potential to affect Human Rights or Children's Rights, please contact your Equality Lead for advice

Will it affect Human Rights, as defined by the Human Rights Act 1998?

No

Will it affect Children's Rights, as defined by the UNCRC (1992)?

No

Section 03	Analysis of relevant data Examples of data can range from census data to customer satisfaction surveys. Data should involve specialist data and information and where possible, be disaggregated by different equality strands.
Documents and data reviewed	Data reviewed includes census data and SEN2 as well as feedback from children, young people and families at both national and local level. In terms of the impact on the school community as a result of this transfer, we have considered this impact and are repositioning this funding for the benefit of H&F school community as a whole. Although coming out of the mainstream funding, the funding will be going back into schools via the High Needs Block to provide overall enrichment.
New research	N/A

Section 04	Consultation
Consultation	In line with the H&F priority of doing things with residents not to them, we continue to coproduce our programmes of work with all stakeholders including children, young people and their families. Schools Forum are updated quarterly in relation to the High Needs Block pressures and have approved the block transfer. All settings have been consulted as part of this proposal and their views have been considered. We will continue to work closely with settings in the implementation of the agreed programmes.
Analysis of consultation outcomes	The consultation was completed by eight primary schools of which six are maintained and two are academies. The response rate was 17%. There are no objections to the suggested proposals.

Section 05	Analysis of impact and outcomes
Analysis	The consultation did not raise any comments in relation to protected characteristics.

Section 06	Reducing any adverse impacts and recommendations
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Outcome of Analysis	The feedback received did not identify any adverse impacts and therefore no changes have been made in this regard
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Section 07	Action Plan					
Action Plan	Note: You will only need to use this section if you have identified actions as a result of your analysis					
	Issue identified	Action (s) to be taken	When	Lead officer and department	Expected outcome	Date added to business/service plan
	N/A	N/A	N/A	N/A	N/A	N/A

Section 08	Agreement, publication and monitoring					
Senior Managers' sign-off	Name: Peter Haylock Position: Operations Director Education and SEND Email: Peter Haylock Telephone No: 07341672995					
Key Decision Report (if relevant)	Date of report to Cabinet Member: 14/11/2022 Key equalities issues have been included: Yes. No equalities issues identified.					
Equalities Advice (where involved)	Name: N/A Position: N/A Date advice / guidance given: N/A Email: N/A Telephone No: N/A					

Financial Year April - March	21/22 Final Outturn	22/23 Updated Q4 NEW Funding Assumptions (FY 21/22)	22/23 Updated Q2 (FY 22/23)	23/24 Updated Q4 NEW Funding Assumptions (FY 21/22)	23/24 Updated Q2 (FY 22/23)	24/25 Updated Q4 NEW Funding Assumptions (FY 21/22)	24/25 Updated Q2 (FY 22/23)	25/26 Updated Q4 NEW Funding Assumptions (FY 21/22)	25/26 Updated Q2 (FY 22/23)
HNB Funding allocation assuming 8% funding growth on population factors	29,082,078	33,157,000	32,938,002	34,748,550	35,116,229	35,713,427	36,169,706	36,707,249	37,254,797
HNB Forecast Expenditure (Including Academy Recoupment)	33,767,970	34,704,657	34,704,657	36,512,618	36,512,618	37,708,145	37,708,145	38,880,376	38,880,376
Provision for potential Supplementary Grant using Mainstream methodology	0	191,000	191,000	191,000	191,000	191,000	191,000	191,000	191,000
Inflation (1.75% on all top-up)	0	375,000	375,000	750,000	750,000	1,140,000	1,140,000	1,550,000	1,550,000
Revised HNB Forecast Expenditure	33,767,970	35,270,657	35,270,657	37,453,618	37,453,618	39,039,145	39,039,145	40,621,376	40,621,376
Variance to mitigate	4,685,892	2,113,657	2,332,655	2,705,068	2,337,389	3,325,718	2,869,439	3,914,127	3,366,579
H&F SAVINGS PROFILES - DEMAND GROWTH MITIGATIONS									
SLCN - Early Intervention	0	(139,297)	(139,297)	(237,285)	(237,285)	(346,801)	(346,801)	(467,845)	(467,845)
SLCN contract efficiencies	(64,072)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Primary Outreach Remodelling	0	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)	(250,000)
Interim Tuition	(215,000)	(165,000)	(165,000)	(165,000)	(165,000)	(165,000)	(165,000)	(165,000)	(165,000)
Reduction of place commissioning numbers for Secondary AP	0	(128,456)	(128,456)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)	(225,000)
AP funding recoupment	(53,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)	(75,000)
AP review (6 day+ and short-term intervention)	(52,500)	(192,000)	(192,000)	(242,000)	(242,000)	(242,000)	(242,000)	(242,000)	(242,000)
Impact of SEN Place Planning	0	0	0	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)	(150,000)
HNB staffing efficiencies	(215,200)	(215,200)	(215,200)	(215,200)	(215,200)	(215,200)	(215,200)	(215,200)	(215,200)
Schools Block to High Needs Block Transfer at 0.5% assumed for 2021/22, TBC beyond	(528,000)	0		0	0	0	0	0	0
Total Saving	(1,127,772)	(1,414,953)	(1,414,953)	(1,809,485)	(1,809,485)	(1,919,001)	(1,919,001)	(2,040,045)	(2,040,045)
H&F Investment									
SLCN transformation - development of robust SEN Support offer (Ref 3)	0	285,000	285,000	285,000	285,000	285,000	285,000	285,000	285,000
Primary Outreach (Ref 4) - Savings net of LBHF HNB funded Pump Priming in 2022/23 and 2023/24	0	250,000	250,000	104,167	104,167	0	0	0	0
Total H&F Investment	0	535,000	535,000	389,167	389,167	285,000	285,000	285,000	285,000
Risk/Opportunity - Historical school fair funding impact / incentive to maintain mainstream provision									
LSH rate impact	0	0	0	1,157,966	1,157,966	1,157,966	1,157,966	1,157,966	1,157,966
Inflation impact	0	0	0	1,078,488	1,078,488	1,459,054	1,459,054	1,845,170	1,845,170
Total	0	0	0	2,236,454	2,236,454	2,617,020	2,617,020	3,003,136	3,003,136
Remaining deficit / (surplus)	3,558,120	1,233,704	1,452,702	3,521,204	3,153,525	4,308,737	3,852,458	5,162,218	4,614,670
Remaining deficit / (surplus) percentage	12.23%	3.72%	4.41%	10.13%	8.98%	12.06%	10.65%	14.06%	12.39%
DfE Investment Requests									
SLCN investment - DfE investment request to pump prime new service	166,250	0	0	0	0	0	0	0	0
Primary Outreach - DfE investment request to pump prime new service	0	0	0	0	0	0	0	0	0
Total Investment	166,250	0	0	0	0	0	0	0	0
Total Deficit / (Surplus)	3,724,370	1,233,704	1,452,702	3,521,204	3,153,525	4,308,737	3,852,458	5,162,218	4,614,670
Total Deficit / (Surplus) - before mitigations	3,724,370	1,233,704	1,452,702	3,521,204	3,153,525	4,308,737	3,852,458	5,162,218	4,614,670
Movement to mitigate against - Original Safety Valve	3,292,177	1,577,214	1,796,212	3,546,158	3,178,479	5,363,611	4,907,332	7,217,679	6,670,131
Movement to mitigate against - Q1 Safety Valve	2,977,178	1,577,214	1,796,212	3,546,158	3,178,479	5,363,611	4,907,332	7,217,679	6,670,131

Additional Mitigations (Schedule B)

Prior year SALT income	-41,000								
AP balancing payment for AY 2020/21	-136,000								
Review of posts/utilise other funding	-184,800								
Potential SB to HN block transfer 0.5% - included in revised columns		-556,000	-556,000		-556,000		-556,000		-556,000
Potential use of one off provision	0								
CSSB/Basic needs windows diversion-TBC	-1,252,451	-1,319,000	-1,319,000	-708,000	-708,000	-75,000	-75,000		
S106 - TBC	-370,000	-280,000	-280,000	-200,000	-200,000				
Early Years surplus (mitigation using 20/21 EY surplus)	-917,000								
Risk/Opportunity adjustment				-2,236,454	-2,236,454	-2,617,020	-2,617,020	-3,003,136	-3,003,136
PFA pathways and transitions				-438,597	-438,597	-385,285	-385,285	-273,848	-273,848
Contribution from CSSB - top-up	-252,423								
One off upside (AK)	-362,000								
One off upside (WL)	-229,000								
Bad debt provision benefit to HNB	-283,000								
AP Transitional Funding		239,750	239,750	42,794	42,794				
Import Export adjustment - to be announced in November 2022			-54,000						
Total Mitigations	(4,027,674)	(1,915,250)	(1,969,250)	(3,540,257)	(4,096,257)	(3,077,305)	(3,633,305)	(3,276,984)	(3,832,984)
Total movement HNB Deficit / (Surplus) - after mitigations	-303,304	-681,546	-516,548	-19,053	-942,732	1,231,432	219,153	1,885,234	781,686
Efficiency Target (Schedule C)	0	0	0	0	0	-1,231,432	-219,153	-1,885,234	-781,686
Total movement Original Safety Valve Deficit / (Surplus) - after all mitigations	-735,497	-338,036	-173,038	5,901	-917,778	1,054,874	1,054,874	2,055,461	2,055,461
Safety Valve Funding to be received	4,555,600	4,000,000	4,000,000	3,000,000	3,000,000	3,000,000	3,000,000		
Deficit Retained Deficit/Surplus	11,820,076	7,138,530	7,303,528	4,119,477	3,195,798	1,119,477	195,798	1,119,477	195,798
Financial Year April - March	21/22 Final Outturn	22/23 Updated Q4 NEW Funding Assumptions (FY 21/22)	22/23 Updated Q2 (FY 22/23)	23/24 Updated Q4 NEW Funding Assumptions (FY 21/22)	23/24 Updated Q2 (FY 22/23)	24/25 Updated Q4 NEW Funding Assumptions (FY 21/22)	24/25 Updated Q2 (FY 22/23)	25/26 Updated Q4 NEW Funding Assumptions (FY 21/22)	25/26 Updated Q2 (FY 22/23)
HNB allocation	29,082,078	33,157,000	32,938,002	34,748,550	35,116,229	35,713,427	36,169,706	36,707,249	37,254,797
Block Transfer	(528,000)	0	0	0	0	0	0	0	0
HNB Expenditure before savings	33,767,970	35,270,657	35,270,657	37,453,618	37,453,618	39,039,145	39,039,145	40,621,376	40,621,376
Agreed Investment	166,250	535,000	535,000	2,625,621	2,625,621	2,902,020	2,902,020	3,288,136	3,288,136
Total savings (Schedule A)	(599,772)	(1,414,953)	(1,414,953)	(1,809,485)	(1,809,485)	(1,919,001)	(1,919,001)	(2,040,045)	(2,040,045)
Sub total after savings	32,806,448	34,390,704	34,390,704	38,269,754	38,269,754	40,022,164	40,022,164	41,869,467	41,869,467
Sub total in year Deficit / (Surplus)	3,724,370	1,233,704	1,452,702	3,521,204	3,153,525	4,308,737	3,852,458	5,162,218	4,614,670
Variance from original safety valve agreement to mitigate	3,292,177	1,577,214	1,796,212	3,546,158	3,178,479	5,363,610	4,907,331	7,217,679	6,670,131
Further savings to mitigate movement (Schedule B)	(4,027,674)	(1,915,250)	(1,969,250)	(3,540,257)	(4,096,257)	(3,077,305)	(3,633,305)	(3,276,984)	(3,832,984)
Additional Efficiency Target (Schedule C)	0	0	0	0	0	(1,231,432)	(219,153)	(1,885,234)	(781,686)
Variance from original safety valve after all mitigations (Schedule A, B and C)	(735,497)	(338,036)	(173,038)	5,901	(917,778)	1,054,873	1,054,873	2,055,461	2,055,461
Total in year deficit / (surplus) after all mitigations	(303,304)	(681,546)	(516,548)	(19,053)	(942,732)	0	0	0	0
Safety Valve Payment	4,555,600	4,000,000	4,000,000	3,000,000	3,000,000	3,000,000	3,000,000	0	0
Retained Deficit	11,820,076	7,138,530	7,303,528	4,119,477	3,195,798	1,119,477	195,798	1,119,477	195,798

InSplre

***SEND
OUTREACH
SUPPORT
SERVICE***

*A Graduated
Approach*



Executive Summary

InSplre Service Support Framework starts at whole-setting/school level, represented by **GREEN and GREEN+**. Where the *assess, plan, do, review* cycle identifies more individualised assessment to enable a child or young person to access learning, this support is reflected by **'AMBER, AMBER+' and RED**. The Framework provides an essential reference tool for new and experienced professionals, including SENCOs, school/setting leaders, class teachers and additional adults.

The SEN Code of Practice 2014 defines a 'Graduated Approach' as:

"a model of action and intervention in early education settings, schools and colleges to help children and young people who have special educational needs. The approach recognises that there is a continuum of special educational needs and that, where necessary, increasing specialist expertise should be brought to bear on the difficulties that a child or young person may be experiencing."

Each InSplre specialism firstly, describes CYP profiles from the specialism's continuum of need and secondly, offers practical advice and guidance to schools/settings and parents/families about the 'reasonable adjustments' mainstream schools and early years settings are required to make to meet the needs of children and young people with special educational needs and disabilities. The interventions available from InSplre's specialist advisory teachers is outlined for professionals; this also includes training and signposting to additional support from other services and agencies, including online advice surgery and resources.

The Inclusion and Specialist Intervention Outreach Service (InSplre) framework supports:

- The development of young children's communication and exploration through specialist sessions with preschool children
- The building of confidence and capacity of educational settings and schools to meet SEND needs through information sharing, signposting and training.
- Improving the access to the learning environment, curriculum, communication and information through direct work in settings and schools including the provision of specialist teaching, resources and equipment and training.
- The promotion of independence, resilience and well-being through close liaison with children and young people, their families, health professionals and the commissioning of additional support eg mobility training and specialist activities.

InSpire Support Service to SEND Communication & Interaction Autism

Autism & Social Communication

GREEN AUTISM- CYP PROFILE	GREEN AUTISM – SCHOOL	GREEN AUTISM – InSplre
<ul style="list-style-type: none"> • CYP may not have a diagnosis of autism however they may exhibit some of the following characteristics: • <i>Finds social situations confusing- may prefer solitary activities</i> • <i>Can be unclear about expected responses and how to develop and maintain relationships with others</i> • <i>Likes to follow own interests rather than accept direction</i> • <i>Displays a strong interest in particular subjects</i> • <i>Seeks repetitive actions or routines</i> • <i>Low level sensory likes and dislikes.</i> 	<p>All settings/schools are required to ensure that they provide Quality First Teaching that promotes inclusive practices.</p> <p>All settings/schools follow and document a Graduated Approach of Assess, Plan, Do, Review</p> <ul style="list-style-type: none"> • The setting can demonstrate an inclusive ethos that supports the learning and wellbeing of all • CYP can learn in a mainstream class/pre-school with appropriate differentiation of task and teaching style • The wider curriculum/EYFS promotes positive examples of diversity • Anti-bullying is routinely addressed and CYP are confident in reporting incidents • Opportunities for social interaction between peers and the wider community may need to be engineered to develop and improve self-esteem and confidence • Provision of planned opportunities to learn and practice social skills during structured activities • Other pastoral interventions could include: meet & greet, circle time, peer mentoring, buddy systems, lunch clubs. • All staff engaged with AET Training <i>Making Sense of Autism</i> module 	<ul style="list-style-type: none"> • INSPIRE Specialist Advisory Team can offer whole school CPD • Practitioner AET Autism Training modules and guidance on use of frameworks • Leadership training and guidance on use of AET frameworks • Signpost to H&F Tracker support (EP)
GREEN PLUS AUTISM- CYP PROFILE	GREEN PLUS AUTISM – SCHOOL	GREEN PLUS AUTISM – InSplre
<ul style="list-style-type: none"> • CYP has identified needs and may be going through an assessment for autism • CYP may have difficulties with understanding expectations, following classroom routines and adult direction, forming relationships with peers, sharing or taking turns, unstructured/social times, changes in routines and settings, recognising their own emotions, regulating their emotions/behaviour, developing communication and language skills 	<ul style="list-style-type: none"> • Access to small group support, which is planned and tailored to meet identified need and includes good role models, e.g. Circle of Friends, self-esteem group • Learning tasks differentiated by task and outcome to meet individual needs • Preparation for changes to activities/routines/ staffing aspects of structured teaching may be helpful e.g. use of an individual visual timetable/schedule, workstation, structured supports for organisation of resources (individual pencil pot, folders 	<p>Specialist Advisory Team can offer</p> <ul style="list-style-type: none"> • setting/school visit(s) & observation • Small group CPD specific to group of Autistic pupils/additional needs in one class or year group • Signposting to SEND specific resources and additional training. • ASK US! sessions • Practitioner AET Autism Training modules and guidance on use of frameworks

<ul style="list-style-type: none"> • The CYP may be socially and/or emotionally immature; they may exhibit low level anxiety in social situations • CYP can learn through whole class teaching, but needs support when they find the school environment difficult or stressful. 	<p>for work/books etc.)</p> <ul style="list-style-type: none"> • Peer mentoring support • Supporting specific areas of difficulty e.g. assembly, RE, PE, outdoor play, forest schools etc. • Supporting pupil to recognise and communicate their feelings about the school day (emotion rating scale) • Oversight when moving between classrooms. • All staff engage with AET <i>Making Sense of Autism</i> module 	<ul style="list-style-type: none"> •
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AMBER AUTISM - CYP PROFILE	AMBER AUTISM– SCHOOL	AMBER AUTISM– InSplre
<ul style="list-style-type: none"> • Pupil has a diagnosis of autism or identified social communication difficulties, requiring some support to access the curriculum. <i>For example, a CYP who finds it difficult learning in core curriculum areas, taking part in small groups independently, understanding and using language, understanding the social use of language (greetings, turn taking, starting or ending a conversation), understanding social interactions and friendships (difficulties interpreting other people's behaviour, language and intentions).</i> • CYP may be socially isolated and vulnerable to bullying or low self-esteem • They may have difficulties recognising and regulating their own emotions/behaviour. They may exhibit increased levels of anxiety in social situations. 	<p>Expected School Provision</p> <ul style="list-style-type: none"> • Short term small group and/or individual intervention, to develop specific areas of curriculum access as identified by the subject teacher/Specialist Teacher • Personalised timetable introduced in negotiation with pupil, parents and staff. This may include temporary withdrawal from some activities e.g. assemblies, specific non-core lessons • Individual work around recognition and understanding of emotions, including personalised visual supports and resources/interventions • Teaching support is targeted towards the provision of teaching and learning resources • Use of key-working approaches/mentor to ensure the pupil has a trusted adult to offer support during vulnerable times. • All staff engage with AET Training <i>Good Autism Practice</i> module • All staff to engage with training for AET <i>Competencies Framework</i> 	<p>Specialist Advisory C&I Team</p> <ul style="list-style-type: none"> • Referral to INSPIRE • Request for focussed discussion/assessment and Specialist Advisory Team involvement as appropriate. • Modelling interventions/resources/strategies • Practitioner AET <i>Autism Training modules</i> and guidance on use of frameworks
AMBER PLUS AUTISM - CYP PROFILE	AMBER PLUS AUTISM – SCHOOL	AMBER PLUS AUTISM – InSplre
<ul style="list-style-type: none"> • Pupil has a diagnosis of Autism resulting in communication, social, emotional/behavioural and/or sensory needs that 	<p>Expected School Provision</p>	<p>Specialist Advisory C&I Team provision of intervention program(s) to include</p>

<p>make learning in a mainstream school environment challenging</p> <ul style="list-style-type: none"> • The CYP will have difficulties with understanding classroom routines and following instructions- they may need adult support to start tasks and sustain attention • They may experience a high level of anxiety in most school situations, which may be masked in school but displayed at home. They may have a high level of sensory needs (sensory seeking or sensory avoiding). 	<ul style="list-style-type: none"> • Individual support during breaks and lunch • Individual support around recognition and understanding of own emotions and those of others • Access to personalised visual resources to support with self-regulation • Programmes to develop social interaction and emotional wellbeing, as identified by professionals • Emotional Regulation Transactional Support (SCERTS) framework may be used in collaboration with external professionals e.g. SALT, EP, and Specialist Teacher • Alternative curriculum opportunities at KS4/5 e.g. vocational/college /supervised work placements. Independent travel training to develop independence skills for the future • All staff engage with AET Training Good Autism Practice module • All staff to engage with training for AET Competencies Framework 	<ul style="list-style-type: none"> ✓ reduce the likelihood of negative/challenging behaviour patterns developing due to anxiety and frustration related to a confusing and overwhelming school environment ✓ model effective approaches to autism teaching may include - <i>sensory integration, intensive interaction, Bucket time</i>; ✓ work partnership and provide training to staff ✓ Support new intake of Autistic pupils ✓ Advise on 'reasonable adjustments' for effective inclusion and communication ✓ Support in creating a communication enabling environment (accounting for sensory and social/communication needs) ✓ Support in creating high-quality learning, communication and regulating resources ✓ Support in creating an adaptive learning curriculum and the development of autism management through the SCERTS framework ✓ Give guidance on creating effective behaviour support plans and structures on modelling of positive and proactive approaches to autism behaviour management ✓ Support in creating pathways for transition ✓ Lead Review Meetings to monitor impact of intervention and evaluate pupil progress and identify areas for further development ✓ Lead Strategic planning meetings with setting/school leaders to review impact of intervention program(s) for the continued development and effectiveness of Good Autism Practice within the setting/school
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RED AUTISM- CYP PROFILE	RED AUTISM– SCHOOL	RED AUTISM – InSplre
<p>The CYP will experience <i>significant, complex persistent and enduring</i> difficulties</p> <p>The CYP presents with a range of issues and an accumulation of layered needs, which could include mental health, relationships, behavioural, physical, medical, sensory, communication & cognitive</p> <p>Pupils will need a <i>high level of specialist support</i></p>	<p>Expected School Provision</p> <ul style="list-style-type: none"> • Outcomes informed by Annual Review/EHCP. • Curriculum to include life skills and highly differentiated PHSE aspects • Facilitate production of differentiated materials in accordance with the advice from the specialist teacher. • Adult support to access an individualised curriculum. • Opportunities to explore their Autistic identity • Disapplication from certain subjects if appropriate. • Specialist teaching focusing on both learning curriculum and social skills throughout the school day. 	<p>Specialist AUTISM provision</p> <p>To support school with autistic learners who are in ‘crisis’ and possible at risk of exclusion or a change of placement - Highly specialised and detailed support plan for student and setting (a plan would be devised to cover one term) – Program of interventions/visits from INSPIRE Specialist C&I Team to provide strategic support -Bespoke package created in partnership for a specific school/setting</p>

InSpire Support Service to SEND Communication & Interaction Speech, Language & Communication Needs (SLCN)

INSPIRE Joint Communication Team (JCT)

GREEN SLCN- CYP PROFILE	GREEN SLCN – SCHOOL	GREEN SLCN – InSplre
SLCN is noticeable however can be managed within a whole class setting including through applying Quality First Teaching and CYP continues to make progress.	Expected Setting/School Provision <ul style="list-style-type: none"> • All settings/schools are required to ensure that they provide Quality First Teaching that promotes inclusive practices. • All settings/schools follow and document a Graduated Approach of Assess, Plan, Do, Review • Access to a differentiated curriculum including expectations around listening behaviours/length and opportunities for breaks in learning • All settings/schools are expected to provide an Enabling Learning Environment an Audit Tool’ to assess ‘Reasonable Adjustments’ that can be made to support the CYP SLCN: https://ican.org.uk/i-cans-talking-point/professionals/tct-resources/more-resources/communication-friendly-checklists/ • Implemented the reasonable adjustments as highlighted as part of the audit tool. • Use of the Speech, Language and Communication Needs (SLCN) Checklists • Confirm that hearing has been tested and if not refer to school nurse 	Specialist C&I Joint Communication Team can offer <ul style="list-style-type: none"> • Practitioner training on Enabling Learning Environments for teachers and Additional Adults to support implementation /Audit • Practitioner training Early Identification, Early Intervention SLCN
GREEN PLUS SLCN- CYP PROFILE	GREEN PLUS SLCN – SCHOOL	GREEN PLUS SLCN – InSplre

<p>Suspected SLCN identified by difficulties accessing the curriculum in one or more of the following areas:</p> <ul style="list-style-type: none"> • Attention and listening • Understanding language e.g. answering questions or following instructions • Expressive language e.g. making their needs met, using appropriate vocabulary, using expanded sentences, using appropriate grammar • Problem solving skills • Dysfluency • Emotional regulation difficulties <p>SLCN is noticeable however can be managed within a whole setting/school.</p>	<p>Expected Setting/School Provision</p> <ul style="list-style-type: none"> • Completion of iCAN Progression Tool • Training and screening of setting/school identified CYP with possible SLCN • Attendance on CLCH Learning Workshop trainings on a range of different topics to support CPD knowledge and skills of school staff to support SLCN through the Universal Offer • Completion of Speech, Language and Communication Framework (SLCF) for all school staff: https://www.slcframework.org.uk/ 	<p>Specialist C&I Joint Communication Team can offer access to training to include:</p> <ul style="list-style-type: none"> • Identification of SLCN needs in Early years, primary, secondary and post 16 settings. • Completing Enabling Learning Environments Audit Tools • Completing iCAN Progression Tools to screen for SLCN in specific children <p>Specialist C&I Joint Communication Team can also offer:</p> <ul style="list-style-type: none"> • setting/school visit & observation to support implementation of the Enabling Learning Environments Audit Tool following attendance on the training • setting/school visit to support outcomes of iCAN Progression Tools and advise on appropriate interventions or strategies through an Action Plan.
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AMBER SLCN - CYP PROFILE	AMBER SLCN– SCHOOL	AMBER SLCN– InSplre
<ul style="list-style-type: none"> • CYP has confirmed medical diagnosis with associated SLCN received through assessment by Cheyne Child Development Service, SLT or other health professional' • A lack of progress or response to approaches used by those working at 'Green' and 'Green Plus' . • Communication skills behind other areas of the CYP's development e.g. motor skills 	<p>Expected Setting/School Provision</p> <ul style="list-style-type: none"> • School to deliver a rolling programme of Lower Targeted SLCN groups to support children with SLCN identified through the iCAN Progression Tool. These interventions may include: <ul style="list-style-type: none"> ○ Language for Thinking ○ Word Aware ○ Lego Therapy ○ Say When You Don't Understand 	<p>Specialist C&I Joint Communication Team can offer to include:</p> <ul style="list-style-type: none"> • INSET trainings on topics bespoke to the setting/schools' SLCN profile and needs. • setting/school visit to support set up and implementation of Lower Targeted intervention groups • One off setting/school visit to plan and implement a tracking system for Lower Targeted intervention groups • setting/school visit to plan/implement specific support • to advise on support for all children with SLCN who are Phase transitioning as appropriate. • Signposting to the relevant CLCH learning workshop training to support knowledge and approach

<ul style="list-style-type: none"> • A specific concern in a particular area of communication which is a barrier to learning or access to the curriculum. • Noticeable behaviour of concern which is having an adverse impact on the CYP's ability to communicate. 		<ul style="list-style-type: none"> • Access to visual resources and tools to adapt classroom environments following the outcome of the Enabling Learning Environment Audit
AMBER PLUS SLCN - CYP PROFILE	AMBER PLUS SLCN – SCHOOL	AMBER PLUS SLCN – InSpire
<ul style="list-style-type: none"> • CYP has confirmed medical diagnosis with associated SLCN received through assessment by Cheyne Child Development Service, SLT or other health professional' • A lack of progress across 2 terms of universal support or no response to approaches used by those working at 'Green', 'Green Plus' and 'Amber' levels. • Communication skills behind other levels of the CYP's development. • A specific concern in a particular area of communication which is a barrier to learning or access to the curriculum e.g. difficulties understanding and using appropriate grammar/sentence structure, poor narrative skills or difficulties understanding language • Persistent behaviour of concern continues to have an adverse impact 	<p>Expected Setting/School Provision</p> <ul style="list-style-type: none"> • Setting/School to implement a rolling programme of Upper Targeted SLCN groups to support CYP with SLCN identified through ican Progression Tool. These interventions may include: <ul style="list-style-type: none"> ○ Colourful Semantics ○ Narrative Skills ○ Conversation Skills ○ Zones of Regulation 	<p>Specialist C&I Joint Communication Team can offer to include:</p> <ul style="list-style-type: none"> • Support to implement Upper Targeted intervention groups • setting/school visit(s) to plan and implement a tracking system for Targeted intervention groups • Parent/caregiver workshop to support SLCN at home. • Support from INSPIRE JCT Speech and Language Therapist to advise of further interventions needed if appropriate. • model interventions for CYP as appropriate. • Specialist teacher support for curriculum differentiation to meet the CYP's SLCN within the classroom setting.

re: the child's ability to communicate.		
RED SLCN- CYP PROFILE	RED SLCN- SCHOOL	RED SLCN – InSplre
<p>Difficulties in the following areas specialist to SLT:</p> <ul style="list-style-type: none"> • Persistent speech sound difficulties and CYP not being understood due to this • A stammer that has persisted over a period of time • A disordered pattern of communication development (e.g. the CYP is not following the usual expected developmental pattern). • A voice disorder • A direct referral from the CLCH EYS SLT service for a specialist diagnostic assessment for DLD, Dysfluency or Speech Sound Disorder • A direct referral from the CLCH SLT GP Assessment and Advice service • CYP who has received support at an 'Amber' or 'Amber Plus' level for at least 2 terms and measurable progress has not been demonstrated via the ICAN Progression Tool • A CYP moving into the borough who has a identified SLCN where it is 	<p>Expected Setting/School Provision:</p> <ul style="list-style-type: none"> • Has attended relevant Learning Workshop trainings on a range of different topics to support knowledge and skills of school staff to support SLCN through the HF Local Offer as identified through classroom audit and progression tool outcomes • Evidenced implementation of lower and upper targeted interventions for at least 2 terms however the CYP continues to present with persistent SLCN. • Re-assessment of the CYP's SLCN via the Progression Tool to demonstrate lack of progress and further support required. • School to implement a specialist programme of support as identified and supported by the Joint Communication Team and delivers this on an agreed frequency monitoring the progress of this over an agreed timescale. 	<p>Specialist C&I Joint Communication Team can offer to include:</p> <ul style="list-style-type: none"> • support to complete a comprehension assessment of a CYP SLCN and provide advice for next steps. • provide specialist level support for practitioners in settings and schools to facilitate the effective implementation of tailored targeted interventions following joint MDT discussion of case with INSPIRE JCT SLT. • Workshops provided for parents/caregivers of CYP with specialist level needs in order to ensure they understand their CYP's needs and are confident in their role as key communication partner. • INSPIRE JCT Speech and language Therapist to deliver direct intervention for CYP alongside a member of setting/school staff following the outcome of their assessment for a time limited period as specified by the SLT in a SLCN Support Plan • Support understanding and knowledge of the local agreement for specialist assessment and intervention <i>e.g. practice and procedures for high tech augmentative and alternative communication systems and managing dysphagia</i> within education settings to be managed by CLCH SLT services

known specialist SLCN support is required e.g. Hearing Impairment, DLD, CYP uses Assistive Communication Device		
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DRAFT v3

InSpire Support Service to SEND

Sensory Team

Vision Impairment

(VI)

GREEN VI- LEARNER PROFILE	GREEN VI – SCHOOL	GREEN VI – InSplre
<p>The CYP whose needs are managed well in a mainstream class with appropriate differentiation of task and teaching style. A CYP who should wear glasses for a refractive error (i.e. short/long sightedness, astigmatism) whose vision is fully corrected by their spectacles and is NOT classed as having a vision impairment.</p>	<p><i>“High-quality teaching, differentiated for individual pupils, is the first step in responding to pupils who have or may have SEN. Additional intervention and support cannot compensate for a lack of good quality teaching.”</i> SEND Code of Practice (p99), Department for Education, January 2015.</p> <p>Quality First Teaching meets the needs of all CYP to include:</p> <ul style="list-style-type: none"> • Flexible grouping arrangements • Some differentiation of activities and materials • Environmental considerations are made to meet the needs of all CYPs. 	<ul style="list-style-type: none"> • Specialist Teacher VI can offer VI Awareness whole school CPD upon school request.
GREEN PLUS VI- LEARNER PROFILE	GREEN PLUS VI – SCHOOL	GREEN PLUS VI – InSplre

InSpire Support Service to SEND

Hearing Impairment (HI)

InSpire Support Service to SEND

Specific Learning Difficulty (SpLD)

TRADED



Inclusion & specialist




intervention Outreach

Provide outstanding Specialist interventions to inspire Children and Young People with SEND to transform lives and achieve their best possible outcomes

InSplre Support Service to SEND

Glossary & Links

Agenda Item 6

	London Borough of Hammersmith & Fulham	
	SCHOOLS FORUM	
	November 2022	
DEDICATED SCHOOLS GRANT MONITORING QUARTER 1 2022/23		
Open		
Wards Affected: All		
Accountable Director: Jacqui McShannon, Strategic Director of Children’s Services		
Report Authors: Tony Burton Head of Finance for Children’s Services and Education	Contact Details: Tel: 07909 004 710 E-mail: tony.burton@lbhf.gov.uk	
Purpose of the report This report updates forum on the 2022/23 quarter 1 budget monitoring position after updates to the allocation received in July 2022 from the Education and Skills Funding Agency (ESFA). It also includes the forecast accumulated Dedicated Schools Grant (DSG) carry forward deficit position.		

1. Introduction

- 1.1. This paper sets out:
- Carry forward balances at 1st April 2022
 - Forecast variances in each of the blocks of the Dedicated Schools Grant in 2022/23
 - Projected closing balances at 31st March 2023
 - Changes in 2022/23 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 2022/23 financial year at quarter 1.

Table 1 – Accumulated Adjusted DSG Carry Forward from 2021/22 (balances at 31/03/22 and forecast balances at 31/03/23)

Dedicated Schools Grant (DSG) Balances by Block			
Figures in red and brackets represent surplus	Balance 31/03/22	2022/23 Forecast Variance	Forecast Balance 31/03/23
	£m	£m	£m
Schools Block	(0.065)	0.065	0
Central Services Schools Block	0	0	0
High Needs Block (including Safety Valve £4m)	11.820	(4.599)	7.221
Early Years Block	(0.234)	0.234	0
TOTAL DSG			

3. High Needs Block

- 3.1. The High Needs Block is forecast to underspend by £0.599m versus the funding allocation in 2022/23, which represents a significant improvement versus overspend on High Needs over recent years. This is after the application of £1.3m transfer from Central Services Schools Block and £0.556m Schools Block transfer.
- 3.2. The retained HNB deficit at 31/03/22 was £11.820m after receipt of £10.55m of agreed Safety Valve funding since the commencement of the agreement. The retained deficit is forecast to reduce to £7.221m at 31/03/23 following the expected receipt of £4m further safety valve funding in 2022/23 financial year.
- 3.3. The £7.221m balance of the retained HNB deficit at 31/03/23 is forecast to be eliminated by 31st March 2026 following further expected receipts of £6m of DfE Safety Valve funding over the period.

4. Schools Block and Maintained De-delegation 2022/23

- 4.1. The £0.065m Schools Block surplus carry forward at 31/03/22 relates to the underspend on contingency and will be added to the current budget to be allocated to schools if required.
- 4.2. Allocations and payments from the balance will be agreed with the maintained schools sub-group of the schools forum and report at subsequent meetings.
- 4.3. Projected underspends and use of retained balances in the 2022/23 schools block are indicated in Table 2. At the present time it is assumed the £0.065m retained balance will be allocated and disbursed in 2022/23 financial year.

- 4.4. There is a potential underspend on the dedelegated fund for School Effectiveness in 2022/23. This will be confirmed in the Quarter 2 monitoring report. Any underspends on the schools' block will be carried forward to 2023/24 as school funds per the conditions of grant. Underspends on dedelegated funds will be carried forward or repaid to contributing schools.
- 4.5. The falling rolls fund of £0.200m in the 2022/23 budget has been allocated to schools in accordance with Schools Forum budget decisions.

Table 2 - Schools Block Forecast 2022/23

	£m	£m	£m
	2022/23 Budget	2022/23 Forecast	2022/23 Variance
Schools Block delegated (after academy recoupment)	38.955	38.955	0
Falling Rolls Fund	0.200	0.200	0
Maintained schools de-delegated Budget	0.666	0.731	0.065
Maintained schools Education Functions	0.335	0.335	0
Transfer to High Needs Block	0.556	0.556	0
Total Schools Block received by LBHF	40.712	40.777	0.065

5. Early Years Block 2022/23

- 5.1. *Early years DSG closed with a retained surplus in 2021/22 of £0.234m. This was held with respect to an expected retrospective clawback of grant by the ESFA following the January 2022 census count.*
- 5.2. *The Early Years block is currently forecast to spend to budget in 2022/23 based on current data available.*
- 5.3. *Initial calculations for the Summer term based on the May 2022 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 2023/24 budget setting process in Spring 2023.*
- 5.4. *The Early Years block is adjusted retrospectively each year so the final allocation for 2022/23 will not be known until July 2023.*

Table 3 Early Years Grant Funding 2022/23

	<i>£m</i>
Early Years Funding Element	<i>2022/23 Revised Budget July Allocation</i>
3 and 4 YO universal & extended offer	13.057
2 YO Disadvantaged offer	1.048
EY Pupil Premium	0.091
Disability Access Fund	0.051
MNS supplementary funding	0.702
Total 2022/23 Early Years	14.949

6. Central Services Schools block 2022/23

- 6.1. The CSSB block is forecast to outturn to budget at £2.817m, including the £1.139m contribution to the High Needs budget.

Report ends



CONTENTS

SCHEME FOR FINANCING SCHOOLS

CONTENTS	1
SECTION 1: INTRODUCTION	5
1.1. The funding framework	5
1.2. The role of the Scheme	7
1.2.1. Application of the Scheme to the Authority and maintained	7
1.3. Publication of the Scheme	7
1.4. Revision of the Scheme	7
1.5. Delegation of powers to the Headteacher	8
1.6. Maintenance of schools	8
SECTION 2: FINANCIAL CONTROLS	9
2.1. General procedures	9

2.1.1.	Application of financial controls to schools	9
2.1.2.	Provision of financial information and reports	9
2.1.3.	Payment of salaries and bills	12
2.1.4.	Control of assets	13
2.1.5.	Accounting policies (including year-end procedures)	13
2.1.6.	Writing off debts	14
2.2.	Basis of accounting	14
2.3.	Submission of budget plans	15
2.4.	Efficiency and value for money	16
2.5.	Virement	16
2.6.	Audit: General	17
2.7.	Separate external audits	17
2.8.	Audit of voluntary and private funds	17
2.9.	Register of business interests	18
2.10.	Purchasing, tendering and contracting requirements	18
2.11.	Application of contracts to schools	18
2.12.	Central funds and earmarking	19
2.13.	Spending for the purposes of the schools	20
2.14.	Capital spending from budget shares	20
2.15.	Notice of concern	21
2.16.	Schools Financial Value Standard (SFVS)	22
2.17.	Fraud	23
SECTION 3:	INSTALLMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS	24
3.1.	Frequency of instalments	24
3.2.	Proportion of budget share payable at each instalment	24
3.3.	Interest clawback	24
3.3.1.	Interest on late budget share payments	24
3.4.	Budget shares for closing schools	25
3.5.	Bank and building society accounts	25
3.5.1.	Restrictions on accounts	25
3.6.	Borrowing by schools	26
3.7.	Other provisions	27

SECTION 4:	THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES	30
4.1.	Right to carry forward surplus balances	30
4.2.	Control on surplus balances	31
4.3.	Interest on surplus balances	32
4.4.	Obligation to carry forward deficit balances	32
4.5.	Planning for deficit budgets	33
4.6.	Charging of interest on deficit balances	33
4.7.	Writing off deficits	33
4.8.	Balances of closing and replacement schools	33
4.9.	Licensed deficits	33
4.10.	Loan schemes	34
SECTION 5:	INCOME	35
5.1.	Income from lettings	35
5.2.	Income from fees and charges	35
5.3.	Income from fund-raising activities	36
5.4.	Income from the sale of assets	36
5.5.	Administrative procedures for the collection of income	36
5.6.	Purpose for which income may be used	36
SECTION 6:	CHARGING OF SCHOOL BUDGET SHARES	37
6.1.	General provision	37
6.1.1.	Charging of salaries at actual cost	37
6.2.	Circumstances in which charges may be made	37
SECTION 7:	TAXATION	40
7.1.	Value Added Tax	40
7.2.	Construction Industry Taxation Scheme (CITS)	40
SECTION 8:	THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITIES	41
8.1.	Provision of services from centrally retained budgets	41
8.2.	Provision of services bought back from the Authority using delegated budgets	41
8.2.1.	Packaging	41
8.3.	Service Level Agreements (SLAs)	42
8.4.	Teachers' pensions	42

SECTION 9:	PFI/PPP	42
SECTION 10:	INSURANCE	44
10.1.	Insurance cover	44
SECTION 11:	MISCELLANEOUS	44
11.1.	Right of access to information	44
11.2.	Liability of governors	44
11.3.	Governors' expenses	44
11.4.	Responsibility for legal costs	45
11.5.	Health and Safety	46
11.6.	Right of attendance for Chief Finance Officer	46
11.7.	Special Educational Needs	46
11.8.	Interest on late payments	47
11.9.	"Whistleblowing"	47
11.10.	Child Protection	47
11.11.	Redundancy / early retirement costs	47
SECTION 12:	RESPONSIBILITY FOR REPAIRS AND MAINTENANCE	48
12.1.	Responsibility for repairs and maintenance	48
12.2	De Minimis Threshold	48
12.3	Asbestos	48
SECTION 13:	COMMUNITY FACILITIES	49
13.1.	Introduction	49
13.2.	Consultation with the Local Authority ..	50
13.3.	Funding agreements – Authority powers	51
13.4.	Other prohibitions, restrictions and limitations	52
13.5.	Supply of financial information	52
13.6.	Audit	52
13.7.	Treatment of income and surpluses	53
13.8.	Health and Safety	53
13.9.	Insurance	54
13.10.	Taxation	54
13.11.	Banking	55
ANNEX A	LIST OF SCHOOLS TO WHICH THE SCHEME APPLIES	56
ANNEX B	RESPONSIBILITY FOR REDUNDANCY AND EARLY RETIREMENTS COSTS	58

ANNEX C	RESPONSIBILITY FOR REPAIRS AND MAINTENANCE	62
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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 a local authority's maintained schools except for capital and certain miscellaneous items.

Local 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 local 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 local 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 local 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 local 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).

A local authority may suspend a school's right to a delegated budget if the provisions of the local 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 local 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 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 expenditure 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 local authority's website.

1.2 The role of the Scheme

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

The Scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and PRUs maintained by the local authority, whether they are situated in the area of the local authority or situated elsewhere. It does not apply to schools situated in the local authority's area which are maintained by another local 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 local 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 local 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 local authority, the local 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 local 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 a local 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 local 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 local 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 local 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

Schools are required to provide the local 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 local authority.

The Section 151 Officer of the local 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 local 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 local 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 local authority's planning.

Reporting deadlines

Monthly throughout the financial year – 7th working day

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

Quarterly – 7th working day

- 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 outturn forecast approved by the Governing Body/Resources Committee

Financial Year End – Corporate Closing deadlines – advised annually

- 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 payroll Information – schools not with Prospect provider only

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 local 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 local authority's Director of Finance to consistently maintain adequate financial standards.

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

- i) The local 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 local authority and defined in the Schools Financial Procedures;
- ii) all Teachers' pension contributions, including qualifying documentation, are submitted to the local authority according to deadlines prescribed by the local authority and in accordance with Schools Financial Procedures, to enable the local 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) iii) all Local Government Pension Scheme pension contributions, including qualifying documentation, are submitted to the local authority according to deadlines prescribed by the local authority and in accordance with Schools Financial Procedures, to enable the local 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 local 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 local 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 local 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 Director of Finance 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 local authority in relation to accounting policies and year end procedures. The year-end procedures are set out in the guidance issued every year, which includes a closedown timetable which must be adhered to.

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

2.1.6 Writing off debts

Debts can only be written off when they are deemed to be unrecoverable or uneconomic to recover. Governing bodies are authorised under the terms of this scheme to write off debts for individual amounts not exceeding £2,000.

Any writing off of a debt must be formally recorded in the minutes of 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 local 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 local 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 local authority's accounts.

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

2.3 Submission of budget plans

Timetable

Schools are required to submit a 3-year budget plan to the local 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 local 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 local 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, Children's Services and Education. 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 should take full account of estimated deficits/surpluses at the previous 31 March in their budget plan.

The format of the budget plan and any supporting documents shall comply with the budget template provided and the guidance issued by the local 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 local authority will supply schools with funding data which it holds and which is necessary to enable efficient planning by schools.

The format of the budget plan will be specified to ensure compliance with the Consistent Financial Reporting (CFR) framework.

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

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

2.4 Efficiency & Value for Money

Schools must seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the local 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 local 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 local authority as regard internal audit, and the local 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 the local 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 local 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 local authority as required by the scheme, is in breach of the scheme and the local 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 local 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 local 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 local authority's policies and procedures.

2.11 Application of contracts to schools

Schools have the right to opt out of local authority arranged contracts except where this scheme provides otherwise.

Although governing bodies are empowered under Paragraph 3 of Schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the local 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 local 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 local 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 a local authority's schools budget or other local 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 local authority if not spent in year.

The local 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 local authority of any spending from their budget share on capital works. Schools will be required to take account of the local 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 Finance, Children's Services and Education. Any spending on capital works, which has an impact on the local authority's premises, will need the authority of the Director of Children's Services and the Head of Finance,

Children's Services and Education. 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.

All provisions above don't affect expenditure made available by the local authority outside the delegated revenue and Devolved Formula Capital budget share.

2.15 Notice of concern

The local authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Head of Finance, Children's Services and Education 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 local 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 local authority
- insisting on regular financial monitoring meetings at the school attended by local authority officers
- requiring a governing body to buy into a local 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 local authority may take where the governing body does not comply with the notice.

The purpose of this provision is to enable the local 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 local 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 local 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 local 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 local authority annually before 31 March unless amended by DfE.

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: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

3.1 Frequency of instalments

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

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

3.3.1 Interest on late budget share payments

The local authority will add interest to late payments of the budget share instalments, where such late payment is the result of an error by the local 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 local authority's liabilities, the local 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 local 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 local authority. Where a bank account is opened only in the name of the school, then the bank mandate should provide that the local 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 local authority.

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

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

If any governing body of a school operating a bank account for payments fails to operate banking arrangements in accordance with this Scheme and Schools Financial Procedures, or fails to submit the local authority returns as requested by the local authority 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 local authority education finance team, the local authority will withdraw bank account facilities from that school and in certain circumstances could withdraw delegation.

Where a school has an unapproved deficit, the local 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 Finance, Children's Services and Education 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 local 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 local authority when repaying loans.

This provision does not apply to loan schemes run by the local authority, if any.

3.7 Other provisions

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.

- ✓ 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 Education 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 Authorisers 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 Authoriser (SA), who authorises 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 authoriser 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 Education Finance Team promptly;
- keep all devices, PINs and passwords safe. If anything is lost or faulty, users must advise the local authority's Education 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 local authority's general reserves and may be used to support the overall financial requirements of the local 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 local 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 local 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 local 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 local 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 local authority and which the local 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 local authority. In considering whether any sums are properly assigned, the local authority may also consider 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 projects but cannot defer implementation indefinitely. In deciding whether a sum is properly assigned a scheme may make explicit the right of a local authority to take account of a school's previous plans for any surplus balances in the event that such plans have changed. However, a local 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 local 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 local 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 local authority.

The total of any amounts deducted from schools' budget shares by the local authority under this provision are to be applied to the Schools Budget of the local 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 outturn 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 local 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 local 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 local 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 local 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 local authority as to the use of school premises, as permitted under the act for various categories of schools, in particular the local 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 local authority from centrally retained funds.

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

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

Income from boarding charges is collected on behalf of the local 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 local authority.

In these cases, it will be a matter for the local 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 local 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 local 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 local 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 local 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 local 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 Finance, Children's Services and Education. Any disputes will be carefully reviewed and, where necessary, passed to the local 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 local 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 local authority to charge the salaries of school-based staff to school budget shares at actual cost where the school participates in the local 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 local authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the local authority);

- b) Other expenditure incurred to secure resignations where the school had not followed local authority advice;
- c) Awards by courts and industrial tribunals against the local authority, or out of court settlements, arising from action or inaction by the governing body contrary to the local authority's advice

Awards may sometimes be against the governing body directly and would fall to be met from the budget share. Where the local authority is joined with the governing body in the action and has expenditure as a result of the governing body not taking local authority advice, the charging of the budget share with the local authority expenditure protects the local authority's position. Local 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 local authority in carrying out health and safety work or capital expenditure for which the local 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 local authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the local authority or the school has voluntary controlled status;
- f) Expenditure incurred by the local 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 local authority;

See also 10.1. The local 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 local authority;
- h) Recovery of penalties imposed on the local 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 local authority errors in calculating charges to a budget share (e.g. pension deductions).

Before applying any such provision, the local 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 local authority arising from decisions by the governing body on the length of the school day, or failure to notify the local authority of non-pupil days resulting in unnecessary transport costs.

k) Legal costs which are incurred by the local authority because the governing body did not accept the advice of the local authority (see also Section 11).

l) Costs of necessary health and safety training for staff employed by the local 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-local authority payroll contractors, the charge to be the minimum needed to meet the cost of the local authority's compliance with its statutory obligations;

o) Costs incurred by the local 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 local 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 local authority as a result of the governing body being in breach of the terms of a contract.

s) Costs incurred by the local 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 local 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 local authority 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 local authority will pass onto schools any Value Added Tax (VAT) reclaimed on their behalf. Schools should follow the local 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 local authority in connection with CITS. 40

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

8.1 Provision of services from centrally retained budgets

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

The local 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 local authority using delegated budgets

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

8.3 Service Level Agreements (SLAs)

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

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

If services are offered at all by the local 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 local authority to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the local 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 local 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 local 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 local authority which the local authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The local 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 local 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 local authority, which the local authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The local 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 local 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 local authority will require that school to demonstrate that cover relevant to the local 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 local authority, either paid for from central funds or from contributions from schools' delegated budgets.

The local 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 local authority any financial or other information, which will enable the local 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 local 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 local 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 local 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 local authority.

A school cannot expect to be reimbursed with the cost of legal action against the local authority itself (although there is nothing to stop a local 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 a local 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 local authority and the governing body such that the local 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 local 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 local 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 local authority in relation to health and safety, and the local 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 local authority without the consent of the governing body if expenditure by the local authority in carrying out health and safety work or capital expenditure for which the local 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 Finance, Children's Services and Education of the local 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 Finance, Children's Services and Education 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 local 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 local authority. Annex C contains illustrative examples of the difference between capital and revenue expenditure in line with the CIPFA Code of Practice.

The local 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.

12.2 De Minimis Threshold

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

Therefore, apart from in exceptional circumstances, the local authority 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.

12.3 Asbestos

The local authority has delegated Central Services Schools Budget (CSSB) Dedicated Schools Grant 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.

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 local 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 local 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 local 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 local 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 local 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 local authority will provide formal advice in writing within six weeks of receipt. Subsequently, the governing body should inform the local 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 Finance, Children's Services and Education.

13.3 Funding agreements – Local 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 local authority in writing for its comments; and must give the local 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 local 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 local authority, or has been concluded without informing the local authority, and which in the view of the local authority is seriously prejudicial to the interests of the school or the local authority, then that may constitute grounds for suspension of the right to a delegated budget. Schools are required to inform the local authority what action has been taken following local authority advice.

The local 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 local authority. The local 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 local 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 local 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 local 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 local 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 local 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 local 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 local 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 local 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 local 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 local authority, any accumulated retained income obtained from exercise of the community facilities power reverts to the local 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 local authority in relation to health and safety, and the local 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 local 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 local 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 local authority to protect itself against possible third party claims.

13.10 Taxation

Schools should seek advice of the local 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 local 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 local 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 local authority's banking arrangements which would permit adequate separation of such funds from the school budget share and other local 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 local authority.

ANNEX A – LIST OF SCHOOLS TO WHICH THE SCHEME APPLIES

LA NUMBER	ESTABLISHMENT NUMBER	SCHOOL NAME
205	2002	Addison Primary School
205	3300	All Saints 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
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

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 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 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 local 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 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 local 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 local 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 local 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 local 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 Finance, Children's Services and Education, 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 Finance, Children's Services and Education 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
ROOFING			
Flat Structure	Roofs	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 fittings 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 fittings and gaskets etc.
Chimney Stacks	Replacement, rebuilding or major structural repairs or repointing to chimney stacks and flues including associated flashings, dpc's, restraint, lightning protection etc.	

	N/A	Inspection of free standing chimney stacks for stability e.g. stain-less steel stacks. Cleaning and clearance of all flue ways
EXTERNAL WALLS		
Masonry & Structural Frames	Replacement, rebuilding or major structural repairs to external walls e.g. repairs and repointing to brickwork and blockwork, lintels, underpinning, major concrete repairs to a structural frame. Temporary support of major structural defects	Repairs and 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
INTERNAL		
Loadbearing Partitions	Major repairs and replacement of loadbearing partitions due to structural movement	Repairs and replacement of loadbearing partitions
	N/A	Repairs and replacement of plaster, lining, tiling and other surface finishes. All decoration, specialist protective coatings and sealants
Non-loadbearing Partitions or Demountable Partitions	N/A	Repair or replacement of non-loadbearing partitions and demountable partitions including repairs and replacement of all plaster, lining, tiling and other surface finishes. All decoration, specialist protective coatings and sealants
Internal Doors, Screens 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
MECHANICAL SERVICES		
Heating & Hot Water Services	Major repair or replacement of boiler plant, distribution pipework, ductwork and heating emitters. Upgrading of tanks	Repair or replacement of boiler plant, distribution pipework, ductwork and heating emitters. Upgrading of tanks
	N/A	All servicing of boiler plant and associated controls and equipment; descaling of plant and systems; testing for gas soundness; testing of electrical services to boiler plant rooms; maintenance of tanks; testing and maintenance of 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
ELECTRICAL SERVICES		
General Supply & Sub-Main Distribution	Major repair or replacement of obsolete incoming main cables, mains switchgear, sub-mains and distribution boards	Repairs and replacements of obsolete incoming main cables, mains switchgear, sub-mains and distribution boards
	Major repair or replacement of obsolete power distribution to current standards	Repairs and replacements of obsolete power distribution to current standards
	Major repair or replacement of obsolete lighting distribution and fittings to current standards	Repairs and replacements of obsolete lighting distribution and fittings to current standards

	Major repairs and replacements to fire alarms, fire detection systems, emergency lighting, lifts and hoists	Repairs and replacements to fire alarm and detection systems, lifts and hoists
	N/A	Servicing of all electrical systems light fittings etc. and associated equipment described above. 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
DRAINAGE		
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

EXTERNAL WORKS

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 in 'on-ground' permanent pool tanks	Repair and replacement of circulation plant and pipework and any enclosing structure if accepted for maintenance and 'in-ground' permanent pool tanks
PTA Pools	N/A	All works to PTA pools other than above

GENERAL

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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CONTENTS

CONTENTS	2
SECTION A: INTRODUCTION	7
1.1 Background	7
1.2 Purpose of this document	7
SECTION B: GOVERNANCE	8
1.1 Background	8
1.2 Roles and responsibilities	8
1.3 Finance committee	8
1.4 Limits of delegated authority	9
1.5 Financial information for governors.....	9
1.6 Minutes	9
1.7 Register of business interests.....	9
1.8 Freedom of Information	10
SECTION C: FINANCIAL PLANNING.....	11
1.1 Background	11
1.2 Financial planning timetable	11
1.3 School Development Plan	11
1.3.1 Writing the School Development Plan	11
1.3.2 Linking the School Development Plan to the budget	11
1.3.3 Periodic review of the School Development Plan and Budget	12
1.3.4 Approving the School Development Plan	12
1.4 Setting the Budget	12
1.5 Earmarking of surpluses and reserves	13
1.6 Deficit budgets	13
1.7 Restrictions on the Use of Reserves.....	13
1.8 Submission of the budget to the Authority	13
1.9 Submission of reports	13
SECTION D: BUDGET MONITORING.....	15
1.1 Introduction	15
1.2 Virements	16
1.3 New initiatives and projects	16
1.4 Cash flow monitoring	17

SECTION E: PURCHASING	18
1.1 Introduction	18
1.2 Expenditure limits	18
1.3 Value for money.....	18
1.4 Health and safety	19
1.5 Safeguarding	19
1.6 Contract specifications.....	19
1.7 Contract management	19
1.8 Claims.....	20
1.9 Capital implications	20
1.10 Orders.....	20
1.11 Receipt of goods.....	20
1.12 Payment on proper invoices	21
1.13 Approval of invoices for payment.....	21
1.14 Certification of invoices for payment	22
SECTION F: FINANCIAL CONTROL	24
1.1 Introduction	24
1.2 Local written policies.....	24
1.3 Financial control when staff are absent	25
1.4 Separation of duties	25
1.5 Audit trail of transactions	25
1.6 Earmarked funding	25
1.7 Maintaining accounting records	25
SECTION G: INCOME	27
1.1 Introduction	27
1.2 Maintaining records of income	27
1.3 Collection of income	27
1.4 Storing of cash and cheques	28
1.5 Reconciliation	28
SECTION H: BANKING.....	30
1.1 Introduction	30
1.2 Authorised signatories	30
1.3 Bank statements	31
1.4 Debt facilities	32
1.5 Cancelling cheques	32

1.6 Maintaining a list of accounts.....	32
1.7 Bank mandates.....	32
1.8 Standing Orders.....	32
1.9 Direct Debits	33
1.10 Credit cards	33
SECTION I: PAYROLL.....	34
1.1 Introduction	34
1.2 Tax.....	34
1.3 Staff records	34
1.4 Overtime	35
1.5 Invoices from suppliers	35
1.6 Provision of reports to the Authority	35
SECTION J: PETTY CASH	36
1.1 Introduction	36
1.2 Security of petty cash	36
1.3 Proper use of petty cash	36
1.4 Maintaining the accounting record	36
1.5 Reconciliation of petty cash account.....	36
SECTION K: TAX.....	38
1.1 Introduction	38
1.2 VAT submissions	38
1.3 Payment on VAT invoices.....	38
1.4 VAT on business activities	39
1.5 Construction Industry Scheme.....	39
SECTION L: VOLUNTARY FUNDS	41
1.1 Introduction	41
1.2 Separate accounting from the school's delegated budget	41
1.3 Independent audit	41
1.4 Accounting and year end	41
1.5 Receipt of donations and income.....	42
1.6 Reconciliation	42
1.7 Insurance cover for voluntary funds.....	42
1.8 Registering with the Charities Commission	42
SECTION M: ASSETS	43
1.1 Introduction	43

1.2 Assets Register.....	43
1.3 Asset Management Plan.....	44
1.4 Inventories	44
1.5 Procedures for property taken off site	44
1.6 Disposal of assets.....	45
1.7 Write offs	46
1.8 Security.....	47
SECTION N: INSURANCE.....	48
1.1 Introduction	48
1.2 Additional insurance cover.....	48
1.3 Indemnities to third parties.....	48
1.4 Annual review of risks	48
1.5 Insurance of property taken off site.....	49
SECTION O: DATA SECURITY	50
1.1 Introduction	50
1.2 Security.....	50
1.3 Back-up procedures.....	51
1.4 Business continuity and emergency planning	51
1.5 Data Protection Act 1998.....	51
SECTION P: AUDIT	52
1.1 Introduction	52
1.2 Audit recommendations	52
1.3 Reporting of irregularities.....	52
1.4 Audit procedures.....	53
1.5 Record keeping.....	53
1.6 Consistent Financial Reporting	53
1.7 Chartered Institute of Public Finance and Accounting	53
SECTION Q: CAPITAL.....	54
1.1 Introduction	54
1.2 Capital accounting	54
1.3 Revenue vs capital repairs and maintenance	54
1.4 Devolved Formula Capital	54
1.5 Spending from budget share on capital works	54
Appendix A – Model Terms of Reference.....	55
Appendix B – Transaction log template.....	69

Appendix C – Request of advance due to cashflow shortfall.....	70
General information	70
Current financial position	70
Request	70
AC4 Authorisation.....	70

SECTION A: INTRODUCTION

1.1 Background

The financial relationship between the local authority and each school is set out in the local 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 local 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 local 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.

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 local 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 LA to support them delivering against their statutory requirements to respond to Freedom Of Information (FOI) requests.

Whilst there are exemptions in the legislation, the LA 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 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 the governing body 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 local 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 Head of Finance, Children's Services and Education. 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 LA 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 LA 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 LA 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 Local Authority

- Schools are required to submit a budget plan to the LA 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 LA with financial reports throughout the year in a format predetermined by the LA.

In order to keep an overview of schools' finances, the LA's 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 LA 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 LA 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 local 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 LA must, where applicable, comply with relevant legislation, statutory guidance and policies published by the LA.

Each headteacher shall maintain and supply the Head of Finance, Children's Services and Education 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 Head of Finance, Children's Services and Education, 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 local 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 local 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 local 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 His Majesty's Revenue & Customs (HMRC).

Invoices should not be returned with the 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 payments and statements should be raised with the bank.

1.14 Certification of invoices for payment

The local authority doesn't make payments on behalf of any school. The school should maintain a list of staff authorised to certify invoices for payment together with specimen signatures.

SECTION F: FINANCIAL CONTROL

1.1 Introduction

It is important that financial systems are robust 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 LA'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 Head of Finance, Children's Services and Education.

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 Head of Finance, Children's Services and Education.

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 local 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 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 local authority's Schools Finance Team or Head of Finance, Children's Services and Education.

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 the LA'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 Head of Finance, Children's Services and Education, 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 Head of Finance, Children's Services and Education 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 the local authority's corporate finance team 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 local authority's Schools Finance Team or the Head of Finance, Children's Services and Education.

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 Head of Finance, Children's Services and Education 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 local authority.

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

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 the local authority's 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 local 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 local 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 local 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 local authority

Schools should provide the local 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 local authority's 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 local authority's VAT officer.

The VAT officer will incorporate the school's input and output VAT into the local authority's VAT return. These submissions are to be in a format prescribed by the Head of Finance, Children's Services and Education 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 Financing schools and the Schools Financial 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 Head of Finance, Children's Services and Education 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 local authority's Schools Finance team as part of the 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

In addition to 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 Head of Finance, Children's Services and Education.

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 local 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 Financing schools 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 Head of Finance, Children's Services and Education 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 local 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 local authority's framework will be covered by the local authority's insurance. The local 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 local 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 local 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 local authority.

The school should immediately inform its insurers and the local 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 Head of Finance, Children's Services and Education 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 Head of Finance, Children's Services and Education 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 Head of Finance, Children's Services and Education immediately.

1.4 Audit procedures

The Head of Finance Children's Services and Education 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 Head of Finance Children's Services and Education, their nominees, and the local authority's external auditors require. This includes information appropriate for HMRC returns.

The accounting procedures adopted by the local authority reflect recommended professional practice. Departure from recommended practice must be declared and must be acceptable to the Head of Finance, Children's Service and Education and the local 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 the Consistent Financial Reporting framework, 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 local 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.

1.3 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.

1.4 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, schools are required to notify the local authority of any spending from their budget share on capital works. Schools will be required to take account of the local authority's advice on any capital spending over the sum of £15,000. Any spending on capital works which has an impact on local authority premises requires the authority of Head of Finance, Children's Services and

Education. The local authority can only deny these works on Health & Safety grounds. The reason for seeking the local 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 local 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 local 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 an 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.
- 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 local 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 local 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

ELEMENT		CAPITAL Funded by the LA	REVENUE Funded by schools
ROOFING			
Flat	Roofs	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 fittings 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, lightning 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
EXTERNAL WALLS		
Masonry & Structural Frames	Replacement, rebuilding or major structural repairs to external walls e.g. repairs and repointing to brickwork and blockwork, lintels, underpinning, major concrete repairs to a structural frame. Temporary support of major structural defects	Repairs and 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
INTERNAL		
Loadbearing Partitions	Major repairs and replacement of loadbearing partitions due to structural movement	Repairs and replacement of loadbearing partitions
	N/A	Repairs and replacement of plaster, lining, tiling and other surface finishes. All decoration, specialist protective coatings and sealants
Non-loadbearing Partitions or Demountable Partitions	N/A	Repair or replacement of non-loadbearing partitions and demountable partitions including repairs and replacement of all plaster, lining, tiling and other surface finishes. All decoration, specialist protective coatings and sealants
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
MECHANICAL SERVICES		
Heating & Hot Water Services	Major repair or replacement of boiler plant, distribution pipework, ductwork and heating emitters. Upgrading of tanks	Repair or replacement of boiler plant, distribution pipework, ductwork and heating emitters. Upgrading of tanks
	N/A	All servicing of boiler plant and associated controls and equipment; descaling of plant and systems; testing for gas soundness; testing of electrical services to boiler plant rooms; maintenance of tanks; testing and maintenance of 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
ELECTRICAL SERVICES		
General Supply & Sub-Main Distribution	Major repair or replacement of obsolete incoming main cables, mains switchgear, sub-mains and distribution boards	Repairs and replacements of obsolete incoming main cables, mains switchgear, sub-mains and distribution boards
	Major repair or replacement of obsolete power distribution to current standards	Repairs and replacements of obsolete power distribution to current standards
	Major repair or replacement of obsolete lighting distribution and fittings to current standards	Repairs and replacements of obsolete lighting distribution and fittings to current standards
	Major repairs and replacements to fire alarms, fire detection systems, emergency lighting, lifts and hoists	Repairs and replacements to fire alarm and detection systems, lifts and hoists
	N/A	Servicing of all electrical systems light fittings etc. and associated equipment described above. 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
DRAINAGE		
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
EXTERNAL WORKS		
	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

Paving	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 in 'on-ground' permanent pool tanks	Repair and replacement of circulation plant and pipework and any enclosing structure if accepted for maintenance and 'in-ground' permanent pool tanks
PTA Pools	N/A	All works to PTA pools other than above
GENERAL		
Asbestos Asbestos management for maintained schools is covered by the £50k top-sliced Schools	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

Block of DSG budget		
	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.