

# Public Document Pack

## Notice of Meeting

### Schools Forum

Chris Tomes (Churchmead) (Vice-Chair), Isabel Cooke (White Waltham), Joolz Scarlett (Manor Green), Sarah Cottle and Andrew Morris (Furze Platt Senior)

Thursday 13 July 2023 2.00 pm

Virtual Meeting - Online access & on [RBWM YouTube](#)

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### Agenda

Item	Description	Page
1	<b>Election of a Chair for the Duration of the Meeting</b> Forum members to appoint a Chair for the duration of the meeting.	-
2	<b>Apologies for Absence</b> To receive apologies for absence.	-
3	<b>Declarations of Interest</b> To receive any Declarations of Interest.	3 - 4
4	<b>Minutes of the Previous Meeting</b> To confirm the minutes from the previous meeting.	5 - 8
5	<b>Terms of Reference</b> Forum to review the suggested changes to the Terms of Reference for Schools Forum.	9 - 16
6	<b>Budget Outturn and School Balances 2022/23</b> Forum to consider the report.	17 - 32
7	<b>Nursery Report LGO</b> Forum to consider the report.	33 - 42
8	<b>Scheme for Financing Schools 2023/24</b> Forum to consider the report.	43 - 114

By attending this meeting, participants are consenting to the audio & visual recording being permitted and acknowledge that this shall remain accessible in the public domain permanently.

Please contact Laurence Ellis, [Laurence.Ellis@RBWM.gov.uk](mailto:Laurence.Ellis@RBWM.gov.uk), with any special requests that you may have when attending this meeting.

Published: 5<sup>th</sup> July 2023



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## MEMBERS' GUIDE TO DECLARING INTERESTS AT MEETINGS

### Disclosure at Meetings

If a Member has not disclosed an interest in their Register of Interests, they **must make** the declaration of interest at the beginning of the meeting, or as soon as they are aware that they have a Disclosable Pecuniary Interest (DPI) or Other Registerable Interest. If a Member has already disclosed the interest in their Register of Interests they are still required to disclose this in the meeting if it relates to the matter being discussed.

Any Member with concerns about the nature of their interest should consult the Monitoring Officer in advance of the meeting.

### Non-participation in case of Disclosable Pecuniary Interest (DPI)

Where a matter arises at a meeting which directly relates to one of your DPIs (summary below, further details set out in Table 1 of the Members' Code of Conduct) you must disclose the interest, **not participate in any discussion or vote on the matter and must not remain in the room** unless you have been granted a dispensation. If it is a 'sensitive interest' (as agreed in advance by the Monitoring Officer), you do not have to disclose the nature of the interest, just that you have an interest. Dispensation may be granted by the Monitoring Officer in limited circumstances, to enable you to participate and vote on a matter in which you have a DPI.

Where you have a DPI on a matter to be considered or is being considered by you as a Cabinet Member in exercise of your executive function, you must notify the Monitoring Officer of the interest and must not take any steps or further steps in the matter apart from arranging for someone else to deal with it.

*DPIs (relating to the Member or their partner) include:*

- *Any employment, office, trade, profession or vocation carried on for profit or gain.*
- *Any payment or provision of any other financial benefit (other than from the council) made to the councillor during the previous 12-month period for expenses incurred by him/her in carrying out his/her duties as a councillor, or towards his/her election expenses*
- *Any contract under which goods and services are to be provided/works to be executed which has not been fully discharged.*
- *Any beneficial interest in land within the area of the council.*
- *Any licence to occupy land in the area of the council for a month or longer.*
- *Any tenancy where the landlord is the council, and the tenant is a body in which the relevant person has a beneficial interest in the securities of.*
- *Any beneficial interest in securities of a body where:*
  - a) *that body has a place of business or land in the area of the council, and*
  - b) *either (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body or (ii) the total nominal value of the shares of any one class belonging to the relevant person exceeds one hundredth of the total issued share capital of that class.*

Any Member who is unsure if their interest falls within any of the above legal definitions should seek advice from the Monitoring Officer in advance of the meeting.

### Disclosure of Other Registerable Interests

Where a matter arises at a meeting which **directly relates** to one of your Other Registerable Interests (summary below and as set out in Table 2 of the Members Code of Conduct), you must disclose the interest. **You may speak on the matter only if members of the public are also allowed to speak at the meeting but otherwise must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation.** If it is a 'sensitive interest' (as agreed in advance by the Monitoring Officer), you do not have to disclose the nature of the interest.

### Other Registerable Interests:

- a) any unpaid directorships
  - b) any body of which you are a member or are in a position of general control or management and to which you are nominated or appointed by your authority
  - c) any body
    - (i) exercising functions of a public nature
    - (ii) directed to charitable purposes or
    - (iii) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union)
- of which you are a member or in a position of general control or management

### Disclosure of Non- Registerable Interests

Where a matter arises at a meeting which **directly relates** to your financial interest or well-being (and is not a DPI) or a financial interest or well-being of a relative or close associate, or a body included under Other Registerable Interests in Table 2 you must disclose the interest. **You may speak on the matter only if members of the public are also allowed to speak at the meeting** but otherwise **must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation**. If it is a 'sensitive interest' (agreed in advance by the Monitoring Officer) you do not have to disclose the nature of the interest.

Where a matter arises at a meeting which **affects** –

- a. your own financial interest or well-being;
- b. a financial interest or well-being of a friend, relative, close associate; or
- c. a financial interest or well-being of a body included under Other Registerable Interests as set out in Table 2 (as set out above and in the Members' code of Conduct)

you must disclose the interest. In order to determine whether you can remain in the meeting after disclosing your interest the following test should be applied.

Where a matter (referred to in the paragraph above) **affects** the financial interest or well-being:

- a. to a greater extent than it affects the financial interests of the majority of inhabitants of the ward affected by the decision and;
- b. a reasonable member of the public knowing all the facts would believe that it would affect your view of the wider public interest

**You may speak on the matter only if members of the public are also allowed to speak at the meeting** but otherwise **must not take part in any discussion or vote on the matter and must not remain in the room unless you have been granted a dispensation**. If it is a 'sensitive interest' (agreed in advance by the Monitoring Officer, you do not have to disclose the nature of the interest.

### Other declarations

Members may wish to declare at the beginning of the meeting any other information they feel should be in the public domain in relation to an item on the agenda; such Member statements will be included in the minutes for transparency.

# Agenda Item 4

## SCHOOLS FORUM

Thursday 19 January 2023

Present virtually: Chris Tomes (Chairman), Isabel Cooke and Andrew Morrison

Also in attendance virtually: Councillor Maureen Hunt and Councillor Sayonara Luxton

Officers in attendance virtually: Oran Norris-Browne, James Norris, Clive Haines, Sarah Ward and Tracey Anne Nevitt

### Apologies for Absence

Apologies were received from Joolz Scarlett & Sarah Cottle.

### Declarations of Interest

No declarations of interest were made.

### Minutes of the Previous Meeting

**AGREED UNANIMOUSLY: That the minutes of the meeting held on 15 December 2022 were a true and accurate record.**

### Schools Forum Membership Framework 2022/23

The Schools Forum considered a report on the Schools Forum Membership Framework 2022/23.

James Norris, Head of Finance for Achieving for Children, introduced the report by stating that attendance numbers on the Schools Forum had begun to dwindle in recent times. The strategy was to launch a recruitment campaign to fill vacant positions that had opened up on the Forum. The recommendation was for the Forum to note the report and discuss arrangements for the recruitment process.

James Norris said that the previous target number of forum members was 17, however the plan was for this to be decreased slightly to 15 members. The rationale behind this was due to the limits to recruitment, but also a positive reason was for the Forum to become more effective and efficient in their decision making. There were currently 5 members, and therefore 10 places needed to be filled. He then asked the current members what their ideas were for recruitment to the Forum.

Andrew Morrison said that they just needed to be direct and approach persons who had not attended the Forum before. He said that at the next headteachers conference, he would be more than happy to approach people and ask them if they would like to attend. James Norris said that historically the Forum had been running at around 10 or 11 members at best. If multiple persons wished to take up the same single position, then that would be dealt with as and when it arose. Currently the Forum also only met 4 times per year (a maximum of 6 times), so it was less of a commitment compared to the past.

The Chair asked if a meeting of the primary school headteachers was occurring in the near future. Isabel Cooke said that she was not aware about this, but that there was an appetite from her to approach a range of different people who had not attended the Forum before in

the past. She would approach some of her academy governors, to see if they would be interested.

Clive Haines, Deputy Director for Education, said that previously communications would be sent out to headteachers and governors boards, where they would collect expression of interest forms. Clive Haines also said that this could be done for nurseries, private and voluntary. The Chair agreed with this cause of action.

**ACTION: Expression of Interest forms to be sent by the AFC team to headteachers, governor boards and nurseries within the borough.**

Andrew Morrison said that it was important to put out some information about what the Schools Forum was and what its processes were. The Chair agreed that this needed to be included in the marketing of the Forum and asked for the results of the campaign to be brought back to the next forum.

**ACTION: Results of the recruitment campaign to be brought to the next Forum.**

**AGREED: That the Schools Forum noted the report on the Schools Forum Membership Framework for 2022/23.**

### Budget Monitoring and Forecast 2022/23

The Forum considered the written report titled Budget Monitoring and Forecast 2022/23.

James Norris said that the report provided an update on the projected financial position for 2022/23 and the projected deficit also. Forum members were to note the report. Section 3.1 of the report stated that the current budget notification was £141 million within the Dedicated Schools Grant (DSG), with net retained funding of £72 million, which consisted of £36 million in respect to maintained schools delegated budgets and £35 million central schools' budget, which included Central School Services, Early Years and High Needs.

James Norris said that there was a projected net in-year underspend of £197,000, which was favourable considering as of 31 March 2022, there was a net deficit of around £2 million. He then stated that the overall position had not changed since the last report to the Schools Forum. He added that section 3.9 noted a planned contingency of £210,000, which was previously £400,000. The remaining £210,000, if not required would be favourable. The position that was being reported, was where officers were expecting the borough to be at this time during the financial year.

James Norris said that the Delivering Better Values programme was being actively engaged with. Feedback from the Department for Education (DfE) was positive, and that data had been submitted to them and it was with them for analysis, and it would be fed back to the borough in due time.

The Chair asked if the £210,000 underspend mentioned in section 3.9 had been off set against the deficit. James Norris replied by saying no and that they anticipated new high-cost provisions occurring between January and March 2023. This money would be used for this, and if it did not materialise then it would contribute positively to the overall deficit position.

**AGREED: That the Schools Forum noted the report titled Budget Monitoring and Forecast 2022/23.**

### School Budget Funding 2023/24

The Schools Forum considered the written report titled School Budget Funding 2023/24.

James Norris said that section 4 set out the different sections of the DSG funding blocks. Section 5 set out the DSG funding for 2023/24 and it provided a comparison between the current 2022/23 and the proposed 2023/24 funding levels. The early years indicative funding was shown to be £11.2 million. He asked forum members if they had any additional questions or ideas on this, as it was due to go out to consultation in the near future. James Norris said that any changes would be effective from 1 April 2023.

The Chair asked if there would be any financial risks attached to that. James Norris confirmed that he did not believe so and that they were looking to utilise the full £11.2 million. Clive Haines said that they were wishing to pass as much as possible on to the children.

The Chair asked when schools would see the indicative budgets come through. James Norris said that this would hopefully be by 28 February 2023, following on from confirmation by both the Cabinet Member for Children’s Services and the Executive Director of this also.

James Norris said that section 7 set out the school funding overview and that a consultation had occurred on this. The National Funding Formula had not come through yet, however there were some minimum funding guarantees that were known and had been met. The second model was the recommendation made by officers, following on from the feedback from the school consultation. The final signoff would be made by the Cabinet Member for Children’s Services and the Executive Director of this also. However, all options submitted had to be affordable before it went to the DfE.

James Norris said that section 8 set out the high needs funding and said that they would receive a 3% funding increase for 2023/24. Section 8.5 reflected the planned top up bandings of 4.5%. He added that they would also receive a further 3.4% increase in funding on a per place funding basis.

The Chair asked for some clarity on appendix A within the report. James Norris replied by saying that it showed the movement between the current rates and the proposed rates for 2023/24. It attempted to demonstrate the impacts that different models would have. Tracey Anne-Nevitt, Finance & Business Partner for AfC, said that the 2 options that were shown on the appendix differed to what was consulted on. This was due to changes in data sets.

Isabel Cooke asked about sparsity funding and how much special schools would receive. James Norris said that this had been asked in the consultation and strong support was shown towards profiling it in over a number of years. Isabel Cooke said that only 2 or 3 schools would be impacted by this and that schools that would not be impacted, would wish for them to be placed on the lowest amount. James Norris appreciated the comments made and hoped that morally schools would not have taken this course of action. Isabel Cooke said that it was something to definitely consider as every school was battling with its individual budget.

The Chair said that going forward, perhaps only the schools that would be impacted by a budgetary change should have a say on it. Tracey Anne-Nevitt said that the borough was not currently funded on the national funding formula rates currently and that there had also been a big swing in data, which squeezes funding further. She said that proposals would exist in the future to tackle this and increase funding once more flexibility was obtained.

**AGREED: That the Schools Forum noted the report titled School Budget Funding 2023/24.**

The meeting, which began at 2.00 pm, finished at 2.40 pm

Chair.....

Date.....

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## RBWM SCHOOLS FORUM

### TERMS OF REFERENCE

Ratified by Schools Forum on 12 June 2012

### PURPOSE OF THE SCHOOLS FORUM

1. The Education Act 2002 requires Local Authorities (LAs) to establish a Schools Forum for dialogue, advice, and consultation between schools and LEAs. These Terms of Reference are written in accordance with that Act, the Schools Forums (England) Regulations 2010, and anticipated changes to Schools Forum Regulations effective from October 2012.
2. The main purpose of the Schools Forum is to consider school related financial issues and to provide advice to the Council about such matters. RBWM should consult the Schools Forum on:
  - i. changes to RBWM's local school funding formula
  - ii. the terms of contracts for supplies and services to RBWM schools
  - iii. on specified issues in relation to the Schools Budget including:
    - o arrangements for pupils with special educational needs
    - o arrangements for the use of pupil referral units
    - o arrangements for early years education
    - o insurance arrangements
    - o administration of the allocation of government grants paid to schools via the LA
    - o arrangements for free school meals
  - iv. the initial determination of the Schools Budget.

The above list is not exhaustive and the LA may also consult the Forum on other matters concerning the funding of schools.

3. The Schools Forum can make decisions on the following LA proposals:
  - i. increases in the maximum level of expenditure allowed by the central expenditure limit rules
  - ii. revisions to the scheme for financing schools
  - iii. any increase in budgeted central expenditure in relation to
    - o the school specific contingency
    - o contributions from the central Schools Budget to combined services
    - o prudential borrowing costs
    - o premature retirement and redundancy costs
    - o SEN transport costs
  - iv. variations to the Minimum Funding Guarantee without application to the Secretary of State where:
    - o the variation to the coverage of the MFG has previously been approved by the schools forum or Secretary of State and did not have a specified time limit.
    - o the variation applies to the implementation of the early years single funding formula.

- the variation would result in a higher level of MFG protection than that specified by the DFE.
4. Where Schools Forum approval is required and agreement is not forthcoming, the LA has the option of approaching the Secretary of State to adjudicate.
  5. The Schools Forum can only exercise its powers in relation to proposals put forward by the LA. It has no powers to initiate proposals.

## MEMBERSHIP

6. Membership of the Schools Forum must comply with the following requirements of the Regulations:
  - school members and academy members must comprise at least two thirds of the membership of the Forum
  - primary, secondary and academy schools members must be in proportion to the total number of pupils at those schools
  - RBWM's special school and nurseries should also be represented
  - there is no minimum number of Schools Forum members
  - the early years private, voluntary and independent sector and the 14-19 Strategic Partnership must be represented on the Forum.
7. Proposed membership of the RBWM Schools Forum for September 2012 is as follows:

School / Non school	Sub sector	NOR (%)	Governor	Head Teacher	Non schools	Total
Non schools	Early Years PVI 14-19				1	1
					1	1
<b>Non schools total</b>			<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>
Schools	Academy	<del>30%</del> 66%	1	6.4		7.5
	Nursery	29%	0	1		1
	Primary	45%	1.2	2.4		3.6
	Secondary	5% 25%	0.4	1.3		1.4
	Special	n/a	0	1		1
<b>Schools total</b>		<b>100%</b>	<b>2.4</b>	<b>11.13</b>	<b>2</b>	<b>15.19</b>

8. The following have observer (non-voting) status:
  - Education Funding Agency representative
  - Lead member for Children's Services
  - Head of Governor Services
9. The composition of the Schools Forum should be reviewed annually to ensure that representation matches changes in pupil and school numbers and school type. Membership will not be restructured to reflect in-year changes such as conversion to academy status of members' schools.

10. The number of LA attendees participating in meetings is limited to the Director of Children’s Services and / or his representative, and LA officers providing financial and technical advice. They attend meetings in an advisory capacity but not as members (i.e. have no voting rights). Elected members who hold an executive role in the LA (e.g. the lead member) may not stand as either schools or non-schools members of the Forum, but they may attend as observers.
11. Substitutes will not normally be allowed because of the difficulties in fully briefing substitutes and achieving continuity. Those absent should take responsibility for briefing those from their representative group before the meeting and those present have a duty to report back. On material matters absent members should make their views known before the meeting, preferably in writing. The Forum reserves the right to accept substitutes but only in exceptional circumstances, e.g. when the quorum will not be met or it is not balanced. Where substitutes are accepted, they will have the right to vote.

**METHOD OF APPOINTMENT AND TERM OF OFFICE**

12. The period of membership will be as follows:

Head teachers	elected annually
School governors	elected for a period of three years. Members may be re-elected for a maximum of three consecutive periods of membership.
Non school members	See below

13. The Forum will elect the Chair and the Vice-Chair of the Forum for a period of three years.
14. Where a member leaves the organisation they are representing or ceases to be eligible to the appointment, they will be required to resign from the Forum and a replacement representative sought for the remainder of the vacant representative’s normal term of appointment.
15. If a school changes its status (e.g. becomes an Academy), the term of office of any member representing that school will come to an end at the end of the academic year.
16. The key principle in nominating School Forum representatives is that everyone who is eligible for election has the opportunity to stand for election and /or vote should they so wish.
17. Head teacher area cluster groups or nursery cluster groups shall be responsible for nominating head teacher representatives for each sub-group within the maintained sector
18. Academy members must be elected by the governing bodies of the academies. The members do not necessarily have to be a principal or a governor. Academy

members are treated as a single group and do not need to be in proportion to the number of pupils within each academy school sector (i.e. primary, secondary).

19. Governor nominations will be sought via the Governor Chairman's committee, and, where more than one nomination for a post is received, elections will be held within the appropriate forum and the clerk of the Schools Forum advised of the outcome. The outcome of the nominations will be noted in the minutes of the Schools Forum.
20. RBWM will invite nominations for non-school members from the 14-19 Partnership and the early years Private, Voluntary and Independent (PVI) sector. Where a vacancy for a non schools member arises, the LA will seek nominations from the relevant body for a replacement. A non schools member shall remain in office until s/he resigns or until the relevant body makes a further nomination to replace him/her.

## **CONDUCT OF MEETINGS**

### **Quorum**

21. The Forum will be quorate if 40% of members (including substitutes) are present at a meeting and those present are broadly representative of the full membership. (i.e. the primary and secondary sector must be adequately represented.).
22. Whilst there is nothing to stop it continuing to meet if it is inquorate, any advice given to RBWM in such circumstances would not have to be taken into account.

### **Frequency and timing of meetings**

23. Meetings will take place during term time, and at least four times per annum.
24. Meetings will be held at a time of day and at an appropriate location to enable as many members as possible to attend (normally 3:30pm unless otherwise notified).
25. Meetings of the full Schools Forum, but not of its sub-groups, will be held in public, if necessary with a Part II section for the purpose of discussing matters of a confidential nature.
26. On occasions, when there is an urgent business need for a decision or view to be expressed by the Forum before the next scheduled meeting, the Chair of the Schools Forum and one or more members of the Forum may either:
  - call an extra-ordinary meeting, or
  - seek views from forum members by email correspondence, providing all members of the Forum have an opportunity to participate.

Such instances should be kept to a minimum. Exceptionally, the Chair can give the authority a view on an urgent issue without prior consultation with other members. It is not legal for the Chair to take a decision on behalf of the Schools Forum no matter how urgent the issue may be.



## **Sub-committees and working groups**

27. The Forum may set up working groups or sub-groups as required. The Forum will agree the terms of reference of such groups and specify membership arrangements.
28. Sub groups are required to report to a full (quorate) meeting of the Forum for approval of findings before such findings are published or formally passed to the LA.

## **Administration**

29. Officers will agree the agenda and forward plan with the chair person at a pre-meeting, normally two to three weeks in advance of the main meeting. SF members and LA officers may contribute discussion items for future meetings with the approval of the Director of CS and the Chair.
30. The agenda and papers will be distributed by e-mail to Forum members at least one week prior to the meeting and posted simultaneously on First Class and the RBWM website. Delays in the dispatch of papers needing to be tabled are sometimes unavoidable. The late dispatch of papers should occur in exceptional circumstances only, but when this happens, the Chair shall have discretion to take a view on deferring the agenda item to give Forum members sufficient time to consider the item properly.
31. The clerk will minute the meetings, and record any decisions made and votes taken. These will be confirmed by the Chair before distribution to the Forum.
32. Minutes of each meeting will be confirmed with the Chair before being distributed by email to Forum members as soon as practicable after the meeting. Minutes will also be available on First Class and the RBWM website. The accuracy of the minutes will be formally agreed at the subsequent meeting of the Forum.

## **Declaration of interests**

33. Where a member of the Forum has a personal or pecuniary interest (either as a headteacher, governor, parent or individual) in a matter to be discussed at a meeting of the Forum or a sub-committee, they must declare an interest at the start of the meeting or as soon as it becomes apparent. Following a declaration of interest, the Forum shall determine whether the member should withdraw from the meeting for that item or remain and not be counted in the quorum for the item.

## **Voting**

34. Proposals requiring a decision will be decided by majority vote. The number of individual members voting (i) in favour; or (ii) against; or (iii) abstaining must be recorded.
35. Only Schools members and providers from private, voluntary and independent sector can vote on issues related to the local funding formula.

## **Roles and responsibilities**

36. Each member is responsible for cascading information down to the head teachers and governors and for representing the views of their specific sector. They should ensure all proposals are discussed and understood and any outcomes are accurately recorded. They should not use their position to advance their own specific agendas.
37. Anyone attending Forum meetings in their capacity as an elected member or officer of RBWM or observer, who is not a member of the Forum, can speak at the discretion of the Chair.
38. The Forum shall inform school governing bodies and headteachers about the results of all consultations brought to the attention of the Schools Forum. They must also feed back the outcomes of decisions made at each meeting.
39. Feedback from governing bodies on the value of the Forum and the appropriateness of its response to consultations will be requested at least annually and thereafter as agreed.

## **FINANCIAL**

40. Forum members should be aware of the budget and what its resources are to be used for i.e. supply cover, travel expenses, loss of earnings & childcare costs.
41. RBWM will reimburse reasonable expenses in connection with attendance at meetings for supply cover, travel expenses, loss of earnings or childcare costs.

## **AMENDMENTS TO THE TERMS OF REFERENCE**

42. These terms of reference should be reviewed annually. Any changes to these arrangements should be ratified by a quorate meeting of the Forum.

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Report Title:	Budget Outturn and School Balances 2022/23
Contains Confidential or Exempt Information	No – Part I
Cabinet Member:	Councillor Amy Tisi
Meeting and Date:	Schools Forum 13 July 2023
Responsible Officer(s):	Lin Ferguson - Executive Director of Children's Services Louise Dutton - Head of Finance Achieving for Children (RBWM)
Wards affected:	All

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## REPORT SUMMARY

*The purpose of this report is to provide the Schools Forum with the financial position for 2022/23 along with a summary of associated material variances; the reserve deficit balance, maintained schools balances and delegated balances as at 31 March 2023. Details are set out in sections 2 to 4.*

### 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Schools Forum notes the report:

- including the reported variance, deficit balance carried forward, maintained schools balances and de-delegated balances as at 31 March 2023.

### 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

#### Options

**Table 1: Options arising from this report**

Option	Comments
Schools Forum to note the contents of the report and impact on the projected reserve deficit balance as at 31 March 2023. <b>This is the recommended option.</b>	Continued monitoring and timely reporting of material variances throughout 2023/24 reported to appropriate stakeholders including Schools Forums and RBWM Cabinet. This would enable up to date and accurate reporting of the projected reserve deficit as at 31 March 2024.
Do nothing. This is not recommended.	The failure to use relevant financial information to understand the position of the Dedicated Schools Grant reserve.

- 1.1 The settlement for the Royal Borough for 2022/23 (including Academy schools) budget notification is £141.167m with net retained funding of £71.865m consisting of £36.035m in respect of maintained schools delegated budgets and £35.830m central schools budget including Central School Services, Early Years and High Needs. Maintained schools delegated budgets are treated as spent as soon as they are delegated.
- 1.2 The dedicated schools grant budget ended the financial year 2022/23 with a net underspend of £0.941 representing 0.7% of the total DSG allocation for 2022/23.
- 1.3 The main reasons for the Dedicated Schools Grant net underspend of £0.941m are as follows:
- The Schools Block underspend (£0.496m) relates to the release of an uncommitted pupil growth fund as no additional school places have been required this year, the underspend represents 70% of the budget allocation.
  - The Early Years Block underspend (£0.545m) reflects historic funding levels compared to actual levels of provision as reported through census data undertaken in January 2023, the underspend represents 5% of the budget allocation. The underspend reflects the Private, Voluntary, Independent Nursery providers reporting a greater number of children not attending nursery due to parents needing to reassess their financial commitments, believed to be a direct result of the cost-of-living crisis.
  - The High Needs Block overspend of £0.116m is primarily due to provision of Independent Special or Non-Maintained Schools and other associated direct support, the overspend represents less than 1% of the budget allocation.
- 1.4 Table 2 sets out the summarised financial position for 2022/23

**Table 2 Summarised Financial Position 2022/23**

<b>Block Budget</b>	<b>S251 Budget Notification</b>	<b>Less Academy Recoupment &amp; Direct Funding</b>	<b>Net Budget</b>	<b>Final Outturn Forecast</b>	<b>Final Outturn Variance</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b><u>Expenditure</u></b>					
Schools	102,297	(66,262)	36,035	35,539	(496)
Central School Services	1,035	0	1,035	1,020	(15)
Early Years	10,401	0	10,401	9,856	(545)
High Needs	27,434	(3,040)	24,394	24,510	(116)
<b>TOTAL EXPENDITURE</b>	<b>141,167</b>	<b>(69,302)</b>	<b>71,865</b>	<b>70,924</b>	<b>(941)</b>
<b><u>Funding</u></b>					
Dedicated Schools Grant	(141,167)	69,302	(71,865)	(71,865)	0
<b>TOTAL FUNDING</b>	<b>(141,167)</b>	<b>69,302</b>	<b>(71,865)</b>	<b>(71,865)</b>	<b>0</b>
<b>NET EXPENDITURE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(941)</b>	<b>(941)</b>
Balance brought forward DSG general reserve (surplus) / deficit					<b>2,047</b>
<b>Net (surplus) /deficit</b>					<b>1,106</b>

### 3. KEY IMPLICATIONS

- 3.1 A significant indicator of the effectiveness of the budget setting and monitoring process can be partly measured by the materiality of movements between the monitoring periods of the central schools budget.
- 3.2 In respect of the central schools budget of £35.830m the movement between the variance previously reported to Schools Forum 19 January 2023 of n underspend of £0.197m and the final outturn of £0.941m is £0.744m, representing a favourable movement of 2.1%.
- 3.3 The material movements include:

- The Early Years Block forecast underspend increased by (£0.410m) reflects historic funding levels compared to actual levels of provision as reported through census data undertaken in January 2023, the movement represents 3.9% of the budget allocation. The underspend reflects the Private, Voluntary, Independent Nursery providers reporting a greater number of children not attending nursery due to parents needing to reassess their financial commitments, believed to be a direct result of the cost-of-living pressures.
- The High Needs Block forecast overspend reduced by (£0.443m) largely due to the earlier impact of the Deficit Management Plan, the movement represents 1.6% of the budget allocation.

3.4 The thresholds for measuring the effectiveness have been set in table 3. Therefore, the measure has been met.

**Table 3: Key Implications**

<b>Outcome</b>	<b>Unmet</b>	<b>Met</b>	<b>Exceeded</b>	<b>Significantly Exceeded</b>	<b>Date of delivery</b>
Schools Forum to note the contents of the report and impact on the projected reserve deficit balance as at 31 March 2023	Greater than 3% movement in reported variance of central schools budget as at 31 March 2023	Less than 3% movement in reported variance of central schools budget as at 31 March 2023	Less than 2% movement in reported variance of central schools budget as at 31 March 2023	Less than 1% movement in reported variance of central schools budget as at 31 March 2023	13 July 2023

#### **4. FINANCIAL DETAILS / VALUE FOR MONEY**

4.1 The net in-year underspend of £0.941m is a favourable movement on the dedicated schools grant general reserve which as of 31 March 2022 was a net deficit of £2.047m, therefore, the revised deficit as of 31 March 2023 is £1.106m. The deficit as of 31 March 2023 represents 0.8% of the total budget allocation 2022/23.

## **5. DEFICIT MANAGEMENT PLANS**

5.1 The Deficit Management Plan themes continue to significantly improve the budget position. The main Deficit Management Plan themes being implemented which have contributed towards the improved position include:

- The robust challenge process for agreeing inflationary rate increases and stronger commissioning arrangements
- The impact of the Social, Emotional & Mental Health (SEMH) programme reducing the volume of pupils at risk of exclusion. Additionally, interventions by coach monitors supporting pupils have in many cases resulted in no further Education and Health Care Plan (EHCP) support being required
- Reduction in the Special School placement costs through adding new resources bases/units within RBWM schools resulting in increased cost avoidance of more costly placements
- The EHCP funding panels now have headteachers on the board which has resulted in headteachers in our school having a greater understanding of SEND financial matrix
- More schools have been awarded the Quality Inclusion Mark resulting in more pupils with an EHCP being educated within Borough Schools that are attached to these units reducing Out of Borough costs

## **6. DE-DELEGATION BALANCES**

6.1 De-delegation is the mechanism by which maintained schools pool some of their delegated budget in order to benefit from specific services that could be provided centrally in a more efficient, targeted way and at less risk to individual schools.

4.5 The total fund carried forward to 2023/24 is £157,789, it is planned a 10% contingency of £15,789 will be retained, therefore, the net balance of £142,000 will be reimbursed to schools at the end of the summer term 2023.

## **7. MAINTAINED SCHOOL BALANCES**

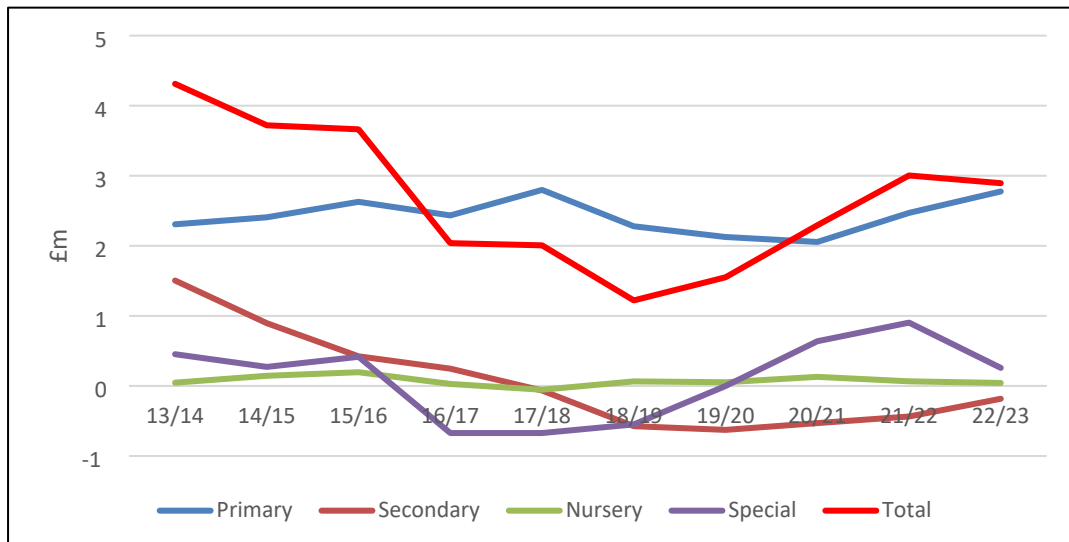
1.6 This section analyses maintained school balances at the end of 2022/23 reflecting on recent trends.

1.7 Local Authorities do not hold information on academy school balances and the Department for Education does not publish comparable information for academies on its website, therefore, academies are excluded from the analysis.

1.8 As at 31 March 2023, the overall school balances totalled £2.894m equivalent to 5.1% of the delegated schools budget directly funded by the Department for Education, a net adverse movement of £0.109m (3.6%) on the balances compared with the previous year. The total per sector are set out in table 4.

1.9 Diagram 1 sets out the school balances by sector since 2013/14.

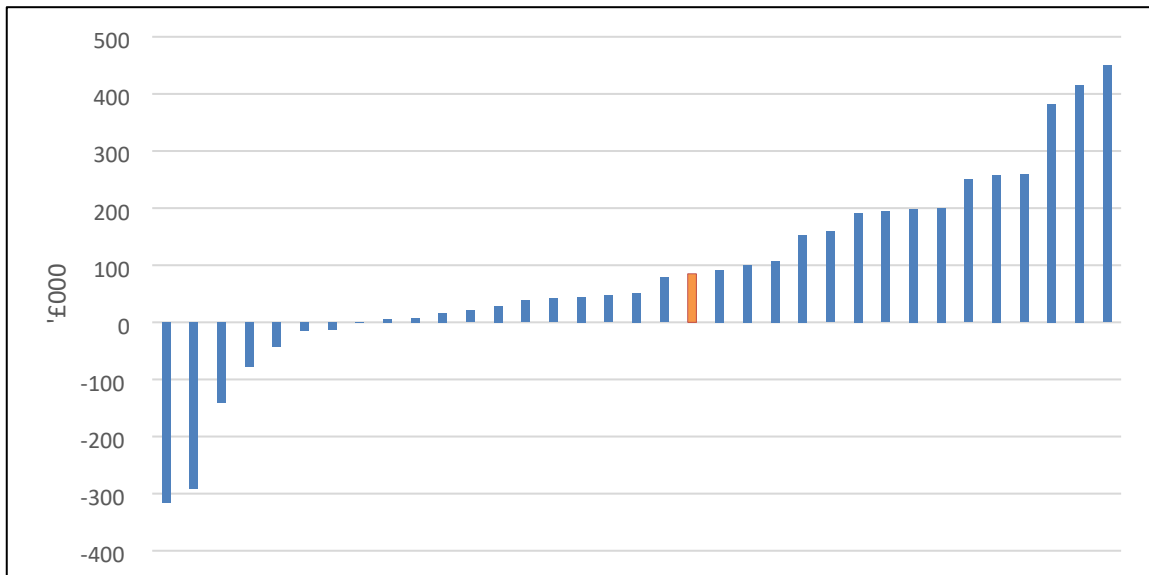
**Diagram 1 Total school balances by sector 2013/14 to 2022/23**



### Surplus

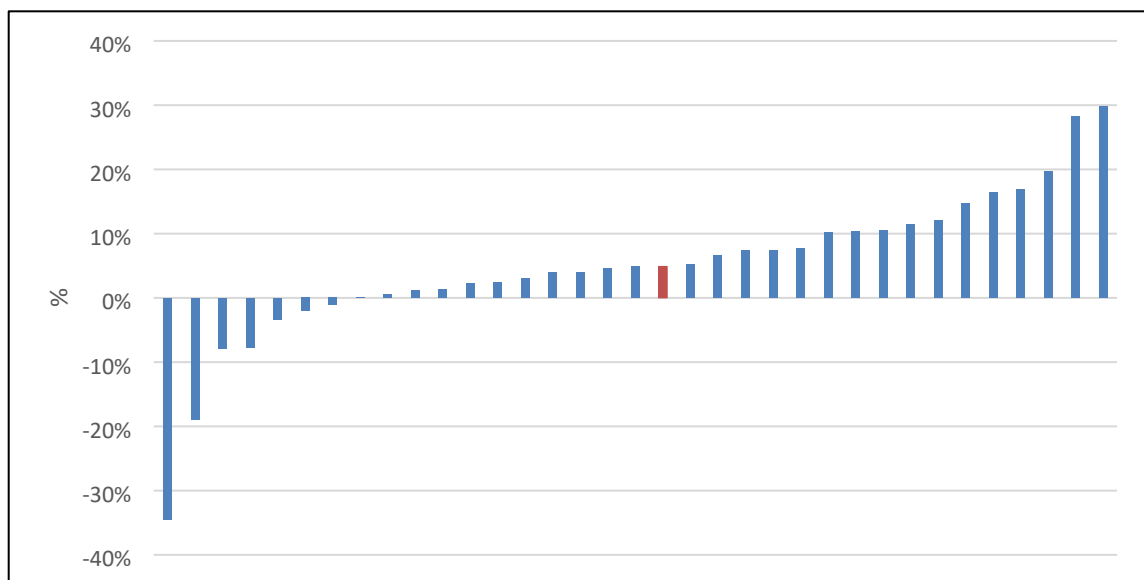
- 1.10 Schools are funded each year mainly on the number of pupils on roll and are expected to use their resources on those pupils, reserving a small allowance for future planning, projects and operational risks. The Department for Education discourages schools from building up excessive uncommitted balances, notionally defined as 5% of budget share for secondary schools, and 8% for other schools.
- 1.11 At the end of 2022/23, 27 out of 34 maintained schools had surplus balances. The 2022/23 surplus balances total £3.790m an average of £0.140m per school.
- 1.12 The full range of school balances is demonstrated in diagram 2; with the average balance highlighted orange.

**Diagram 2 School Balances 31 March 2023**



1.13 The full range of school balances as a percentage of the school budget is demonstrated in diagram 3; with the average balance highlighted orange.

**Diagram 3 Percentage School Balances 31 March 2023**



**Deficit balances**

1.14 As of 31 March 2023, there were seven schools with a deficit position. The 2022/23 deficits total £0.896m, an average of £0.128m.

**Movement in School Balances per Sector**

1.15 The primary and secondary sectors have seen favourable movement in balances whilst the nursery sector have seen an adverse movement since 2020/21. The overall movement in net school balances as reflected on the RBWM reserve accounts are shown in table 4.

1.16 The most significant movement is within the special sector. There has been a big increase during the year both in income and expenditure. Income – Higher than budgeted top-up income, Coronavirus grants and pupil premium grants. Expenditure – Higher than budgeted pay increases for Teachers and Support staff, overspent in supply/agency budget and increased staffing due to change in the student cohort and increased numbers.



**Table 4 Movement in School Balances**

<b>Sector</b>	<b>As at 31/03/22 Surplus / (deficit)</b>	<b>As at 31/03/23 Surplus / (deficit)</b>	<b>Total Movement Surplus / (deficit)</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Nursery	66	43	(23)
Primary	2,470	2,776	306
Secondary	(436)	(184)	252
Special	904	259	(645)
<b>Total</b>	<b>3,003</b>	<b>2,894</b>	<b>(109)</b>

1.17 Previously, like many other local authorities, RBWM has not operated a balance control mechanism to redistribute excessive balances. The local authority requests details of committed and uncommitted spend for inclusion in the annual Consistent Financial Reporting (CFR) return submitted to the Education and Skills Funding Agency (ESFA).

1.18 Due to financial pressures Achieving for Children will review these commitments and will consider whether it is appropriate for any excessive balances to be held at a school level. This option will be considered in-conjunction with the Deficit Management Plan and would involve detailed analysis of school commitments to justify retaining excessive balances.

## **8. LEGAL IMPLICATIONS**

8.1 There are no legal implications directly arising from this report.

## **9. RISK MANAGMENT**

9.1 There are no potential risks directly arising from this report, however, the requirement from the DfE is RBWM/AfC will agree a Deficit Management Plan to address the cumulative deficit position in the short to medium term.

## **10.POTENTIAL IMPACTS**

10.1 Equalities. Equality Impact Assessments are published on the [council's website](#). The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. It has been assessed that there are no Equality Impact risks arising from this report. Link to Equality Impact Assessments. <https://www.rbwm.gov.uk/home/council-and-democracy/equalities-and-diversity/equality-impact-assessments>

10.2 Climate change/sustainability. There are no climate change/ sustainability risks arising from this report.

10.3 Data Protection/GDPR. There are no data protection/ GDPR risks arising from this report.

## **11. CONSULTATION**

11.1 There is no requirement for stakeholder consultation arising from this report.

## **12. TIMETABLE FOR IMPLEMENTATION**

12.1 There is no timetable for implementation of any actions arising from this report.

## **13. BACKGROUND DOCUMENTS**

13.1 This report is supported by one background document:

- Schools revenue funding 2022/23 Operational guide  
<https://www.gov.uk/government/publications/pre-16-schools-funding-local-authority-guidance-for-2023-to-2024/schools-operational-guide-2023-to-2024>

## 14. CONSULTATION

<b>Name of consultee</b>	<b>Post held</b>	<b>Date sent</b>	<b>Date returned</b>
<i>Mandatory: Statutory Officers (or deputies)</i>			
Andrew Vallance	Executive Director of Resources/S151 Officer		
Emma Duncan	Director of Law, Strategy & Public Health/ Monitoring Officer		
<i>Deputies:</i>			
Vacant	Head of Finance (Deputy S151 Officer)		
Vacant	Head of Law (Deputy Monitoring Officer)		
Vacant	Head of Governance (Deputy Monitoring Officer)		
<i>Mandatory: Procurement Manager (or deputy) - if report requests approval to go to tender or award a contract</i>			
Lyn Hitchinson	Procurement Manager		
<i>Mandatory: Data Protection Officer (or deputy) - if decision will result in processing of personal data; to advise on DPIA</i>			
Samantha Wootton	Data Protection Officer		
<i>Mandatory: Equalities Officer – to advise on EQiA, or agree an EQiA is not required</i>			
Ellen McManus-Fry	Equalities & Engagement Officer		
<i>Other consultees:</i>			
<i>Directors (where relevant)</i>			
Stephen Evans	Chief Executive		
Andrew Durrant	Executive Director of Place		
Kevin McDaniel	Executive Director of Adult Services and Health (DASS)		
Lin Ferguson	Executive Director of Children's Services and Education (DCS)		

Confirmation relevant Cabinet Member(s) consulted	Cabinet Member for	
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## REPORT HISTORY

<b>Decision type:</b>	<b>Urgency item?</b>	<b>To follow item?</b>
For information	No	No
Report Author: <b>TBC</b>		

# Equality Impact Assessment

For support in completing this EQIA, please consult the EQIA Guidance Document or contact [equality@rbwm.gov.uk](mailto:equality@rbwm.gov.uk)

www.rbwm.gov.uk



## 1. Background Information

Title of policy/strategy/plan:	Budget Outturn and School Balances 2022/23
Service area:	Schools
Directorate:	Children's Services

### Provide a brief explanation of the proposal:

- What are its intended outcomes?
- Who will deliver it?
- Is it a new proposal or a change to an existing one?

The intended outcome of the proposal is to provide Schools Forum with an updated financial position in respect of the Dedicated Schools Grants reported variance, deficit balance carried forward, maintained schools balances and de-delegated balances as of 31 March 2023.

This is not a new proposal and is a requirement to inform Schools Forum of the financial position of the Dedicated Schools Grant.

## 2. Relevance Check

### Is this proposal likely to directly impact people, communities or RBWM employees?

- If No, please explain why not, including how you've considered equality issues.
- Will this proposal need a EQIA at a later stage? (for example, for a forthcoming action plan)

Yes.

The Deficit Management Plan developed may impact on the current range of services provided for pupils within this characteristic. The impact will be continually reviewed and reassessed. The expectation is more appropriate provision will be provided to pupils within this characteristic.

If 'No', proceed to 'Sign off'. If unsure, please contact [equality@rbwm.gov.uk](mailto:equality@rbwm.gov.uk)

### 3. Evidence Gathering and Stakeholder Engagement

<b>Who will be affected by this proposal?</b> For example, users of a particular service, residents of a geographical area, staff
Stakeholders including pupils with disabilities will be directly affected by the proposals included within this report.
<b>Among those affected by the proposal, are protected characteristics</b> (age, sex, disability, race, religion, sexual orientation, gender reassignment, pregnancy/maternity, marriage/civil partnership) <b>disproportionately represented?</b> For example, compared to the general population do a higher proportion have disabilities?
Stakeholders including pupils with disabilities will be directly affected by the proposals included within this report.
<b>What engagement/consultation has been undertaken or planned?</b> <ul style="list-style-type: none"><li>• How has/will equality considerations be taken into account?</li><li>• Where known, what were the outcomes of this engagement?</li></ul>
Schools Forum is actively engaged throughout the Schools Formula budget setting. Within the Deficit Management Plan strategy there was a series of stakeholder surveys and engagement sessions undertaken with key groups.
<b>What sources of data and evidence have been used in this assessment?</b> Please consult the Equalities Evidence Grid for relevant data. Examples of other possible sources of information are in the Guidance document.
Not Applicable

## 4. Equality Analysis

Please detail, **using supporting evidence**:

- How the protected characteristics below might influence the needs and experiences of individuals, in relation to this proposal.
- How these characteristics might affect the impact of this proposal.

Tick positive/negative impact as appropriate. If there is no impact, or a neutral impact, state 'Not Applicable'

More information on each protected characteristic is provided in the Guidance document.

	Details and supporting evidence	Potential positive impact	Potential negative impact
Age	This report does impact on pupils within this protected characteristic; however, as school funding is on a formula basis impact has already been considered within previous reports and decision-making processes	Yes	Not Applicable
Disability	The Deficit Management Plan developed may impact on the current range of services provided for pupils within this characteristic. The impact will be continually reviewed and reassessed. The expectation is more appropriate provision will be provided to pupils within this characteristic.	Yes	Yes
Sex	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Race, ethnicity and religion	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Sexual orientation and gender reassignment	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Pregnancy and maternity	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Marriage and civil partnership	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Armed forces community	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Socio-economic considerations e.g. low income, poverty	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Children in care/Care leavers	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable

## 5. Impact Assessment and Monitoring

*If you have not identified any disproportionate impacts and the questions below are not applicable, leave them blank and proceed to Sign Off.*

<b>What measures have been taken to ensure that groups with protected characteristics are able to benefit from this change, or are not disadvantaged by it?</b> For example, adjustments needed to accommodate the needs of a particular group
Not Applicable
<b>Where a potential negative impact cannot be avoided, what measures have been put in place to mitigate or minimise this?</b> <ul style="list-style-type: none"><li>For planned future actions, provide the name of the responsible individual and the target date for implementation.</li></ul>
Not Applicable
<b>How will the equality impacts identified here be monitored and reviewed in the future?</b> See guidance document for examples of appropriate stages to review an EQIA.
Not Applicable

## 6. Sign Off

<b>Completed by:</b> James Norris	<b>Date:</b> 18-05-23
<b>Approved by:</b>	<b>Date:</b>

If this version of the EQIA has been reviewed and/or updated:

<b>Reviewed by:</b>	<b>Date:</b>
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Report Title:	Investigation into a complaint about Royal Borough of Windsor and Maidenhead Council (Reference number: 21 012 481)
Contains Confidential or Exempt Information	No – Part I
Cabinet Member:	Councillor Amy Tisi – Children’s Services, Education and Windsor
Meeting and Date:	Schools Forum 13 July 2023
Responsible Officer(s):	Lin Ferguson - Executive Director of Children’s Services and Education Louise Dutton - Head of Finance Achieving for Children (RBWM)
Wards affected:	All



## REPORT SUMMARY

The purpose of this report is to provide Schools Forum with the findings from the report by the Local Government and Social Care Ombudsman where a local setting had provided fair access to a free place but felt a “top-up” fee had been applied due to unclear invoicing. The report found that Council had not ensured the setting issued clear and transparent invoices.

## 1. DETAILS OF RECOMMENDATION(S)

**RECOMMENDATION:** That Schools Forum notes the report:

- Including the findings by the Ombudsman and the next steps that the Council has taken

## 2. REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

### Options

**Table 1: Options arising from this report**

Option	Comments
Schools Forum to note the contents of the report and impact	The Early Years’ Service to continue to request example invoices from all Early Years’ providers throughout the funding year to ensure that they are clear and transparent regarding funding and consumables
Do nothing. This is not recommended.	Continue to allow providers to create invoices and not be checked by the Early Years’ Service

2.1 The Ombudsman found that the invoices provided showed only the total amount payable each month. The invoices do not itemise the charges, show how they

were calculated, or list a breakdown of the charges for consumables. It was considered therefore not possible, from the invoices, to see how the total monthly figure was calculated or whether parents received the free hours entitlement completely free of charge.

- 2.2 Government guidance says Councils should work with providers to ensure their invoices are clear and transparent. The law says Councils must exercise their functions with a view to securing the provider's compliance with these requirements. While the Council did meet with the setting in September 2021, it had failed to work with the nursery to ensure its invoices were clear and transparent.
- 2.3 The provider uses an automatic invoicing system and provides parents with a letter/notice of how charges are made but this was found not to be sufficient as providers can charge for consumables and this charge must be voluntary. The provider responded directly to the Ombudsman and said information on how invoicing itemised is displayed on its notice board to show how charges for consumables were voluntary.
- 2.4 The provider also provided a letter, stating, "*the funded hours do not cover food and consumables for which a charge will be made whilst using the government funded hours.*" but the investigation found that there was no mention that the fee was voluntary.

### **3. Next Steps**

- 3.1 The provider concerned has since switched to a new invoicing system which itemise consumables to eliminate the above confusion.
- 3.2 The Early Year's Team are requesting example invoicing from all providers to ensure consumables are itemised throughout the funding year.

### **4. KEY IMPLICATIONS**

- 4.1 The Council to apologise to Mr X in writing.
  -
- 4.2 A payment to Mr X £100 for his time and trouble in bringing his complaint as the Council did not initially investigate his concerns and referred him back to the setting.
  -
- 4.3 Pay Mr X 50% of the consumables charge from January 2021 (when he first contacted the Council about his concerns) until the date Y left the setting.
  -
- 4.4 Work with the provider to ensure it amends its invoices and receipts, so they are clear and transparent. Invoices and receipts should itemise all charges so parents can see they have received their child's free entitlement and understand any extra charges. If any of the charges are voluntary, this should also be made clear.
  -
- 4.5 The Council must consider the report and confirm within three months the action it has taken or proposes to take. The Council should consider the report at its

full Council, Cabinet or other appropriately delegated Committee of Elected Members and we will require evidence of this.

## 5. LEGAL IMPLICATIONS

5.1 There are no legal implications directly arising from this report.

## 6. RISK MANAGEMENT

6.1 There are no potential risks directly arising from this report, however, we have issued a public notice in two local newspapers on the request of this Ombudsman report and made the report available to the public via the Town Hall in Maidenhead.

## 7. POTENTIAL IMPACTS

7.1 Equalities. Equality Impact Assessments are published on the [council's website](#). The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. It has been assessed that there are no Equality Impact risks arising from this report. Link to Equality Impact Assessments. <https://www.rbwm.gov.uk/home/council-and-democracy/equalities-and-diversity/equality-impact-assessments>

7.2 Climate change/sustainability. There are no climate change/ sustainability risks arising from this report.

7.3 Data Protection/GDPR. There are no data protection/ GDPR risks arising from this report.

## 8. CONSULTATION

8.1 There is no requirement for stakeholder consultation arising from this report.

## 9. BACKGROUND DOCUMENTS

9.1.1 This report is supported by one background document:

- Investigation into a complaint about Royal Borough of Windsor and Maidenhead Council (Reference number: 21 012 481) <https://www.lgo.org.uk/decisions/education/other/21-012-481>

## 10. CONSULTATION

○ Name of	○ Post held		

<b>consultee</b>			
○ <i>Mandatory:</i>	○ <i>Statutory Officers (or deputies)</i>		
○ Andrew Vallance	○ Executive Director of Resources/S151 Officer		
○ Emma Duncan	○ Director of Law, Strategy & Public Health/ Monitoring Officer		
○ <i>Deputies:</i>	○		
○ Vacant	○ Head of Finance (Deputy S151 Officer)		
○ Vacant	○ Head of Law (Deputy Monitoring Officer)		
○ Vacant	○ Head of Governance (Deputy Monitoring Officer)		
○ <i>Mandatory:</i>	○ <i>Procurement Manager (or deputy) - if report requests approval to go to tender or award a contract</i>		
○ Lyn Hitchinson	○ Procurement Manager		
○ <i>Mandatory:</i>	○ <i>Data Protection Officer (or deputy) - if decision will result in processing of personal data; to advise on DPIA</i>		
○ Samantha Wootton	○ Data Protection Officer		
○ <i>Mandatory:</i>	○ <i>Equalities Officer – to advise on EQiA, or agree an EQiA is not required</i>		
○ Ellen McNamus-Fry	○ Equalities & Engagement Officer		

○ Other consu ltees:	○		
○ Direct ors (wher e releva nt)	○		
○ Steph en Evan s	○ Chief Executive		
○ Andre w Durra nt	○ Executive Director of Place		
○ Kevin McDa niel	○ Executive Director of Adult Services and Health (DASS)		
○ Lin Fergu son	○ Executive Director of Children’s Services and Education (DCS)		

○ Confir mation releva nt Cabin et Mem ber(s) consu lted	○ Cabinet Member for		○
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## REPORT HISTORY

Decision type:	Urgency item?	To follow item?
For information	No	No
Report Author: Kelly Nash, Education Support and SEND Strategy Manager		

## Equality Impact Assessment

For support in completing this EQIA, please consult the EQIA Guidance Document or contact [equality@rbwm.gov.uk](mailto:equality@rbwm.gov.uk)

### 1. Background Information

Title of policy/strategy/plan:	Investigation into a complaint about Royal Borough of Windsor and Maidenhead Council
Service area:	Early Years
Directorate:	Children's Services

**Provide a brief explanation of the proposal:**

- What are its intended outcomes?
- Who will deliver it?
- Is it a new proposal or a change to an existing one?

The intended outcome of the proposal is to provide Schools Forum with the findings of the Ombudsman report and for the forum to note the steps taken.

## 2. Relevance Check

**Is this proposal likely to directly impact people, communities or RBWM employees?**

- If No, please explain why not, including how you've considered equality issues.
- Will this proposal need a EQIA at a later stage? (for example, for a forthcoming action plan)

No

If 'No', proceed to 'Sign off'. If unsure, please contact [equality@rbwm.gov.uk](mailto:equality@rbwm.gov.uk)

### 3. Evidence Gathering and Stakeholder Engagement

<p><b>Who will be affected by this proposal?</b>          For example, users of a particular service, residents of a geographical area, staff</p>
<p><b>Among those affected by the proposal, are protected characteristics</b> (age, sex, disability, race, religion, sexual orientation, gender reassignment, pregnancy/maternity, marriage/civil partnership) <b>disproportionately represented?</b>          For example, compared to the general population do a higher proportion have disabilities?</p>
<p><b>What engagement/consultation has been undertaken or planned?</b></p> <ul style="list-style-type: none"> <li>● How has/will equality considerations be taken into account?</li> <li>● Where known, what were the outcomes of this engagement?</li> </ul>
<p><b>What sources of data and evidence have been used in this assessment?</b>          Please consult the Equalities Evidence Grid for relevant data. Examples of other possible sources of information are in the Guidance document.</p>
<p>Not Applicable</p>

## 4. Equality Analysis

Please detail, **using supporting evidence**:

- How the protected characteristics below might influence the needs and experiences of individuals, in relation to this proposal.
- How these characteristics might affect the impact of this proposal.

Tick positive/negative impact as appropriate. If there is no impact, or a neutral impact, state 'Not Applicable'

More information on each protected characteristic is provided in the Guidance document.

	Details and supporting evidence	Potential positive impact	Potential negative impact
Age			Not Applicable
Disability			
Sex	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Race, ethnicity and religion	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Sexual orientation and gender reassignment	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Pregnancy and maternity	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Marriage and civil partnership	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Armed forces community	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Socio-economic considerations e.g. low income, poverty	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable
Children in care/Care leavers	There is nothing in the report which is considered to impact on this protected characteristic	Not Applicable	Not Applicable



## 5. Impact Assessment and Monitoring

*If you have not identified any disproportionate impacts and the questions below are not applicable, leave them blank and proceed to Sign Off.*

<b>What measures have been taken to ensure that groups with protected characteristics are able to benefit from this change, or are not disadvantaged by it?</b> For example, adjustments needed to accommodate the needs of a particular group
Not Applicable
<b>Where a potential negative impact cannot be avoided, what measures have been put in place to mitigate or minimise this?</b> <ul style="list-style-type: none"><li>For planned future actions, provide the name of the responsible individual and the target date for implementation.</li></ul>
Not Applicable
<b>How will the equality impacts identified here be monitored and reviewed in the future?</b> See guidance document for examples of appropriate stages to review an EQIA.
Not Applicable

## 6. Sign Off

<b>Completed by:</b> Kelly Nash	<b>Date:</b>
<b>Approved by:</b>	<b>Date:</b>

If this version of the EQIA has been reviewed and/or updated:

<b>Reviewed by:</b>	<b>Date:</b>
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## **ROYAL BOROUGH OF WINDSOR & MAIDENHEAD**

### **Scheme for Financing Schools**

Approved by Schools Forum:

Effective from: Subject to approval retrospectively from 1<sup>st</sup> April 2023

Contact for queries: [Bursar.support@achievingforchildren.org.uk](mailto:Bursar.support@achievingforchildren.org.uk)

Version reference: April 2023

## **RBWM Scheme for Financing Schools – Summary of changes 2023**

### **Updates to guidance 2023:**

We have made the following updates to reflect current policy positions and changes in legislation:

- Paragraph 1.1: Issue of the Statutory guidance changed – “issue 14” to “issue 15”
- Paragraph 7.4: Income from the sale of assets – Further guidance on retention of funds from the sale of land assets.

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## Introduction

### 1.1 The funding framework

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

Under this legislation, the local authority determines the size of their schools budget and local authority budget – although the Secretary of State has power to require an Authority to increase its Schools Budget to a prescribed level. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Local authorities may retain funding centrally in the Schools Budget for purposes defined in regulations made by the Secretary of State under s.45A of the Act. The amounts to be retained centrally are decided by the authority concerned, subject to any limits or conditions prescribed by the Secretary of State. The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the local authority budget must be retained centrally (although earmarked allocations may be made to schools).

Local authorities may retain an unallocated reserve but must otherwise 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 s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the Authority in accordance with s.48 of the Act and approved by the Secretary of State. All revisions to the scheme must be approved by Schools Forum, though the authority may apply to the Secretary of State for approval in the event of Forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.

Subject to provisions made by or under the scheme, Governing Bodies of schools may spend such amounts of their budget shares as they see fit for any purposes of their school and for any additional purposes prescribed by the Secretary of State in regulations made under s.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).

The Authority may suspend a school's right to a delegated budget if the provisions of the school financing scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. There is a right of appeal to the Secretary of State. A school's right to a delegated budget share may also be suspended for other reasons (s.17 of the SSAF Act 1998) but in that case there is no right of appeal.

The Authority is obliged to publish each year, under s.251 of the Apprenticeships, Skills, Children and Learning Act 2009, a Budget Statement setting out details of its planned Schools Budget and Local authority budget, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school. After each financial year the Authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

The detailed publication requirements for financial statements and for schemes are set out in regulations, but each school must receive a copy of the scheme and any amendment, and each year's budget and out-turn statements so far as they relate to that school or central expenditure.

Regulations also require the Authority to publish their scheme and any revisions to it on a website accessible to the general public, by the date that any revisions come in to force.

## **1.2 The role of the scheme**

This scheme sets out the financial relationship between the Local authority and/or its designate (Achieving for Children) and all of the maintained schools that it funds. It contains requirements relating to financial management and associated issues, binding on both the Authority and on schools.

### **1.2.1 Application of the scheme to authority and maintained schools**

The scheme applies to all community, nursery, special, voluntary, foundation (including Trust), foundation special schools and pupil referral units (PRUs). A list of the establishments covered by the scheme is attached at Appendix 1.

## **1.3 Publication of the scheme**

The current scheme will be available on the authority's website which is accessible to the general public. Covered schools will be notified of any revisions.

## **1.4 Revision of the scheme**

Any proposed revisions to the scheme will be the subject of consultation with the Governing Body and the head teacher of every school maintained by the Authority before they are submitted to Schools Forum for their approval by the members of the Forum representing those schools.

## **1.5 Delegation of powers to the head teacher**

Governing Bodies must consider the extent to which it wishes to delegate its financial powers to the head teacher and must record its decision, and any revisions, in the minutes of the Governing Body.

Under the Education (School Government) (Terms of Reference) (England) Regulations 2000, budget plans must be considered by Governing Body.

## 1.6 **Maintenance of schools**

The 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 the Authority maintains a school is through the funding scheme, put in place under sections 45 to 53 of the Schools Standards and Framework Act 1998.

## **2 Financial Controls**

### **2.1 General procedures**

#### **2.1.1 Application of financial controls to schools**

Schools must comply with the Authority's requirements in the management and monitoring of their delegated budgets. This includes those requirements within this scheme and also those requirements contained in more detailed publications referred to in this scheme.

Schools are expected to comply with any reasonable request from the local authority.

#### **2.1.2 Provision of financial information and reports**

In order that the designated officer can fulfil their obligations under Section 151 of the Local Government Act 1972 to "make arrangements for the proper administration of their financial affairs" schools must comply with the budget monitoring and submission schedule detailed in Appendix 4.

#### **2.1.3 Payment of salaries; payment of bills**

The procedures for paying salaries and bills will vary according to the choices schools make about their accounting systems, bank accounts, and the buying back of RBWM's payroll services.

Except where a school specifically contracts with an outside payroll provider, RBWM will arrange for the payment of all salaries due to school employees, together with associated deductions, upon receipt of a signed buy-back agreement authorised by the Governing Body (or suitably authorised school employee). Schools will be responsible for making all other payments to creditors via Agresso or FMS as applicable, up to the maximum amount delegated by the Governing Body.

Where school staff undertake paid work outside their normal terms and conditions, the terms of engagement must be formally reviewed and agreed by the relevant governor committee before the work commences to ensure there is no detrimental effect for the school. The review should include seeking Legal and HR advice where necessary to ensure that remuneration is in accordance with relevant employment terms.

#### **2.1.4 Control of assets**

Each school must maintain an inventory of its movable non-capital assets any asset worth over £1,000.

Disposal of assets purchased from the schools delegated budget must be approved by the Governing Body and comply with any local authority procedures.

Schools should ensure that anything that is portable and attractive, such as a camera, are registered.

#### **2.1.5 Accounting policies (including year-end procedures)**

All schools must abide by procedures issued by the local authority on accounting policies and year-end procedures.

### **2.1.6 Writing off debts**

Governing bodies may write off debts up to the level stipulated by the Head of Finance. The current limit is £1,000. In the case of larger amounts advice should be sought from the Head of Finance.

The Head of Finance may also decide to seek recovery of outstanding income and charge the costs of recovery against any amounts recovered

## **2.2 Basis of accounting**

In line with previously issued documentation (CFR guidance 2008/9) schools accounts furnished to the Authority must be on an accruals basis provided in the output required by the Authority.

Year-end reports must take account of income and expenditure which is outstanding or pre-paid, so as to enable the authority to produce a statement of final accounts on an accruals basis, as required by legislation. RBWM will publish guidance and a timetable for the provision of year-end financial information to the authority. Schools may choose to use what financial software they wish for their own internal systems provided they meet the requirements of producing the financial information required by RBWM.

## **2.3 Submission of budget plans**

A school's own financial information requirements will be detailed, reflecting the many possible sub-headings, departments and cost centres between which funds may be allocated. However, the Authority's requirement is only for summarised information in the form of the Standard School Budget Plan.

Each school must comply with the schedule of submission found in Appendix 4a. The budget plan must be approved by the Governing Body and signed by both the Headteacher and the Chair of Governors.

If a school considers they are likely to have to set a deficit budget they must notify the Director of Children's Services as soon as possible and not later than the deadline date specified in Appendix 4. This will allow ongoing discussion between the school and the Authority in order to agree a recovery plan.

For the Authority to manage its responsibilities to "make arrangements for the proper administration of their financial affairs" (Section 151 of the Local Government Act 1972), a school may be required to provide further information to support their Standard School Budget Plan.

Budget plans must be in a format and style prescribed by the authority and take account of the Consistent Financial Reporting Framework. To assist in the preparation of budget plans, RBWM will provide schools with guidance at the time that they are notified of their delegated budgets and supply income and expenditure data which it holds and which is necessary for efficient planning by schools.

### **2.3.1 Submission of financial forecasts**

Schools are required to submit a financial forecast for the multi-year period specified in Appendix 5. This will be used to confirm schools are undertaking effective financial planning as well as evidence to support the authorities assessment of Schools Financial Value Standards (SFVS) and as part of the authorities balance control mechanism. The authority will provide as much information as is available to assist schools in projecting income for future years.

## **2.4 School Resource Management**

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

It is for heads and governors to determine at school level how to optimise the use of resources and maximise value for money.

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

## **2.5 Virement**

Within their Revenue Budget Schools can vire freely between budget headings and accounts within their budget shares see 1.5. Capital virements need to be notified in advance to the local authority. The revisions should be shown in the reports submitted to the Authority as in 2.1.2.

## **2.6 Audit: General**

For clarity, schools within the audit regime determined by the authority as regards internal audit, and the authority's external audit regime as determined by the Local Audit and Accountability Act 2014, and are required to co-operate with them, this includes a requirement to provide access to the school's records for either internal or external auditors.

The local authority shall be responsible for maintaining a continuous internal audit of the financial records, operations and systems of each school. Schools are also subject to inspection by the Authority's external auditors. Schools must co-operate with both internal and external auditors as and when required.

Schools must ensure that they maintain an appropriate level of audit trail for all documentation and retain such documentation for a period of 6 years plus current year for financial data. Schools should make every effort to comply with any reasonable requests from either internal or external auditors.

## **2.7 Separate external audits**

A school's Governing Body may also, if it wishes, spend part of its budget share to obtain external audit certification of any accounts containing school budget share funding. This would be in addition to the Authority's own internal and external audit process.

## **2.8 Audit of voluntary and private funds**

Schools must provide appropriate audit certificates to the audit section on request in respect of voluntary and private funds held by them and of the accounts of any trading organisations or company controlled by the school. A copy of the private audit must be sent annually to Bursar Support however the authority will not normally audit such funds but purchase of this service from internal audit maybe arranged by the school.

## **2.9 Register of business interests**

Each school's Governing Body is required to establish a register of business interests for each member of the Governing Body and the head teacher. The register should list any business interests they or their immediate families 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 (i.e. as a standing item on meeting agendas) with notifications of changes and should be reviewed thoroughly at least annually. The register should be available for inspection by governors, staff, parents and the authority and to publish the register, for example on a publicly accessible website.

## **2.10 Purchasing, tendering and contracting requirements**

Each school must abide by the Authority's financial regulations and standing orders regarding purchasing, tendering and contracting supplies and services.

Schools should also assess in advance, where relevant, the health and safety regulations, safeguarding practices and professional competence of contractors, taking account of the Authority's policies and procedures. The financial regulations and standing orders will not apply where they would require schools:

- to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or anything which did not comply with The Public Contracts Regulations;
- to seek Local Authority officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- to select suppliers only from an approved list (schools may wish to nominate suppliers for inclusion on lists of approved suppliers);
- to seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year, subject to specific listed exceptions.

Schools may seek advice on a range of compliantly procured deals via 'Buying for Schools'.



## **2.11 Application of contracts to schools**

Schools have the right to opt out of Authority arranged contracts as per the notice periods and conditions within specific contract agreements.

All existing contracts have been entered into freely by schools and are paid for from delegated budgets.

The Governing Body should be aware that they 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 maintainer of the school and the owner of the funds in the budget share. And be clear as to when they enter into contracts made solely on behalf of the Governing Body, when the Governing Body has clear statutory obligations - for example, contracts made by aided or foundation schools for the employment of staff.

## **2.12 Central funds and earmarking**

The Authority may make sums available to schools from central funds, in the form of allocations that are additional to and separate from Schools' Budget share. These will be subject to conditions as to the purpose for which these additional funds can be used. In certain circumstances virement is acceptable (excluding specific grant items) between different types of earmarked funding. All these funds must be accounted for separately from the Schools Budget share.

Where centrally retained funds are devolved as earmarked allocations they must be spent only on the purposes for which they are given. Schools will be required to appropriately account for the use of earmarked funds and they must be able demonstrate that the funds have been used for the purposes for which they were allocated.

Earmarked funds must be returned to the authority if not fully spent within the period stipulated by the authority over which schools are allowed to use the funding. The authority is barred from making any deduction, in respect of interest costs to the authority, from payments to schools of devolved specific grant.

## **2.13 Spending for the purposes of the school**

Although section 50(3) of the Schools Standard and Framework Act allows Governing Bodies to spend budget shares for the purposes of the school, this is subject to regulations made by the Secretary of State and any provisions of the scheme. As well as the various standard provisions LAs may wish to propose their own restrictions on this freedom, arising from local circumstances. By virtue of section 50(3A) (which came into force on 1st April 2011), amounts spent by Governing Bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

Under s.50(3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. They have 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**

In addition to any capital allocation made available by the LA outside a school's delegated budget share, Governing Bodies are permitted to use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the Governing Body of a Voluntary Aided school on work that is their responsibility under paragraph 3 of Schedule 3 of the School Standards and Framework Act (SSFA) ensuring it is compliant within current VAT rules and regulations.

See Appendix 6 for any additional limitation.

The LA requires any capital spending from budget shares to be notified to the Director of Children's Services. Where the premises are owned by the LA, the Governing Body must first seek the consent of the LA to the proposed works, but such consent can be withheld only on health and safety grounds.

The reason for these provisions is to help meet responsibilities with 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.

On an annual basis schools will be required to report to the Authority an updated costed Asset Management Plan.

## **2.15 Notice of concern**

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

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

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school
- insisting that an appropriately trained/qualified person chairs the finance committee of the Governing Body
- placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the authority
- insisting on regular financial monitoring meetings at the school attended

by authority officers

- requiring a Governing Body to buy into an authority's financial management systems; and
- 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, or both.

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

The purpose of a notice of concern is to enable the authority to set out formally any concerns it has regarding the financial management of a school it maintains and require a Governing Body to comply with any requirements it deems necessary. The principal criterion for issuing a notice, and determining the requirements included within it, must be to safeguard the financial position of the authority or school.

The issuing of a notice of concern will not be used in place of the withdrawal of financial delegation where that is the more appropriate action to take. However, it may be used as a way of making a Governing Body aware of the authority's concerns short of withdrawing delegation and identifying the actions a Governing Body should take in order to improve their financial management to avoid withdrawal.

When a Governing Body has complied with the requirements imposed on it, the notice of concern will be withdrawn. Where a school does not comply with the requirements of a notice of concern then the authority reserves the right to move towards a more formal withdrawal of financial delegation.

## **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. Although it is for the school to determine at which time of the year they wish to complete the form RBWM request that they are returned by the end of January.

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.

For the financial year 2023 to 2024, schools should submit their SFVS to their local authority by no later than 31 March 2024. Local authorities should submit their assurance statement to DfE within 6 weeks, by no later than 31 May 2024.

## **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 these controls. This information must also be included in induction for new school staff and governors.

### **3 Instalments of the budget share; banking arrangements**

For the purposes of this section, Budget Share includes any place-led funding for maintained schools with resource units, special schools or pupil referral units.

#### **3.1 Frequency of instalments proportion of budget share payable at each instalment**

The school's appropriate budget share will be advanced into the school's bank accounts in accordance with section 3.2.

#### **3.2 Proportion of budget share payable at each instalment**

Where a school chooses to operate an external bank account, RBWM will normally make available the budget share in twelve equal instalments on the first working day of each month.

##### **3.2.1 Bank accounts operated through the authority – imprest accounts**

RBWM operates an imprest system for schools choosing to use the Borough's 'Imprest' bank accounts and which do not purchase direct access to the Borough's Agresso accounting system. This option enables the payment of all bills or those requested by schools to be paid by the authority through borough-wide contracts (e.g. utility payments) or payments otherwise due to the authority-

Those schools choosing to use this option agree a level of deposit with the authority and receive monthly reimbursements to the value of the net expenditure submitted on their monthly imprest return. Schools are free to draw up to the total budget share as and when required. The imprest return creates the central accounting record for the school on RBWM's central accounting system.

##### **3.2.2 Bank accounts operated through the authority – "Agresso" schools**

Schools which use the authority's bank account may opt to have direct access to the authority's accounting system (currently "Agresso") instead of using the imprest system. This option enables schools to use the central payments system for all items of expenditure and the central accounting record is created at the time the transaction takes place. Schools are free to draw up to the total budget share as and when required.

Schools using the authority's bank account (both 'imprest' and 'Agresso' schools) will be credited annually with notional interest representing the level of interest that would have been generated if the school operated its own bank account. This is calculated with reference to the interest rates obtained by the authority in its Treasury Management function.

A full term's notice in writing will be required if a school wishes to change from using the Borough's bank account to having their budget share paid directly into their own external account. The same notice period will be required if a school wishes to change from an external bank account to the Borough's bank account. New banking arrangements may only be made with effect from the start of the financial year.

## **Proportion of budget share payable at each instalment (external bank accounts only)**

### **3.2.3 Arrangements for the first year a school operates an external bank account**

For schools choosing to operate an external bank account for the first time, an estimate of the likely brought forward balance from the previous financial year will be agreed with the authority and transferred to the designated external bank account (net of any adjusting accruals required to comply with accounting policies) before the start of the new financial year. When the actual brought forward balance is determined by the authority, and this differs from the original estimate, a one-off adjustment will be processed against the next available monthly instalment. The authority may charge or pay interest on any variance to the original estimate, where this is considered significant. Such interest payments will be calculated on a daily basis at 1% above the Base Rate (now called Repo Rate) as set by the Bank of England.

### **3.2.4 Ongoing arrangements for payments to an external bank account**

The proportion of the budget share to be made available in monthly instalments to schools with external bank accounts will be based on 1/12th of the school's allocated budget share. Any in-year changes to the budget made after the start of the financial year will be divided by the number of months remaining in the year and added equally to the relevant monthly instalments. Schools may opt to have either their total budget share or their budget share net of estimated pay costs (if RBWM payroll service purchased) made available to them in instalments.

In the absence of other more reliable information, these deductions will be calculated having regard to the proportion of actual expenditure incurred on such items in the last completed financial year compared to total expenditure. These proportions will then be applied to the budget share to determine a total deduction, and then recalculated for actual planned expenditure upon receipt of the approved budget plan for the relevant financial year. An adjustment will be processed against the next due instalment should this be different from the original estimate.

## **3.3 Interest clawback**

The timing of payments into external bank accounts may result in a loss of interest to the authority, for example where payments are made into a school bank account at the beginning of the month but salary payments are not processed until the last working day. To compensate for this loss of interest, the authority may claw back an amount equal to the estimated interest lost by the authority in making available the budget share in advance.

The authority will periodically review this model with schools in order to adapt to any changing circumstances.

### **3.3.1 Interest on late budget share payments**

The Authority may add interest to late payments of budget share instalments on any school non-consolidated bank account, where such late payment is the result of Authority error. For schools within the consolidated bank account scheme, no

interest is paid since interest is paid on year end balances. The interest rate used will be the Bank of England base rate +1%.

### **3.4 Budget shares for closing schools**

Schools where approval for closure has been given, may have their estimated non-employee budget share advanced on a monthly basis until closure.

### **3.5 Bank and building society accounts**

All schools may have an external bank account into which their budget share instalments (as determined by other provisions in this scheme) will be paid. Where schools have such accounts they will be allowed to retain all interest payable on the account, (unless they choose to have an account within an authority's contract which makes other provision), and they must pay any charges associated with the operation of the account.

Where a school opens an external bank account, RBWM will immediately transfer to the account, if requested, the estimated surplus balance held by the authority in respect of the school's budget share as agreed by both the school and the authority. Subsequent corrections, if needed, will be processed when accounts for the relevant year are closed.

Schools can choose to continue operating the RBWM's Imprest Account whereby a level of deposit will be agreed, and schools will receive a monthly reimbursement at the value of submitted expenditure claims.

Unless written agreement is received from the authority, new bank account arrangements may only be made with effect from the beginning of each financial year, and after giving the authority four months' written notice of the change. This means that an external bank account can normally only be operated from the 1 April each year. Schools may only open an external bank account if their budget balance is in surplus, after adjusting for any budget advances or claw-backs due under the approved funding arrangements. This provision may be waived at the discretion of the Head of Finance.

### **3.6 Borrowing by schools**

Schools must not enter into any borrowing agreement unless the written permission of the Secretary of State has been obtained. This provision relates to borrowing from external financial institutions and not to internal loan schemes. The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances.

Schools are not allowed the use of interest bearing credit cards and overdrafts, which are regarded as borrowing. However, they may use government approved procurement cards, as these cards can be a useful means of facilitating electronic purchase.



Schools are allowed the use of any scheme that the Secretary of State has said is available to schools without specific approval. An up to date list is available from the Government website.

The introduction of IFRS 16 has been postponed in relation to 2023 to 2024.

## **Loans**

Schools may only borrow money with the prior written permission of the Secretary of State. For Government approved schemes this permission is deemed to already have been given. The school must inform the local authority of their intention prior to any loan application to a government approved scheme. Schools may borrow via a local authority internal loan scheme. Governing bodies do not act as agents of the local authority when repaying loans.

Loans will 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 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 paragraph 13(4)(d) of Schedule 1 to 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.

## **Overdrafts**

Schools are not allowed the use of an overdraft on any school account (either an official or unofficial account) as this would be regarded as borrowing. Schools should not apply for an overdraft but where one is automatically provided, it is the responsibility of the school to ensure the facility is not accessed. Should a school use an overdraft facility even as a temporary arrangement it should inform the local authority immediately.

## **Debit Card**

Schools are not allowed the use of a debit card where they have a bank account consolidated to the Authority's account. A school with an external bank account must inform the local authority of their intention to apply for a debit card and obtain approval of the controls for the use of the debit card facility prior to applying to their bank account provider.

## **Credit card**

Schools are not allowed the use of a credit card. Schools may instead apply via the local authority for a government approved procurement card.

## **Procurement card**



Schools may apply via the local authority for a procurement card. Schools must comply with the local authority guidelines for the use of a procurement card.

### **Charge card**

Schools are permitted to apply for a charge card with local authority permission on the understanding that no interest occurs as a result of any transaction. Schools must ensure that the balance is paid in full at the end of each billing period. Schools must seek permission of the local authority prior to making an application for a charge card and obtain approval from the local authority of the controls for the use of the charge card facility. Schools must inform the local authority immediately in the event that interest is charged to any transaction.

### **Trade Account Card**

Schools are permitted to apply for a trade account card with local authority permission on the understanding that no interest occurs as a result of any transaction and a suitable business case is provided. Schools must ensure that the balance is paid in full at the end of each billing period. Schools must seek permission of the local authority prior to making an application for a trade account card and obtain approval from the local authority of the controls for the use of the trade account card facility. Schools must inform the local authority immediately in the event that interest is charged to any transaction. A trade account does not remove the requirement for the school to undertake appropriate checks against a supplier.

### **Leases**

Schools may not enter into a 'finance lease' or 'hire-purchase' unless the written permission of the Secretary of State has been obtained, since these are classified as borrowing.

School may enter into an 'operating lease', as defined by the local authorities (Capital Finance) Regulations 1997 as these do not count as borrowing. The definition of an 'operating lease' is summarised as follows.

- The asset under lease must have a residual value at the end of the agreed lease period of at least 10% of its original cost.
- The lease cannot transfer ownership of the asset to the lessee (at any time during the agreed lease period or a renewal or continuation period).
- The lease cannot provide for renewal or continuation beyond the initial term at less than the "market value" for this provision at the commencement of the secondary arrangement.
- The lessee cannot share in the sale proceeds of the asset under lease.

### **Removal of permissions**

The local authority has the right to remove permission for a school to hold a debit card, procurement card, charge card or trade account card(s) where a school has

infringed on any of the criteria for holding any card, including breaches of their own controls or infringements relating to loans, overdrafts or leases. Schools should ensure that all internal controls on cards are reviewed annually and updated as necessary. All procedural changes need to be agreed with the local authority.

### **3.7 Other provisions**

See Appendix 2.

## **4 The treatment of surplus and deficit balances arising in relation to budget shares**

### **4.1 Right to carry forward revenue surplus balances**

Schools will be allowed to carry forward from one financial year to the next any underspend relative to the Schools Budget share plus/minus any balance brought forward from the previous year, subject to controls on surplus balances (see below). A school's balance at 1 April of any financial year is equal to the balance as at 31 March in the previous financial year.

Any surpluses should be earmarked for specific future needs to ensure that pupil's benefit from a planned approach to spending that does not deprive them of resources in a given year. These earmarked surpluses should be clearly linked to the School Development Plan.

### **4.2 Control on surplus balances**

The arrangements for surplus balances held by schools as permitted under this scheme have been revised.

As schools are moving towards greater autonomy, the Authority will not constrain schools from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and thus schools will not be burdened by bureaucracy.

Schools where either the local authority or Department for Education deem the surplus balance to be excessive, may be required to comment on the rationale employed. The authority may reclaim balances from schools where they deem them excessive. Appendix 6 gives details of the percentages used as a guide for each education phase.

### **4.3 Interest on surplus balances**

Schools that have a bank account consolidated to the Authority's account will attract interest on any surplus balance at the year end.

The interest rate will be the Treasury Management 7 day rate.

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

If a school is in deficit (revenue and/or capital) on the 31 March in any one financial year, that deficit will be carried forward to the following financial year. A school's deficit balance at 1 April of any financial year is equal to the deficit balance as at 31 March in the previous financial year.

### **4.5 Planning for deficit balances**

#### **4.5.1 Deficit plans (setting a deficit revenue budget)**

Governing Bodies may only plan for a deficit budget with the agreement of the Head of Finance and in accordance with the terms of paragraph 4.9 below.

More details are available in Appendix 5: Supplementary Information.

#### **4.5.2 Deficit revenue balances (carryovers)**

Unforeseen circumstances in year may result in a projected end of year deficit (carryover). In such instances the school should report this to the Director of Children's Services as soon as they become aware of such a situation.

The Authority's own monitoring procedures may also highlight situations of potential end of year deficit (carryover).

If such unforeseen circumstances do result in an end of year deficit balance (carryover), any deficit will be carried forward to the following financial year and schools are required to:

- report to the Director of Children's Services on the reasons for the end of year deficit (carryover);
- if appropriate, detail the management arrangements in place to ensure there is no repeat of the situation;
- detail the measures that will be taken to bring the school back into a balanced budget situation;
- any other such arrangements as the Director of Children's Services may require.

If a school is unable to bring the budget back into balance when setting the following year's budget it will have to provide a recovery plan with an agreed recovery period

The end of year balance is defined for this purpose as the school end of year balance (as notified to the school by the Director Children's Services).

#### **4.6 Charging of interest on deficit balances**

The authority may charge interest on any deficit balance where -

- A licensed deficit has been approved to finance a major equipment purchase or building development.
- A school Governing Body faced with a deficit budget fails to seek or follow the advice of the Director of Children's Services or Head of Finance in producing a plan to repay the deficit.
- A school goes into deficit without the prior written approval from the authority. In such cases, the interest will be 4% above the Bank of England's Base rate.

#### **4.7 Writing off deficits**

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

#### **4.8 Balances of closing and replacement schools**

When a school closes, any balance (whether surplus or deficit) shall revert to the authority; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school.

The authority can also provide extra funding for new schools to recognise the deficit of a preceding school by being reduced; but a sum equal to the deficit cannot be set against any 'normal' funding of the new school – this is the element of funding it would receive anyway if it was not new.

For the first year (i.e. the 12 month period following the formal implementation of an amalgamation of schools) of combined budget(s), the school(s) would receive no less than if there had been the original schools. Subsequently, any loss of funding will be phased over the subsequent two years (three years in total).

#### **4.9 Licensed deficits**

In circumstances where a school requires a budget share advance in order not to be overdrawn at their bank, this should be treated as a cash advance and not a loan. This will have no effect on the school's budget and outturn statements.

The Authority does not operate a licensed deficit scheme. Any deficit agreed as part of an agreed recovery plan is deemed as borrowing from the Authority.

#### **4.10 Loan schemes**

Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of 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 paragraph 13(4)(d) of schedule 1 to 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.

#### **4.11 Credit union approach**

The Authority does not currently recognise a credit union approach. Schools wishing to adopt this approach should contact the Director of Children's Services.

## **5 Income**

### **5.1 Income from lettings**

Schools may retain all income from lettings of the school premises that would otherwise accrue to the LA, subject to any alternative provisions arising from any joint-use or (Private Finance Initiative) agreement. Schools are permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, provided 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. However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.

Income from lettings of school's premises are not payable into voluntary or private funds held by the school.

Schools are required to have regard to any directions issued by the LA as to the use of school premises owned by the LA, as permitted under the School Standards and Framework Act 1998 for various categories of schools.

#### **5.1.1 Private lettings**

All schools are recommended to produce a hiring and letting policy which is adopted by the Governing Body.

Any income raised through private lettings must be paid into the school's main bank account.

Private lettings should not displace agreed community lettings. However, schools may find it advantageous to have private lettings take place alongside their community lettings to reduce costs.

#### **5.1.2 Use of schools for elections**

Under elections legislation, community and voluntary aided schools are obliged to make accommodation available for polling stations. The Authority policy is that, if at all possible, schools should remain open on the day of the election.

Schools are reimbursed directly by the Authority for the costs incurred in making accommodation available for polling stations.

#### **5.1.3 Use of schools for emergency plan**

Any costs incurred by the school for emergency plan purposes will be reimbursed by the Authority.

### **5.2 Income from fees and charges**

Schools can retain income from fees and charges except where a service is provided by the Authority from centrally retained funds. However, schools should have regard to any policy statements on charging produced by the Authority.

### **5.3 Income from fund-raising activities**

Schools will be allowed to retain income from fund-raising activities.

### **5.4 Income from the sale of assets**

Schools may retain the proceeds from the sale of assets except in cases where the asset was purchased with non-delegated funds, in which case the Authority will decide whether the school should retain the proceeds. If the asset is land or buildings forming part of the school premises and is owned by the Authority the proceeds must be paid to the Authority.

### **5.5 Administrative procedures for the collection of income**

The procedures for collection of income are laid down in the Schools Financial Regulations and Standing Orders. These include guidance on charging of VAT on income.

### **5.6 Purposes for which income may be used**

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

## **6 The charging of school budget shares**

### **6.1 General provisions**

A school's budget share may only be charged by the Authority without the Governing Body's permission in the circumstances permitted by this scheme (see 6.2 below). The Authority will consult the schools as to the intention to charge and will notify schools when it has been done.

6.1.1 Where a school hasn't elected to administer their own staff salaries via external payroll providers; the Authority will charge salaries of school based staff to school budget shares at actual cost.

### **6.2 Circumstances in which charges may be made**

- Where premature retirement costs have been incurred without the prior written agreement of the Authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the Authority);
- Other expenditure incurred to secure resignations where the school has not sought or followed Authority advice.
- Awards by courts and industrial tribunals against the Authority or out of court settlements, arising from action or inaction by the Governing Body contrary to Authority advice.
- Expenditure by the Authority in carrying out health and safety work or capital expenditure for which the Authority is liable where funds have been specifically delegated to the Governing Body for such work, but the Governing Body has failed to carry out the required work;
- Expenditure by the Authority incurred in making good defects in building work funded by capital expenditure from budget shares, where the premises are owned by the Authority or the school has voluntary controlled status.
- Expenditure incurred by the Authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would have been arranged by the Authority. (see also 10.1)
- Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement and the result is that monies are owed by the school to the Authority
- Recovery of penalties imposed on the Authority by the board of Inland Revenue, the Contributions Agency, HM Revenue & Customs (HMRC), Teachers' Pensions, the Environment Agency or other regulatory authorities as a result of schools negligence.
- Correction of Authority errors in calculating charges to a budget share (e.g. pension deductions)



- Additional transport costs incurred by the Authority arising from decisions by the Governing Body on the length of the school day, and the failure to notify the Authority of non-pupil days resulting in unnecessary transport costs.
- Legal costs which are incurred by the Authority because the Governing Body did not accept the advice of the Authority (see also section 11).
- Costs of necessary health and safety training for staff employed by the Authority, where funding for training has been delegated but the necessary training has not been carried out.
- 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.
- Cost of work done in respect of teacher pension remittance and records for schools using non-Authority payroll contracts, the charge to be minimum needed to meet the cost of the Authority's compliance with its statutory obligations.
- Costs of administering the Apprenticeship Levy
- Costs incurred by the Authority in securing provision specified in an Education, Health and Care Plan (EHC) 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 (prior attainment) and/or specific funding for a pupil with High Needs.
- Cost incurred by the Authority due to submission by the school of incorrect data.
- Recovery of amounts spent from specific grants on ineligible purposes.
- Costs incurred by the Authority as a result of the Governing Body being in breach of the terms of a contract e.g. opting out of a centrally managed contract without giving sufficient notice as specified in the contract.
- Costs incurred by the Authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- Costs incurred by the authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.
- Other expenditure incurred to secure resignations where there is good reason to charge this to the school (see Annex B).

## **7 Taxation**

### **7.1 Value Added Tax**

Imprest Schools will provide a monthly return showing the amounts of VAT paid out and charged. The Authority will reclaim the net VAT on non-business activities and the reclaimed amount will be paid into the school's bank account. All schools including Agresso schools must comply to HMRC VAT regulations and are responsible for holding the supporting documentation at school (e.g. invoices petty cash receipts etc). When required VAT documentation to be provided by schools to HMRC or Audit.

HM Revenue and Customs have agreed that VAT incurred by schools when spending any funding made available by the authority is treated as being incurred by the authority and qualifies for reclaim by the authority. This does not include expenditure by the governors of a voluntary aided school when carrying out their statutory duties to maintain the external fabric of their buildings. See also section 13.

### **7.2 CIS (Construction Industry Taxation Scheme)**

Schools are required to abide by the procedures laid down by the Authority in connection with Construction Industry Taxation Scheme.

## **8 The provision of services and facilities**

### **8.1 Provision of services from centrally retained budgets**

It is for the Authority to determine on what basis services from centrally-retained funds will be provided to schools. This includes Premature Retirement Compensation (PRC) and redundancy payments, where appropriate.

The Authority will not discriminate in its provision of services to schools on the basis of their category except in circumstances where (a) funding has been delegated to some schools only or (b) such discrimination is justified by differences in statutory duties.

### **8.2 Provision of services provided by the Authority**

Services can be bought back from the Authority using delegated budgets, the services available are contained within the Authority's Traded Services for Schools brochure.

Provision will be available on a service-by-service basis; it may be tailored to individual school needs and may form part of a package of services.

Services are reviewed annually with a pricing proposal sent to schools for consideration.

Final offers are confirmed when schools sign a Service Level Agreement setting out the terms and conditions of the Authority and the school.

Any service provided to schools for which expenditure is not retainable by the Authority under the Regulations made under section 46 of the Act, are offered at prices which are intended not to generate income but cover the cost of provision.

The cost of providing the service is met by the income generated, even if schools are charged differentially.

### **8.3 Packaging**

Any services, which the Authority is providing on a buyback basis, will be offered in a way that will not unreasonably restrict schools' freedom of choice among the services available.

Provision will be available on a service-by-service basis with further freedom of choice available through a menu system which offers individual elements of the services. Some services also offer packages of services, which may offer a more cost effective service.

### **8.4 Teachers' pensions**

In order to ensure that the performance of the duty on the Authority to supply Teachers' Pensions with information under the Teachers' Pensions Regulations 2014, the following conditions are imposed on the Authority and Governing Bodies of all maintained schools covered by this Scheme in relation to their budget shares.

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

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

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

## **9 PFI / PPP**

### **9.1 PFI/PPP**

Any school agreeing to be included within a PFI contract will be required to sign a 'Governing Body Agreement'. The agreement is between the Authority and Governing Body and sets out details of the services provided under the PFI contract and the schools financial contributions.

## 10 Insurance

### 10.1 Insurance cover

Where funds for insurance are delegated to any school, the Authority will require the school to demonstrate that cover relevant to the Authority's insurable interests, under a policy arranged by the Governing Body, is at least as good as the relevant minimum cover arranged by the Authority, having regard to the actual risks which might reasonably be expected to arise at the school. (See also 6.2.6).

Governing bodies maintaining their own insurance cover in place of that arranged by the Authority must provide to the Director of Children's Services an up-to-date copy of the policy or policies, together with all premium receipts or other evidence of cover. Failure to provide documentary proof of a satisfactory level of cover within a reasonable period of such a request being made may result in the school's budget share being charged.

See Appendix 3.

Instead of taking out insurance, schools may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA. Schools are allowed to join the RPA after 1st April 2020. Schools may do this individually when any insurance contract of which they are part expires. All primary and/or secondary maintained schools can join the RPA collectively by agreeing through the schools forum to de-delegate funding.

## **11 Miscellaneous**

### **11.1 Right of access to information**

The Governing Body must supply all financial and other information which may be required by the Authority to satisfy itself that the school is properly managing its delegated budget share and any additional funds provided by the Authority.

### **11.2 Liability of Governors**

The Governing Body is a corporate body, and because of the terms of section 50(7) of the act, Governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided that they act in good faith.

### **11.3 Governors' allowances**

Under section 50(5) of the Act, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. Schools are not permitted to pay any other allowances.

Schools with delegated budgets should only pay reasonable expenses. Schools may be required to provide details to the Authority of expenses paid.

#### **11.3.1 New schools**

Provision may be made to delegate funds for Governor's expenses to a school yet to receive a delegated budget. Only allowances as per Section 11 of the Schools Standards and Framework Act 1998 will be paid.

#### **11.3.2 Special measures**

Expenses paid to additional Governors to schools appointed by the Secretary of State under special measures must not be paid from a school's delegated budget share.

### **11.4 Responsibility for legal costs**

Legal costs incurred by the Governing Body, although the responsibility of the Authority as part of the cost of maintaining the school unless they relate to the statutory responsibility of voluntary aided school governors for buildings, may be charged to the school's budget share unless the Governing Body acts in accordance with the advice of the authority. (see section 6).

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

Where there is a potential conflict of interest, problems could arise for the Authority and the Governing Body in obtaining proper legal advice. In this situation, the

Authority should be consulted and the Governing Body should consider obtaining independent legal advice.

### **11.5 Health and safety**

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

Under s.39 (3) of the School Standards and Framework Act, Authorities may issue directions to the Governing Body and head teacher of a community, community special or voluntary controlled school on health and safety matters; these directions are enforceable, so far as Governing Bodies are concerned, via s.497 of the Education Act 1996, if not complied with.

### **11.6 Right of attendance for Director of Children's Services**

Governing Bodies must permit the Director of Children's Services, or any officer nominated by the Director of Children's Services, to attend meetings of the Governing Body at which any agenda items are relevant to the exercise of his/her responsibilities. The Director of Children's Services will give prior notice of such attendance unless impracticable to do so.

### **11.7 Special educational needs**

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

### **11.8 Interest on late payments**

Under the Late Payment of Commercial Debts (Interest) Act 1998 all small company creditors must be paid within 30 days of the receipt of the invoice, unless there has been a dispute registered with the creditor. The creditor can, after such period has elapsed, submit a surcharge, on the original amount outstanding.

Published criteria change and Schools should ensure that they comply with the latest statutory requirement on this subject.

### **11.9 'Whistleblowing'**

The procedure for governors and persons working at the school who wish to complain about financial management or financial propriety at the school can be found at:

<https://www.leadershipupdate-rbwm.co.uk/employment-3/>

Raising Concerns At Work (Schools) V6.4.0.doc

### **11.10 Child protection**

Schools must release staff to attend child protection case conferences and other related events. Supply cover costs has to be met from the school's delegated budget.



### **11.11 Redundancy / early retirement costs**

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. Further guidance is provided in annex B.

## **12 Responsibility for revenue & capital maintenance and improvement**

### **12.1 Responsibility for repairs and maintenance**

Appendix 6 shows the categories of work which Governing Bodies must finance from their budget. This covers both revenue (maintenance) and capital budgets.

The Authority will maintain a capital programme for items of capital expenditure set out in regulation 12.2 of the scheme. All other capital expenditure is the responsibility of the Governing Body to be funded either from the schools devolved capital grant, other capital funds or revenue contributions to capital.

### **12.2 Authority capital programme**

Only capital expenditure will be retained by the Authority. For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the Authority for financial accounting purposes in line with the CIPFA Code of Practice on local authority accounting.

### **12.3 Voluntary aided schools**

For voluntary aided schools, the liability of the authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as other maintained schools, and no separate list of responsibilities is necessary for such schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de minimis limit applied by the DfE to categorise such work, not the de minimis limit used by the authority.

## **13 Community facilities**

### **13.1 Introduction**

Schools now have greater opportunities to provide services for the community. An extended school is one that provides a range of services and activities often beyond the school day to help meet the needs of its pupils, their families and the wider community. Further information is shown in Annex C.

### **13.2 Suspension of delegated budget**

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

### **Consultation with the Authority – financial aspects**

In every school and community there will be key groups who need to be consulted about activities. They should be involved in the planning process to ensure that extended school programmes are in demand, well organised and meet local needs.

The Governing Body has ultimate responsibility for deciding whether the school should offer additional activities and services and what form these should take. Before making decisions, governors need to be aware of any additional responsibilities that may result from providing additional services through the school. As with existing school activities, Governing Bodies can delegate the practical delivery of services to others, but they will keep ultimate legal responsibility.

Headteachers will need to be fully consulted in the development of additional activities and services in the school. Their school management experience can also be invaluable for the planning of new activities and services and in some schools, Headteachers may choose to be closely involved in the leadership of additional activities and services.

Other school staff can also play a key role in the planning process. Most will have a clear understanding of the needs of pupils, families and the wider school community. They will also be able to advise on the day-to-day impact of additional services on the school premises, equipment, timetables and school community.

Whatever their level of involvement, all school staff should be kept informed and involved in any decisions that relate to the school premises, staff or pupils.

### **13.3 Consult the Authority**

Changes made by the Children and Families Act 2014 mean that schools no longer need to consult the Authority when establishing community facilities under Section 27 of the Education Act 2002. Nor do they have to have regard to advice given to them by their Authority. Section 28(4) of the Education Act 2002 requires that before exercising the community facilities power, Governing Bodies must consult the Authority, and have regard to advice given to them by their Authority.

### **13.4 Approach the Authority**

Schools should initially approach the Authority for a strategic view on potential programmes. The Authority is well placed to help in assessing the ability of schools to offer additional activities. The Authority will take into account the school's resources, financial management abilities and other considerations.

### **13.5 Responses**

The Authority will issue an initial response to any approach from a school within four weeks. The Authority may request from any school operating community activities a report on any action taken following the advice.

## **Funding agreements – authority powers**

### **13.6 Funding agreements**

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.

### **13.7 Authority review**

Any funding agreements with third parties should be submitted to the Authority for its comments prior to the Governing Body signing any such agreement so that the Authority can ensure that any agreement is not seriously prejudicial to the interests of the school or the Authority.

## **Other prohibitions, restrictions and limitations**

### **13.8 Additional requirement**

Where the Authority believes it appropriate they may require the use of community facilities power by a Governing Body. The Governing Body concerned will be required to make arrangements to protect the financial interests of the Authority by carrying out the activities concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question, as specified by the authority.

### **13.9 Additional restrictions**

The Authority has the power to suspend a school's delegated budget if:

- a school undertakes the provision of community activities without consulting the Authority and which the Authority considers is seriously prejudicial to the interests of the school or the Authority;
- the Authority considers the financial management of community services provided by a Governing Body unsatisfactory; or
- the Governing Body is guilty of substantial or persistent non-compliance with any rules laid down by or under the Authority's Scheme for Financing Schools.

## Supply of financial Information

All schools will need to make some adjustments to their financial procedures in order to extend their activities beyond pupils and the school curriculum.

Community activities must be self-financing, except study support for pupils. Study support is learning activities outside normal school hours which young people take part in voluntarily. The purpose of study support is to improve young people's motivation, build their self-esteem and help them become more effective learners and above all aims to raise pupil's achievement.

There are several basic principles for financial management of extended schools programmes.

- Additional activities and services should have separate financial accounts.
- Programmes should where possible be self-financing with the school's delegated budget share only funding additional educational activities and services.
- Before establishing community activities the Governing Body must prepare a four year business plan including cash flow forecasts. The business plan should demonstrate how the Governing Body would fund establishing any community activities and demonstrate that the activities are self-financing for the following three years. Once established a three year business plan should be maintained.
- Governing Bodies may seek grant funding to establish community activities e.g. New Opportunities Funding for Out of School Clubs.
- The Governing Body may not borrow money for community activities without the written consent of the Secretary of State. This requirement does not extend to monies lent to schools by the Authority.
- If by providing community activities, it is felt that it is adversely affecting the Governing Body's main responsibility to educate pupils and promote high standards of educational achievement at the school, the Authority may withdraw the right for the Governing Body to operate such community activities.
- Failure to comply with regulations on financial procedures could lead to the removal of the Governing Body's power to discharge its delegated budget.
- Schools should consider the educational benefits of supporting any educational provision or programme through their Schools Budget

Community use of school facilities will need to be self-financing, either through alternative funding streams or charges to users.

It should be noted that activities such as study support are deemed as being for 'the purposes of the school' (i.e. for the educational benefit of the school's registered pupils). Therefore, such activities may be funded from the school's budget share and schools are encouraged to provide all study support activities free to all pupils.

The Governing Body should keep separate accounts for its community activities to ensure that the community costs incurred are fully covered by income such as fees and charges and kept distinct from the school's delegated budget.

Some schools may wish to encourage activities and services that they consider a priority, but which might not be self-financing. Activities and services that generate income can be used to help support other programmes. Equally, charges can be subsidised for individual users of services who might be unable to pay to participate, but who could benefit significantly from the activity or service.

### **13.10 Supply of financial information**

Any school operating community activities must provide the Authority with a financial report identifying income and expenditure received, accumulated balance brought forward from the previous financial year and projected year end financial position.

If the Authority has concerns of the financial viability of any community activities a school may be required to provide a financial report identifying income and expenditure received, accumulated balance brought forward from the previous financial year and projected year end financial position on a quarterly basis.

If the Authority continues to have concerns of the financial viability of any community activities a school will be required to submit a recovery plan for the activity in question.

Schedule 15 of the Education Act 2002 inserts a new provision into Schedule 15 of the Act to make mismanagement of funds received for community facilities is a basis for suspension of the right to delegation of the budget share.

### **Supply of non-financial information**

Governing Bodies may be required to provide some non-financial information to the Authority where any community activities form part of a corporate strategy for provision. The Authority will inform the Governing Body of any such requirements at the time of agreeing the establishment of such community activities.

### **13.11 Adjustment to frequency of financial reports**

If the Authority has concerns of the financial viability of any community activities a school may be required to provide a financial report identifying income and expenditure received, accumulated balance brought forward from the previous financial year and projected year end financial position on a quarterly basis.

If the Authority continues to have concerns of the financial viability of any community activities a school will be required to submit a recovery plan for the activity in question.

Schedule 3 of the Education Act 2002 inserts a new provision into Schedule 15 of the Act to make mismanagement of funds received for community facilities a basis for suspension of the right to delegation of the budget share.

## **Audit**

### **13.12 Audit**

Schools community activities financial accounts must be made available for inspection by internal and external audit.

### **13.13 Access**

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

## **Treatment of income and surpluses**

### **13.14 Retaining net income**

The school can retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the Authority or some other body.

### **13.15 Carrying forward retained net income**

Such retained net income can be carried over from one financial year to the next as a separate community activities surplus. Such surplus funds should usually be retained to provide a contingency fund to cover any deficit generated on community activities in any year or are sufficient to cover any winding up costs should the activity cease. If the community activities surplus funds are such that they are not all required as a contingency to cover any potential deficit generated or potential winding up costs, the Authority may agree with the school transferring up to the full value of the surplus to the schools account for a specific purpose.

Should the Authority close any community or community special school, any accumulated community activities surplus of the school reverts to the Authority unless otherwise agreed with a funding provider.

## **Treatment of deficits**

Any deficit must firstly be met from any accumulated community activities surplus and cannot be met from the school budget share unless such a purpose is prescribed by regulations made under s.50 (3) (b) of the 1998 Act.

If the accumulated community activities surplus is insufficient to cover any deficit this must be carried forward, if the business plan demonstrates that the deficit can be covered from future year's surpluses.

If the business plan demonstrates that the community activity is not viable long term the Governing Body are required to use any other funds under their control to cover the deficit. If this is still insufficient the Governing Body and the Authority should implement an action plan to cease any unviable community activity and the Governing body should formulate a recovery plan to recover any remaining deficit.

## **Health and Safety**

### **13.16 Health and safety**

The health and safety standards for community activities should be the same as those to any other activities undertaken at the school.

### **13.17 Disclosure and Barring checks**

The Governing Body must ensure that any adults involved in community activities have been cleared by the Disclosure and Barring Service (DBS) check and the cost of such clearance should be met by the community activities accounts or funding partner as part of an agreement with that partner.

## **Insurance**

### **13.18 Insurance**

The Governing Body must ensure adequate arrangements are made 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. Instead of taking out insurance, a school may join the RPA for risks that are covered by the RPA.

### **13.19 Authority power to assess insurance arrangements**

The Governing Body must provide the Director of Children's Services with evidence that they have such insurance arrangements in place for community activities. The Director of Children's Services may also undertake their own assessment of the insurance arrangements made by a school in respect of community activities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the schools community activities account. This provision ensures that the Authority can protect itself against possible third party claims. Instead of taking out insurance, a school may join the RPA for risks that are covered by the RPA.

## **Taxation**

### **13.20 Taxation**

The Governing Body should seek the advice of the Head of Finance and the local VAT office on any issues relating to the possible imposition of Value Added Tax on expenditure and income in connection with community facilities, including the use of the Authority VAT reclaim facility.

The Governing Body must abide with the requirements of the Scheme for Financing



Schools in relation to all aspect of taxation (regulations under section 7 of the Scheme for Financing Schools).

### **13.21 Payment of income tax and National Insurance**

For any member of staff employed by the school or authority in connection with community facilities at the school is paid from funds held in a school's own bank account (whether a separate account is used for community facilities or not) the school is held liable for payment of income tax and National Insurance, in line with HM Revenue and Customs rules.

### **13.22 Construction Industry Scheme**

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

## **Banking**

### **13.23 Separation of accounts**

Although it is necessary for the school to keep a separate financial account for community activities this does not necessitate community activities being held in a separate bank account.

### **13.24 Bank accounts**

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

## **Annex A: The funding framework**

The funding framework which replaces Local Management of Schools is set out in the legislative provisions in sections 45 to 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 its schools budget.

The categories of expenditure which fall within the 2 budgets are prescribed under regulations made by the Secretary of State, but included within the 2, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items.

Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under section 45A of the act (the centrally retained expenditure).

The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions, including gaining the approval of their schools forum or the Secretary of State in certain instances, as prescribed by the Secretary of State.

The balance of the schools budget left after deduction of the centrally retained expenditure is termed the individual schools budget (ISB). Expenditure items in the non-schools education budget must be retained centrally, although earmarked allocations may be made to schools.

Authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school.

This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with section 51 of the Act.

The financial controls within which delegation works are set out in a scheme made by the authority in accordance with section 48 of the act and regulations made under that section.

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

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school and for any additional purposes prescribed by the Secretary of State in regulations made under section 50 of the Act.

Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are

treated as if they were amounts spent for the purposes of the school (section 50(3A) of the act).

An authority may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme, or rules applied by the scheme, have been substantially or persistently breached, or if the budget share has not been managed satisfactorily.

A school's right to a delegated budget share may also be suspended for other reasons, under schedule 17 to the act.

Each authority is obliged to publish each year a statement setting out details of its planned schools budget and other expenditure on children's services, showing the amounts to be centrally retained and funding delegated to schools; after each financial year the authority must publish a statement showing outturn expenditure.

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State.

A copy of each year's budget and outturn statement should be made easily accessible to all schools.

Regulations also require a local authority to publish their scheme and any revisions to it on a website accessible to the general public, by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

## **Annex B Responsibility for redundancy and premature 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, the central Schools Budget or the local authority's non-Schools Budget.

Section 37 of the 2002 Education Act says:

4) costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met

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

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

The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what a good reason was, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

### **Charge of dismissal/resignation costs to delegated school budget**

- If a school has decided to offer more generous terms than the authority's policy, then it would be reasonable to charge the excess to the school.
- If a school is otherwise acting outside the local authority's policy.
- Where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit.
- Where staffing reductions arise from a deficit caused by factors within the school's control.
- Where the school has excess surplus balances and no agreed plan to use these.
- Where a school has refused to engage with the local authority's redeployment policy.

## Charge of premature retirement costs to local authority non-schools budget

- Where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards.
- Where a school is closing, does not have sufficient balances to cover the costs and where the central Schools Budget does not have capacity to absorb the deficit.
- Where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale.
- Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of local authority or government intervention to improve standards

Costs of early retirements or redundancies may only be charged to the central schools services block of the Schools Budget, as a historic commitment, where the expenditure is to be incurred as a result of decisions made before 1st April 2013. Costs may not exceed the amount budgeted in the previous financial year.

The local authority can retain a central budget within the Schools Budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the schools forum agree.

It is important that the local authority discusses its policy with its Schools Forum. Although each case should be considered on its merits, this should be within an agreed framework. It may be reasonable to share costs in some cases, and some authorities operate a panel to adjudicate on applications.

A de-delegated contingency could be provided, if the Schools Forum agrees, to support individual schools where "a Governing Body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share".

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. Section 37 now states:

(7) Where a local education authority incur costs—

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

*(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes, they shall recover those costs from the Governing Body except in so far as the authority agrees with the Governing Body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.*

*(7A) Any amount payable by virtue of subsection (7) by the Governing Body of a maintained school in England to the local authority may be met by the Governing Body out of the school's budget share for any funding period if and to the extent that the condition in subsection 7(B) is met.*

*(7B) The condition is that the Governing Body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the education Acts.*

*(8) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.*

## **Annex C Application of scheme for financing schools to the community facilities power**

Schools which choose to exercise the power conferred by section 27 (1) of the Education Act 2002 to provide community facilities will be subject to controls. Regulations made under section 28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power.

Section 88 of the Children and Families Act 2014, has removed the requirements in section 28(4) and section 28(5) of the Education Act 2002 for maintained schools in England. Under section 28(4) a school was obliged to consult its authority and under section 28(5) a school must have regard to advice or guidance from the Secretary of State or their local authority when offering this type of provision.

Under section 28(1), the main limitations and restrictions on the power will be those contained in the maintaining authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998 as amended by paragraph 2 of Schedule 3 to the Education Act 2002.

This amendment extended the coverage of schemes to include the exercise of the powers of governing bodies to provide community facilities.

Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools. This part of the scheme does not extend to joint-use agreements, transfer of control agreements, or agreements between the authority and schools to secure the provision of adult and community learning.

## Appendix 1 Schools list

Sector	Name
<b>Nursery</b>	
	Cookham Nursery
	Maidenhead Nursery
	The Lawns Nursery
<b>Primary</b>	
	Alexander First
	Alwyn Infant And Nursery
	Boyne Hill Ce Infant
	Braywood CE First
	Cheapside CE Primary
	Cookham Dean CE Primary
	Cookham Rise Primary
	Courthouse Junior
	Eton Wick CE First
	Furze Platt Infant
	Furze Platt Junior
	Hilltop First
	Holy Trinity Cookham Primary
	Holy Trinity Sunningdale Primary
	Homer First
	Kings Court First
	Larchfield Primary & Nursery
	Oldfield Primary
	Riverside Primary
	South Ascot Village Primary
	St Edwards Catholic First
	St Michaels CE Primary
	The Queen Anne Royal CE
	The Royal (Crown Aided)
	Trinity St Stephen CE First
	Waltham St Lawrence Primary
	Wessex Primary
	Wraysbury Primary
<b>Middle &amp; Secondary</b>	
	St Edward's Royal Free Ecumenical Middle School
	Churchmead Church of England (VA)
<b>Special</b>	
	Manor Green



## Appendix 2 School borrowing

### Introduction

The School Standards and Framework Act 1998 allow schools to borrow if they have the permission of the Secretary of State.

### Definition

The type of financing arrangements, which would normally be classed as borrowing, is:

- Loans in the broadest sense, whereby lenders make available to the school a sum of money which the school uses for specific aims. The school repays the sum of money (the principal) usually at a price (the interest charges) over the term of the loan.
- Finance Leases, whereby the school acquires the use of an asset (e.g. a building or an item of equipment) from the supplier or lender over a specified period. At the end of the period, the school has paid the lender for the underlying cost of the asset plus interest charges,
- Certain types of Public Private Partnerships (PPP's) where the asset is deemed to be "on the balance sheet". Due to the longer term nature of PPP's, schools which enter into them should establish whether the commercial interest of their private sector partners constitutes a form of borrowing by the school – for example a finance Lease.

There are certain types of financing arrangements which for the purposes of this guidance would not normally be classified as borrowing – for example, where a local fair funding scheme permits an Authority to deal with an overspend on a school's budget share by advancing additional sums which are to be charged against future years budget shares. Other circumstances where the Department would not normally require the school to obtain permission before entering into a financial arrangement are:

- Where a Diocese spends money on behalf of a Voluntary Aided school, and the Department subsequently pays grant to the diocese under paragraph 5(1) (b) of Schedule 3 to the 1998 Act.
- Where an association such as a Parents' Association or Former Pupils' Association, takes out a loan to be repaid from its future fund raising, and donates the money to the school.
- Where a school takes credit as part of a supplier's standard trading terms.
- Certain types of Public Private Partnership.

## Appendix 3 Insurance

### Minimum levels of insurance (Schools)

If funds for insurance are delegated to any school, the local authority may require the school to demonstrate that its insurance cover under a policy, or policies, arranged by the Governing Body is relevant to the authority's insurable interests.

Whilst the authority cannot apply an arbitrary level of cover for all schools the authority recommends the following levels of indemnity as a minimum (@ June 2023):

	£
Material Damage (Property)	Reinstatement value of property
Business Interruption	2,000,000
Contract Works	250,000
Money	10,000
Fidelity Guarantee (Fraud	500,000
Employers' Liability	25,000,000
Public Liability	35,000,000
Governors' Liability	5,000,000
Libel & Slander	1,000,000
Professional Indemnity	5,000,000
Personal Accident	Death & Capital Benefits £100,000
Engineering Inspection	Inspection of all plant required so by statute
Offsite Activity/Travel c	To cover both UK and non UK trips
Motor Insurance	For minibuses or other vehicles owned or leased in by the school (own damage plus third party)

## Appendix 4 Budget plan and monitoring and submission schedule

### Annual budget plan

The Authority will aim to provide to schools by the 28 February of the previous financial year indicative financial information on which schools can base their draft budgets and final/confirmed financial information by 31 March of the previous financial year.

Each school must submit as early as possible and no later than by the **31st May** of the relevant financial year a Standard School Budget Plan to the Head of Finance. The budget plan must be approved at a full Governing Body meeting, recorded as such, and signed by both the Headteacher and the Chair of Governors. Plans must be submitted in a form notified by the authority and in accordance with the Consistent Financial Reporting Framework.

The Standard School Budget Plan can be found by emailing:

[bursar.support@achievingforchildren.org.uk](mailto:bursar.support@achievingforchildren.org.uk)

### Budget monitoring reports

In order that the designated officer can fulfil their obligations under Section 151 of the Local Government Act 1972 to “make arrangements for the proper administration of their financial affairs” schools must provide Bursar Support with a copy of their budget monitoring report submitted to their Governing Body as per the dates set out below:

- 2nd Friday October
- 2nd Friday January

### Deficit budget

If a school considers they are likely to have to set a deficit budget they must notify the Director of Children’s Services by **30th April**. This will allow ongoing discussion between the school and the Authority in order to agree a recovery plan.

For the Authority to manage its responsibilities to “make arrangements for the proper administration of their financial affairs” (Section 151 of the Local Government Act 1972), a school may be required to provide further information to support their Standard School Budget Plan.

### 3 Year budget plans

The authority requires schools to submit a financial plan covering a 3 year period. These will be used as evidence to support the authority’s assessment of Schools Financial Value Standards and in support of the authority’s balance control mechanism. To be submitted to Bursar Support by

- 31<sup>st</sup> May

The 3 Year Budget Plan can be found by emailing:

[bursar.support@achievingforchildren.org.uk](mailto:bursar.support@achievingforchildren.org.uk)

## **Appendix 5 Supplementary information**

RBWM use thresholds of 5% of grant funding income for secondary schools, 8% of grant funding income for primary, nursery and special schools. The maximum level over which uncommitted reserves would be deemed excessive is 5% for secondary schools and 8% for primary, nursery and special schools.

The percentage is applied to annual income which is defined as income registered to CFR codes I01 to I18 inclusive. The final annual income as defined by the CFR income categories at the financial year end would determine the level of reserves. For example, annual income as at financial year end 2017/18 of £1,000,000 for a primary schools would deem the acceptable level of revenue carry forward (opening revenue balance for 2018/19) as £80,000 (excluding acceptable commitments).

Where schools wish to commit balances, these should be to specific projects and ideally linked to the schools development plan. There should be an anticipated start date and project duration with appropriate costing information available. The authority would not expect to see commitments made to projects that did not relate to staff development and training, building maintenance and improvement, grounds maintenance and improvement, learning resources, ICT learning resources, administrative supplies or relate to a proposed revenue to capital transfer of funds. As capital cannot be transferred to revenue; school should refrain from transferring revenue to capital until required to do so within a project and transferring as a capital commitment should be avoided.

Schools should refrain from committing balances to projects year on year where the project has no clear start date. Governors should review proposals to commit balances to avoid the mechanism incorrectly effecting the threshold levels. Projects expected to start within the current financial year should have appropriate budgets allocated within the school budget without the need to create a commitment.

De minimis level £3,000.

### **Schools deficit process**

Schools should ensure that they contact the Director of Children's Services and Head of Finance as early as possible where they believe they may potentially need to set a deficit budget.

The Bursar Support Team will notify the appropriate local authority groups and act as liaison between the school and the local authority.

The School will be required to submit a formal detailed deficit recovery plan.

A formal sign off of all arrangements will be required by the Director of Childrens Service, Head of Finance and Governing Body. This will be completed within a reasonable timescale to enable budget planning and action to be taken by all parties as appropriate.

### **Deficit arrangements**

Deficit arrangements may only be permitted where budgets cannot be balanced in year without extreme significant damage to the curriculum.

The maximum period over which schools must balance their budget is normally three years.

### **The Public Contracts Regulations**

Contract Thresholds at and above which UK Regulations apply.

### **Public procurement policy**

Directives, regulations, policies and guidance relating to the procurement of supplies, services and works for the public sector.

<https://www.gov.uk/guidance/public-sector-procurement-policy>

## Appendix 6 Responsibility for revenue and capital maintenance & improvement

Capital/Revenue split - Illustrative examples in line with CIPFA code of practice.

### Roofs – Flat

#### Capital: as CIPFA code of practice (Schools)

Structure. New (not replacement) structure

Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure

Screed / insulation in a new building / extension

Screed / insulation. Replacement/repair of substantially all. Improve effectiveness of insulation

Finish on new build. Replacement of all/substantially all on existing roof

Edge trim/fascia on new building

Edge trim/fascia. Replacement of all/ substantially all on existing roof

Drainage on new building

Other e.g. flashings, rooflights on new building. Replacement of all/substantially all on existing roof

#### Revenue: Repairs and maintenance

Repair/replacement of small parts of an existing structure

Replace small areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed

Repair/replacement of screed/insulation where defective

Work to improve insulation standards, during work to repair/replace small areas of roof

Replacement of roof finish on existing building. Re-coating chippings to improve life expectancy

Repairs/replacement. (uPVC) Repainting

Repairs/replacement. (uPVC) Repainting

Clearing out gutters and downpipes. Replacement/repair/ repainting / individual gutters/pipes

Repair/replace/cleaning of individual items

## Roofs - Pitched

### Capital: as CIPFA code of practice

Structure. New (NOT replacement) structure

Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure

Insulation in a new building/extension

Insulation. Replacement/repair of substantially all. Improve insulation to current standards

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Roof finish in a new building/extension, replacement of all/substantially all on existing roof

Bargeboards/fascias in a new building/extension, replacement of all/substantially all on existing roof

Drainage in a new building/extension

Drainage. Replacement of all/substantially all on existing roof

Other e.g. flashings, roof windows in a new building/extension, replacement of all/substantially all on existing roof

### Revenue: Repairs and maintenance

Repair/replacement of small parts of an existing structure

Replace/repair small areas of rotten/defective joists, rafters, purlins etc.

Not complete trusses

Repair/replacement/ increase thickness of insulation in an existing roof

Replace missing/damaged

Repairs/replacement/  
repainting

Clearing out gutters and downpipes Replacement/repair of individual pipes/gutters

Repair/Replacement  
/cleaning

### Roofs - Other

#### Capital: as CIPFA code of practice

Provide new covered link etc. between existing buildings  
Rebuild or substantially repair structure of existing covered link  
Add porch etc. to existing building  
Rebuild or substantially repair structure of existing porch

#### Revenue: Repairs and maintenance

Minor repairs, maintenance to existing covered link  
Minor repairs, maintenance to existing

### Floors - Ground floor

#### Capital: as CIPFA code of practice

Structure and dpc in new building  
Structure and dpc - Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure

Screed and finish in new build, replacement of all/substantially all on existing floor - e.g. replacement of most carpets/tiles in a room

#### Revenue: Repairs and maintenance

Repair/replacement of small parts of an existing structure

Replacement and repair of screed and finishes/replacement of mats/matwells  
Maintenance e.g. revarnishing wooden floors

### Floors - Upper floors

#### Capital: as CIPFA code of practice

Structure - as ground floor  
Screed and finish - as ground floor

#### Revenue: Repairs and maintenance

As ground floor  
Repairs of finishes/Replacement - as ground floor





### **Ceiling – Top/only storey**

#### **Capital: as CIPFA code of practice**

Suspension

Membrane

Fixed

Access panels

#### **Revenue: Repairs and maintenance**

Repair/replacement includes. from water damage, & necessary decoration

Repair/replacement inc. from water damage

Repair/replacement

### **Ceiling – Lower storeys**

#### **Capital: as CIPFA code of practice**

Suspension

Membrane

Fixed

#### **Revenue: Repairs and maintenance**

Repair/replacement

Repair/replacement

### **Ceiling – All**

#### **Capital: as CIPFA code of practice**

#### **Revenue: Repairs and maintenance**

Inspection/air testing. Applying sealant coats to asbestos surface for protection

## External Walls – Masonry/cladding

### Capital: as CIPFA code of practice

Structure, Underpinning/propping for new build

External finish on new build

External finish on existing builds where needed to prevent imminent or correct actual major failure of the structure. e.g. repointing/recladding work affecting most of a building/replacement build

### Revenue: Repairs and maintenance

Repairs. Preventive measures e.g. tree removal

Repair/replacement of small parts of an existing structure, e.g. repointing/recladding a proportion of a wall where failure has occurred

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## External Walls – Windows and doors

### Capital: as CIPFA code of practice

Framing - new build

Framing - structural replacement programme

Glazing - new build

Glazing, Upgrading existing glazing

Ironmongery, Improve security

Jointing including mastic joints

### Revenue: Repairs and maintenance

Repair/replacement of individual frames.  
Repainting frames

Repair/replacement of individual windows.  
Repainting frames

Replacing broken glass

Repair/replacement, upgrading locks etc.

Internal and external decorations to new build

Internal and external decoration to include cleaning down and preparation

### **External Walls – Masonry chimneys**

**Capital: as CIPFA code of practice**

**Revenue: Repairs and maintenance**

Structure

Jointing including expansion and mortar joints/pointing/DPC

Repair/re-pointing

### **Internal Walls – Solid**

**Capital: as CIPFA code of practice**

**Revenue: Repairs and maintenance**

Complete including various internal finishes, linings and decorations

Repairs and redecoration to internal plaster/lining tiles, pin boards etc.

Refurbishment and alterations

Minor alterations

### **Internal Walls – Partitions**

**Capital: as CIPFA code of practice**

**Revenue: Repairs and maintenance**

Complete structure including linings, framing, glazing, decoration etc

Repairs and redecoration

Refurbishment and alterations

Minor alterations

### **Internal Walls – Doors and Screens**

**Capital: as CIPFA code of practice**

**Revenue: Repairs and maintenance**

Framing/screens/doors to new building including glazing, ironmongery, jointing and internal decorations

Internal maintenance and redecoration. Repair/replacement of defective doors and screens

### Internal Walls – All

**Capital: as CIPFA code of practice**

Glazing to meet statutory Health & Safety requirements

**Revenue: Repairs and maintenance**

Replacement of broken glass

### Sanitary Services - Lavatories

**Capital: as CIPFA code of practice**

In new buildings provision of all toilet fittings, waste plumbing and internal drainage

**Revenue: Repairs and maintenance**

Repair/replacement of damaged sanitary ware, fittings, waste plumbing etc

Small areas of refurbishment

Repair/replacement of damaged fittings, waste plumbing etc

### Sanitary Services - Kitchens

**Capital: as CIPFA code of practice**

Kitchens in new buildings complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations

General refurbishment

Large and costly items of equipment

**Revenue: Repairs and maintenance**

Maintain kitchen to requirements of Authority. Cleaning out drainage systems. Redecoration

Repairs

Repairs/replacement parts

### Mechanical Services – Heating/Hot Water

#### Capital: as CIPFA code of practice

Complete heating and hot water systems to new projects including fuel, storage, controls, distribution, flues etc

Safe removal of old/damaged asbestos boiler and pipework insulation where it is a risk to Health and Safety

Planned replacement of old boilers/control systems past the end of their useful life

Emergency replacement of boiler plant/systems.

#### Revenue: Repairs and maintenance

General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning. Energy saving projects

Monitoring systems. Health and safety issues

Replacement of defective parts

### Mechanical Services – Cold water

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#### Capital: as CIPFA code of practice

Provision of cold water services, storage tanks, distribution, boosters, hose reels etc in major projects

#### Revenue: Repairs and maintenance

Maintenance and repair/replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks

### Mechanical Services – Gas

#### Capital: as CIPFA code of practice

Distribution on new and major refurbishments, terminal units

#### Revenue: Repairs and maintenance

Repairs, maintenance and gas safety. All servicing

### Mechanical Services – Ventilation

#### Capital: as CIPFA code of practice

#### Revenue: Repairs and maintenance

Mechanical ventilation/air conditioning to major projects.

Provision of local ventilation Repair/replacement of defective systems and units

### **Mechanical Services – Other**

**Capital: as CIPFA code of practice**

**Revenue: Repairs and maintenance**

Swimming pool plant and its complete installation, including heat recovery systems

Repair/replacement of parts to plant pumps and controls. Water treatment equipment and all distribution pipework. Simple heat recovery systems. Solar heating plant and equipment

### **Electrical Services – General**

**Capital: as CIPFA code of practice**

**Revenue: Repairs and maintenance**

↕  
↕  
↕ Main switchgear and distribution in major projects

Testing/replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings

Replacement of obsolete and dangerous wiring systems, including distribution boards

All testing, earthing and bonding to meet Health and Safety. All servicing

### **Electrical Services – Power**

**Capital: as CIPFA code of practice**

**Revenue: Repairs and maintenance**

Control gear, distribution, fixed equipment, protection etc

All testing, repair and replacement of small items of equipment

### **Electrical Services – Lighting**

**Capital: as CIPFA code of practice**

**Revenue: Repairs and maintenance**

Provision of luminaires and emergency

Replacement of luminaires, all testing, adjustments and improvements to emergency

#### **Electrical Services – Other**

**Capital: as CIPFA code of practice**

**Revenue: Repairs and maintenance**

Lighting protection in new buildings

Repair/replacement

Alarm systems, CCTV, lifts/hoists etc

Repair and maintenance

New installation of communication systems, radio/TV, call, telephone, data transmission, IT etc and provision in new buildings

Repair/replacement/ maintenance, including all door access systems

#### **External Works – Paving**

**Capital: as CIPFA code of practice**

**Revenue: Repairs and maintenance**

Provision of new roads, car parks, paths, courts, terraces, play pitches, steps and handrails, as part of major project, including disabled access

Maintenance and repair. Car park and playground markings

#### **External Works – Miscellaneous**

**Capital: as CIPFA code of practice**

**Revenue: Repairs and maintenance**

Provision of walls, fencing, gates and ancillary buildings as part of major project

Maintenance and repair of all perimeter/boundary /retaining walls, fencing and gates.

#### **External Works – Drainage**

**Capital: as CIPFA code of practice**

**Revenue: Repairs and maintenance**



Drains, soakaways, inspection chambers and sewage plant as part of new projects

Maintenance and repair of drains, gullies, grease traps and manholes between buildings and main sewers. Cleaning of the above and unblocking as necessary

### **External Works – Open air pools**

**Capital: as CIPFA code of practice**

Structure, hygiene/safety in new build

**Revenue: Repairs and maintenance**

Hygiene, cleaning, maintenance and repairs including replacement parts. Simple energy saving systems

### **External Works – Services distribution**

**Capital: as CIPFA code of practice**

Heating mains, gas mains, water mains, electricity mains, renewal of any of the above

**Revenue: Repairs and maintenance**

Annual servicing

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