

Public Document Pack

To: Forum Members: Nick Breach, Fiona Bridger-Wilkinson, Fadia Clarke, Jeanette Clifford, Kathryn Cockar, Paul Dick, Peter Fry, Reverend Mary Harwood, Jane Headland, Peter Hudson, Brian Jenkins, John Micklewhite (Vice-Chairman), Catherine Morley, Chris Prickett, David Ramsden, Clive Rothwell, Pam Slingsby, Graham Spellman, Maria Tillett, John Tyzack (Chairman), Keith Watts, Glyn Whiteford, Stacey Williams and Charlotte Wilson

Councillors: Councillor David Allen and Councillor Irene Neill

Officers:Carolynn Loosen, Ian Pearson and Claire White

SCHOOLS FORUM AGENDA

Monday, 10th June, 2013

5.00 pm in the Shaw House Church Road Newbury RG14 2DR

Item and Presenting Officer	Page No.
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Items for Decision

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10 School balances as at 31 March 2013 <i>Claire White</i>	65 - 68
11 Allocation of 6th Form Teachers Pay Grant funding from EFA <i>Ian Pearson</i>	69 - 70
12 School Formula 2014/15 Agree what is required and decision making timetable (if information received from DfE by date of meeting). <i>Claire White</i>	

Items for Discussion

13 Review of School Financial Value Standard 2012/13 <i>Clare Warren</i>	71 - 76
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Items for Information

Any Other Business

Agenda Item 2

Minutes of a Meeting of the Schools Forum

Monday 4th March 2013

Shaw House

Present:	Richard Blofeld	Headteacher	Robert Sandilands Primary School
	Nick Breach	Governor	Shaw cum Donnington Primary School
	Fiona Bridger-Wilkinson	Headteacher	Victoria Park Nursery School
	Jeanette Clifford	Governor	St Bartholomews School
	Kathryn Cockar	Headteacher	Kennet Valley Primary School
	Paul Dick	Headmaster	Kennet School
	Peter Fry	Headteacher	The Willink School
	Reverend Mary Harwood	Church of England Representative	Oxford Diocese
	Jane Headland	Headteacher	Brookfields Special School
	Brian Jenkins	Early Years PVI Representative	Jubilee Day Nursery
	Catherine Morley	Headteacher	Theale Primary School
	Chris Prickett	Headteacher	Streatley Primary School
	Clive Rothwell	Governor	John O'Gaunt School
	Pam Slingsby	School Business Manager	Basildon Primary School
	Graham Spellman	Roman Catholic Representative	Portsmouth Diocese
	Peter Thorne (Substitute)	Headteacher	Long Lane Primary School
	John Tyzack (Chair)	Chair of Governors	Whitelands Park Primary School
	Stacey Williams	Headteacher	Reintegration Service
	Councillor Irene Neill	Executive Portfolio for C&YP	
	Councillor David Allen (Substitute)	Council Member Liberal Democrats	
	Ian Pearson	Head of Education	
	Andy Walker	Head of Finance	
	Claire White	Schools' Finance Manager	
	Carolynn Loosen (Minutes)	Schools' Funding Officer	

Action

1. APOLOGIES RECEIVED

Fadia Clarke	Deputy Principal	Newbury College
John Micklewhite (Vice Chair)	Headteacher	Birch Copse Primary School
David Ramsden	Headteacher	Little Heath School
Maria Tillett	School Business Manager	Theale Green School
Glyn Whiteford	Headteacher	Denefield School
Charlotte Wilson	Headteacher	Trinity School

2. MINUTES OF PREVIOUS MEETING DATED 21ST JANUARY 2013

The minutes of the meeting on 21st January were approved.

3. ACTIONS ARISING FROM PREVIOUS MEETINGS

There were no action points.

4. DECLARATIONS OF INTEREST

Pam Slingsby declared an interest in agenda item 7 appendix B regarding additional funding for statements 2013/14.

5. MEMBERSHIP

Barbara Hunter the Headteacher at Francis Baily has resigned from the School's Forum and has been replaced by Catherine Morley the Headteacher at Theale Primary School.

The election for the primary governor representative is due to close on 15th March and the successful candidate will attend the next Schools' Forum meeting.

The Schools' Forum currently has 24 members; 19 school members and 5 non-school members. As 50% of the members will come to the end of their term of office in July it was proposed that the size of the Forum should be reviewed.

ACTION: Proposals for membership to be presented at the next Schools' Forum.

C White /
C Loosen

6. EARLY YEARS FUNDING 2013/14

Claire White presented the report on Early Years Funding 2013/14. The Early Years Steering Group has agreed the revisions to the formula and they will continue to monitor the budget closely during the year.

DECISION: The Schools' Forum agreed the recommendation that the early years funding be based on the proposed funding rates for the early year's single funding formula and the 2 year olds as set out in the report.

7. FINAL ARRANGEMENTS FOR HIGH NEEDS PUPIL FUNDING 2013/14

Claire White presented the final arrangements for High Needs Pupil Funding 2013/14.

DECISION: All the recommendations were agreed.

- The arrangements for High Needs Funding 2013/14 were noted.
- That additional payments are made to schools where the SEN formula and top up funding does not meet actual costs.
- That for the academic year commencing September 2013 for all new planned change of placements the school will pay the PRU £1000 per term.

8. FINAL ESTIMATE OF DSG FUNDING FOR 2013/14 AND PROPOSED BUDGET

Claire White presented the final estimate of DSG funding for 2013/14 and the proposed budgets against each funding block.

DECISION: The Schools' Forum agreed the proposed DSG budget and that any DSG underspend in 2012/13 be retained as High Needs Block

contingency.

9. ALLOCATION OF CENTRALLY RETAINED DSG UNDERSPEND 2012/13

Ian Pearson and Claire White presented a report on the proposed allocation of centrally retained DSG underspend 2012/13.

DECISION: The Schools' Forum agreed the following recommendations:

- **Release of funding to John O'Gaunt of £200k already agreed by the Schools' Forum together with £187k from the underspend and £85k towards restructuring costs.**
- **Release of funding to The Willows of £59k due to the Schools' Forum not being able to honour the additional allocation in 2013/14 as previously agreed due to the funding reforms.**
- **Funding of £72k and £48k for Beenham Primary and Beedon Primary Schools respectively to meet the repayment of loans taken out before the significant cuts to devolved formula capital and the funding reforms.**
- **The remaining £1m to be allocated to schools on the agreed basis of per pupil for secondary schools and a flat rate of £500 plus per pupil for primary schools.**

ACTION: Allocations to be made to schools before year end.

C White /
C Loosen

10. DSG MONITORING 2012/13, MONTH 10

Ian Pearson reported on the DSG monitoring report as at 31st January 2013.

The current forecast variance is a £1.602m underspend, which is mostly made up of recoupment income and reduced spend on out of county placements, and will be allocated out to schools as per the previous report.

11. PROPOSED DATES AND WORK PLAN FOR 2013/14

The proposed dates and work plan for 2013/14 were agreed.

ANY OTHER BUSINESS.

Reminder that there is a meeting on 11th March at 4pm at Shaw House to discuss the DfE review of school funding arrangements consultation.

Meeting closed 6:00 p.m.

Date of next meeting: Monday 10th June 2013
Time: 5pm
Venue: Shaw House

West Berkshire Schools' Forum	
Title of Report:	Schools' Forum Membership from September 2013
Date of Meeting:	10th June 2013
Contact Officer(s)	Carolynn Loosen / Claire White
For Decision	

1.1 Introduction

The Schools' Forum currently has 24 members; 19 school members and 5 non-school members. In July, 50% of the Schools' Forum members will come to the end of their term of office. Therefore this was seen as a good opportunity to review the size of the Forum and plan for the selection of replacement members for the forthcoming academic year.

1.2 Good Practice Relating to Membership

The factors that must be taken into account in deciding the make up of the membership are:

- The need to have full representation for the various types of school with the number of members representing each being broadly proportionate to the number of pupils in each phase. This is to ensure debate within the Schools' Forum is balanced and representative.
- There is no minimum or maximum number of members, but non school members must not make up more than one third of the total membership. However, care should be taken to keep the Schools Forum to a reasonable size to ensure that it does not become too unwieldy.

Schools' Forum is required to decide on one of the three membership options detailed below. Proposals are based on the pupil numbers from the October 2012 census and include known academy conversions up to September 2013:

Primary and Secondary Schools

	Pupil Numbers (based on Oct 2012 census)	
	Number	%
Primary (64 schools)	12,146	49%
Secondary (4 schools)	4,319	18%
Academies (8 schools)	8,169	33%
	24,634	100%

In determining the composition of Heads and Governors for each phase, regard should also be made to having a workable number of members on the Heads Funding Group.

1.3 Membership Options

Option 1 – Total 24: 19 school members 5 non school members (unchanged)

Option 1 - Maintain current no. of Members

	Heads	Governors	Other	Total	
	Number	Number	Number	Number	%
Primary	4	3	1	8	50%
Secondary	2	1	0	3	19%
Academies	3	2	0	5	31%
	9	6	1	16	100%

Other School Members

Nursery Schools	1			1	
Special Schools	1			1	
PRUs	1			1	

Non School Members

RC Diocese			1	1	
C of E Diocese			1	1	
EY PVI			1	1	
Trade Union			1	1	
14-19 Partnership			1	1	

TOTAL MEMBERSHIP	12	6	6	24	
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Proportion of School Members (minimum must be 66.7%) 79.17%

Option 2 – Total 18: 13 school members 5 non school members

Option 2 - Reduce no. of P & S members to 10

	Heads	Governors	Other	Total	
	Number	Number	Number	Number	%
Primary	3	2	0	5	50%
Secondary	1	1	0	2	20%
Academies	2	1	0	3	30%
	6	4	0	10	100%

Other School Members

Nursery Schools	1			1	
Special Schools	1			1	
PRUs	1			1	

Non School Members

RC Diocese			1	1	
C of E Diocese			1	1	
EY PVI			1	1	
Trade Union			1	1	
14-19 Partnership			1	1	

TOTAL MEMBERSHIP	9	4	5	18	
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Proportion of School Members (minimum must be 66.7%) 72.22%

Option 3 – Total 20: 15 school members 5 non school members**Option 3 - Reduce no. of P & S members to 12**

	Heads Number	Governors Number	Other Number	Total Number	%
Primary	4	2	0	6	50%
Secondary	1	1	0	2	17%
Academies	3	1	0	4	33%
	8	4	0	12	100%

Other School Members

Nursery Schools	1			1
Special Schools	1			1
PRUs	1			1

Non School Members

RC Diocese			1	1
C of E Diocese			1	1
EY PVI			1	1
Trade Union			1	1
14-19 Partnership			1	1

TOTAL MEMBERSHIP	11	4	5	20
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Proportion of School Members (minimum must be 66.7%) 75.00%

1.4 Impact of each Option on membership elections

For each of the above options, the election requirements are detailed below:

Membership Position September 2013			Option 1	Option 2	Option 3
Primary					
Head	K Cockar	Status Left	To elect	no longer required	To elect
Head	J Micklewhite	Term End	To elect	To elect	To elect
Head	C Morley	Current	ok	ok	ok
Head	C Prickett	Current	ok	ok	ok
Governor	J Tyzack	Term End	To elect	to elect one	to elect one
Governor	N Breach	Term End	To elect		
Governor	P Hudson	Current	ok	ok	ok
Other	P Slingsby	Term End	To elect	no longer required	no longer required
Secondary					
Head	D Ramsden	Term End	To elect	to elect one	to elect one
Head	P Fry	Term End	To elect		
Governor	C Rothwell	Term End	To elect	To elect	To elect
Other	M Tillett	Academy Trf	no longer required	no longer required	no longer required
Academy					
Head	P Dick	Current	ok		ok
Head	G Whiteford	Current	ok	One to step down	ok
Head	C Wilson	Current	ok		ok
Governor	J Clifford	Current	ok	ok	ok
Governor			new to elect	not required	not required
Other					
Nursery	F Bridger Wilkinson	Term End	To elect	To elect	To elect
Special	J Headland	Term End	To elect	To elect	To elect
PRU	S Williams	Current	ok	ok	ok
RC Diocese	G Spellman	Current	ok	ok	ok
CofE Diocese	M Harwood	Current	ok	ok	ok
EY PVI	B Jenkins	Term End	To elect	To elect	To elect
Trade Union	K Watts	Current	ok	ok	ok
14-19 Partnership	F Clarke	Current	ok	ok	ok

Option 1

The Primary Heads Forum will be required to elect **3** representatives.

The Secondary Heads Forum will be required to elect **2** representatives.

The Governors Forum will be required to elect **3** representatives (2 primary & 1 secondary).

Academies will be required to elect **1** governor representative.

The Nursery Schools, Special Schools & Early Years will also be required to each elect a representative

Option 2

The Primary Heads Forum will be required to elect **1** representative.

The Secondary Heads Forum will be required to elect **1** representative.

The Governors Forum will be required to elect **2** representatives (1 primary & 1 secondary).

The Nursery Schools, Special Schools & Early Years will also be required to each elect a representative.

In addition 1 Academy Headteacher will be required to step down.

Option 3

The Primary Heads Forum will be required to elect **2** representatives.

The Secondary Heads Forum will be required to elect **1** representative.

The Governors Forum will be required to elect **2** representatives (1 primary & 1 secondary).

The Nursery Schools, Special Schools & Early Years will also be required to each elect a representative.

For Decision: Decide on the membership structure from September 2013

Further Action:

Primary representative elections to be organised at the next Primary Heads Forum meeting on 11th July 2013.

Secondary representative elections to be organised at the next Secondary Heads Forum meeting on 18th June 2013.

Governor, Nursery School, Special School, Early Years PVI elections will all need to be completed by the end of July.

West Berkshire Schools' Forum	
Title of Report:	Schools Forum Constitution 2013/14
Date of Meeting:	10th June 2013
Contact Officer(s)	Carolynn Loosen / Claire White
For Decision	

1.1 Background

The Schools Forum Regulations 2012 govern the composition, constitution and procedures of the Schools Forum and are incorporated into the West Berkshire Schools' Forum constitution which is reviewed, amended and approved by the Schools' Forum on an annual basis. The constitution has also been reviewed by the local authority's legal department. The proposed revision is attached in Appendix A.

1.2 Proposed changes to the Schools Forum constitution for 2013/14

- Removal of insurance and free school meals from section A – Annual Consultation on Financial Issues, as these services is delegated.
- Insertion of the power to decide the de-delegation of allowable central budgets by the schools representatives of the relevant phase on behalf of all the schools they represent in Section A – Consultation / Decisions on Schools Funding.
- Number of school members in each phase – this will be amended to update the proportional representation and number of forum members as determined in another item on this agenda.
- Clarification of election and nomination process for school members – moved from school members section to election section.
- Changes to the substitutes section to allow representative groups to either nominate permanent substitutes or stand-in substitutes.
- Minimum number of meetings changed to four from five in line with the regulations – Section C.
- Insertion of amendment to schools funding formula voting regulation – Section C Voting.

Recommendation: Schools' Forum to approve the 2013/14 constitution.

Appendices

Appendix A – Proposed School Forum Constitution 2013/14

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CONSTITUTION OF THE WEST BERKSHIRE SCHOOLS' FORUM

Background

- [The West Berkshire Schools Forum \(hereafter referred to as the "the Forum"\).](#)
- [The requirement to establish a schools forum comes from the Education Act 2002. The main purpose of the Forum is to consider aspects of the relationship between schools and the local authority relating to financial matters.](#)

[3. The Forum is](#) a decision making and consultative body in relation to matters concerning schools' budgets as defined in the School and Early Years Finance (England) Regulations 2012, the Schools Forum Regulations 2012 and the School Budget Shares (Prescribed Purposes) (England) 2002. [The Schools Forum Regulations 2012 govern the composition, constitution and procedures of Schools' Forums.](#)¹

This document is divided into 3 sections:

- Terms of Reference of the West Berkshire Schools' Forum
- Membership of the West Berkshire Schools' Forum
- Operating Conventions of the West Berkshire Schools' Forum

A. TERMS OF REFERENCE OF THE FORUM

Status of the Forum

The Forum is established in accordance with Sections 47(1) 47A of the School Standards and Framework Act 1998 and The Schools Forums (England) Regulations 2012.

Annual Consultation on Financial Issues

The authority must consult the Schools Forum annually in respect of the authority's functions relating to the schools budget including:

- Arrangements for the education of pupils with special educational needs
- Arrangements for the use of Pupil Referral Units and the education of children otherwise than at school
- Arrangements for early years provision
- Administrative arrangements for the allocation of central government grants paid to the schools via the authority

¹ [These Regulations can be accessed at: http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/schoolsforums/a00213728/schools-forums-england-regs-2012](http://www.education.gov.uk/schools/adminandfinance/financialmanagement/schoolsrevenuefunding/schoolsforums/a00213728/schools-forums-england-regs-2012)

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The authority must consult the Schools' Forum on the terms of any proposed contract for supplies or services (being a contract paid or to be paid out of the authority's school budget (a) where the estimated value of the proposed contract is not less than the threshold which applies to the authority for that proposed contract pursuant to the regulation 8 of the Public Contracts Regulations 2006(b) at least one month prior to the issue of invitations to tender. ¶

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Consultation / Decisions on School Funding

Consultation on school funding formula: on any proposed changes in relation to the factors or criteria used to distribute school budget shares and the financial effect of such changes.

- The allocation of the Dedicated Schools Grant (DSG) including distribution between phases.
- To agree the amount of expenditure the local authority can retain from the school budget.
- Decision on the de-delegation of allowable central budgets by the schools representatives of the relevant phase on behalf of all the schools they represent.
- Prospective revisions to the authority's Scheme for Financing Schools.
- Oversee and agree the operation of the School Balance Control Mechanism
- Any other matter concerning the funding of schools as the Forum sees fit

The Forum should, as soon as reasonable possible, inform the governing bodies of schools of all consultations carried out.

Consultation on Contracts

The authority must consult the Schools' Forum on the terms of any proposed contract for supplies or services (being a contract paid or to be paid out of the authority's school budget (a) where the estimated value of the proposed contract is not less than the threshold which applies to the authority for that proposed contract pursuant to the regulation 8 of the Public Contracts Regulations 2006(b) at least one month prior to the issue of invitations to tender.

B. MEMBERSHIP OF THE FORUM

Composition

Schools' Forums regulations 2012 state that the primary schools, secondary schools and Academies must be broadly proportionately represented on the forum having regard to the total number of the registered pupils. The proportionality of the membership will be reviewed annually so that elections if required can be held by the end of the end of the Summer term ready for the new academic year.

The Forum shall in total comprise of 24 members being 19 school members (including Academies) and 5 non school members. The school members shall be Headteachers, Governors or Early Years representatives drawn from the schools / partnerships in the West Berkshire Local Authority area. The Primary and Secondary Headteacher members groups may also include, at the Local Authority's discretion, representatives of Headteachers; senior members of staff, such as School Business Managers.

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School Members

The current number of representatives in each phase is as follows:

- a) **Primary Headteachers or their Representative**
8 representatives from primary schools of which at least 3 must be Headteachers, 3 Governors and 2 others, which can include a School Business Manager.
- b) **Secondary Headteachers or their Representative**
4 representatives from secondary schools of which at least 2 must be Headteachers, 1 Governor and 1 other, which can include a School Business Manager.
- c) **Special School Representatives**
1 representative from the special schools.
- d) **Nursery School Representatives**
1 representative from the nursery schools.
- e) **Academy Headteachers or their Representative**
4 representatives from the [Academies](#) [as elected by the proprietors of the such Academies](#) of which at least 2 must be Headteachers, 1 Governor and 1 other, which can include a School Business Manager.
- f) **Pupil Referral Unit Headteachers or their Representative**
1 representative from the Pupil Referral Units.

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Election of Schools Members

The primary school and secondary school representatives shall be elected by their respective Heads Forum.

Academy representatives shall be elected by the [Academies proprietors](#).

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Governors shall be elected by the Governors Forum.

The special school representative shall be elected by mutual agreement between the two special schools.

The nursery school representative shall be elected by mutual agreement between the two nursery schools.

The pupil referral unit representative shall be elected by mutual consent between the pupil referral units.

Support can be requested by Heads Forums or Governors Forum to help manage their election process. The Clerk of the Schools' Forum must make a record of the process by which the constituents of each group elect their nominees to the [Forum](#). An election scheme must take into account the following factors:

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- The process for collecting names of those wishing to stand for election.
- The timescale for notifying all constituents of the election and those standing.
- The arrangements for dispatching and receiving ballots.
- The arrangements for counting and publicising the results.

- Any arrangements for unusual circumstances, such as only one candidate standing in an election or where there is a tie between two or more candidates.
- Whether existing members can stand for re-election.

If an election does not take place by any date set by the Authority or any such election results in a tie between two or more candidates the Authority will appoint the schools member.

Non-School Members

In addition to the 19 school members a representative of the following groups will have full voting rights within the Forum except for voting on the funding formulae where only the Early Years PVI Provider representative can vote:

- Roman Catholic Diocese
- Church of England Diocese
- Trade Union
- Early Years PVI Provider
- 14 -19 Partnership

The representative will be elected by their group and the record of the appointment process will be held by the Clerk of the Schools' Forum.

Substitute Members

Representative groups may nominate permanent substitutes who have sufficient experience and knowledge of schools funding to attend meetings.

and/or

A stand-in substitute who attends as a full voting member if a headteacher or permanent substitute is unavailable. Stand-in substitutes may attend some meetings as an observer to gain an insight into the work of the Forum.

The clerk must be notified writing 24hours before the start of the meeting that a substitution will be required. Substitute members will have full voting rights when taking the place of the substantive member for whom they are the designated substitute.

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Participation of Observers

Observers shall be invited to attend Forum meetings. Observers may participate in the debate but will not have voting rights should any business of the Forum require a vote. The following groups shall be asked if they would like to nominate an observer (and a named substitute) to the Forum:

- The Education Funding Agency (EFA)

Council Officers and Elected Members

Officers may attend and speak at the Forum meetings in an advisory capacity only. The following or their representatives will be invited to attend the Forum meetings:

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- Corporate Director Communities or their representative
- Head of Finance or their representative
- Children & Young People Portfolio Holder

- Children & Young People Shadow Portfolio Holder
- Finance Portfolio Holder
- Clerk to the Schools' Forum

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Terms of Office

The term of office for members of the Forum is three years. The same members can be reappointed, providing they are re-elected by the group that they represent. This also applies to any permanent substitutes.

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As well as the term of office coming to an end, a schools member ceases to be a member of the Schools' Forum if he or she resigns from the Forum, giving at least one month's written notice, or no longer occupies the office which he or she was nominated to represent. An election should be held within the outgoing members electing group to nominate a successor. The Clerk will then inform the Forum members of the result of the election within one month.

C. OPERATING CONVENTIONS OF THE WEST BERKSHIRE SCHOOLS FORUM

Ordinary Meetings

An ordinary meeting of the Forum shall be held, at a minimum, four times a year.

Administration of Meetings

Meetings of the Forum shall be convened by the Local Authority, who will arrange the clerking and recording of meetings. The cycle of annual meetings are based on the financial year. All the meeting dates for the next financial year are set by the end of March every year.

Items for consideration by the Forum shall be submitted to the Clerk no later than 10 working days prior to the meeting. The agenda and working papers should be circulated a week in advance of the meeting date. Every effort should be made to circulate minutes to Forum members within 10 working days of the meeting.

The Chair and Vice Chair

The Chair and Vice-Chair shall be elected from within the membership of the Schools Forum (but may not be either an elected member or an officer of the local authority).

Quorum

The Forum shall be quorate if at least 40% of the total membership is present (this excludes observers and vacancies). If the Forum is not quorate the meeting can proceed and the members present can give advice to the local authority, but the authority is not obliged to take that advice into consideration. Decisions on the schools budgets may not be taken unless 40% of the school members (Headteachers and Governors) are present.

Voting

Each member shall only have one vote. Voting shall be by show of hands. If there are equal numbers of votes for and against, the Chair will have a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote. When the vote is on the schools funding formula only the schools members and the Early Years Representative are eligible to vote.

Sub-Committees and Working Groups

The Forum may have sub-committees or working groups. The Forum shall receive reports from the sub-committees or working groups to approve formally.

Declaration of Interest

Any member of the Forum who has an interest in any proposal beyond the generality of the group that they represent or in which they might have a personal or prejudicial interest shall declare the interest at the beginning of the relevant item. The member can explain any issues to the meeting and then must leave the meeting until the item has finished. The member cannot vote on that item.

Where it is clear that a decision in which a member has an interest is likely to arise at a particular meeting, the meeting concerned may invite a substitute member (with no interest to declare) in accordance with the constitution to attend the meeting in their place. Elected members are subject to the governance of the Council's Code of Conduct.

Status of Reports

All report authors will be responsible for informing the clerk in advance of the status of reports to be included in the agenda i.e. confidential or non-confidential.

Expenses

The Local Authority shall maintain a budget for the reimbursement of all reasonable expenses relating to the operation of the Forum and charge these expenses to the Schools Budget. The Local Authority shall reimburse expenses of members of the Forum, when members submit appropriate claims, in connection with attendance at the meetings. Supply cover should only be claimed when it has been necessary to employ a supply cover teacher to enable the Headteacher to attend the Forum.

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Interpretation of the Constitution

The Chair or person residing at the meeting shall be the final arbiter regarding the interpretation of the Forum's constitution. The constitution shall be interpreted in conjunction with the relevant provisions contained in the legislation relating to the Forum's proceedings. The requirements of legislation will prevail in the event of there being any inconsistency between the legislation and the constitution.

Amendment of the Constitution

With the exception of matters subject to legislative provision or approval by the authority, the Forum may vary its constitution by a simple majority vote by the members provided that prior notice of the nature of the proposed variation is made and included on the agenda for the meeting.

Publicity relating to the Schools Forum

The Schools Forum is a public meeting and the Local Authority is responsible for putting the Schools' Forum papers, minutes and decisions promptly on the West Berkshire Council website and generally draw schools attention to forthcoming Schools' Forum meetings and agendas and the minutes of forum discussions.

Document approved by the School's Forum on [date to be inserted]

West Berkshire Schools' Forum	
Title of Report:	Scheme for Financing Schools
Date of Meeting:	10th June 2013
Contact Officer(s)	Carolynn Loosen / Claire White
For Decision	

1.1 Introduction

The DfE statutory guidance on the Scheme for Financing Schools 2013 was received on 28th March 2013.

The West Berkshire Scheme for Financing Schools has been updated with proposed changes to reflect the mandatory changes (which were predominantly in respect of changes to the funding arrangements from 2013/14) and any other changes to reflect/clarify current procedures in line with the latest school finance regulations. The proposed update is attached in Appendix A with the changes made highlighted.

The proposed revision was issued to Headteachers, School Business Managers and Chairs of Governing Bodies for consultation on 25th April 2013 with a closing date of 24th May 2013.

The scheme was also sent to the Head of Education and the Insurance Officer for review.

1.2 Main Revisions to the Scheme for Financing Schools 2013

- The inclusion of maintained Pupil Referral Units in the coverage of the scheme.
- Only Schools Forum members representing maintained schools should now approve scheme changes.
- Increased emphasis on cost benchmarking in the value for money section.
- Updated references to the School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2010 (SI 2010/190).
- Clarification that place-led funding is included in arrangements for payments by instalment.
- Clarification that top up payments should be made monthly unless otherwise agreed.

- Change to the calculation for excess balance for federated schools with a single budget share.
- Funding to support schools in financial difficulty can only come from a de-delegated contingency for mainstream schools, or a central budget for special schools and PRUs.
- Clarification that de-delegation is approved by the Schools Forum.
- Amended wording in relation to charging the school budget share if appropriate support has not been made for a High Needs pupil.
- Restriction to existing commitments for redundancy / premature retirement cost payments and removal of reference to non-provision of LA services where funding has been provided to some schools only.
- Deletion of references to optional delegated funding.
- Restriction of termination of employment costs funded from central schools budget to value of previous year and existing commitments.

1.3 Consultation Responses

The only response received is from Remus Sawyerr, the Headteacher at Chaddleworth St Andrews and Shefford Federated Primary Schools regarding section 4.2:

4.2 Reporting on and control of the use of surplus balances

Paragraph c

If the result is a sum greater than 5% of the current year's budget share for secondary school, 8% for primary, nursery and special schools, or £20,000 (where that is greater than either percentage threshold), then this shall be deemed an excess balance. Where schools in a Federation operate a single budget, the sum / percentage threshold refers to a single budget and is not calculated for each individual school within the Federation.

Response:

“As a federation we feel we are being discriminated against by a punitive and targeted measure for the following reasons:

- Without knowing the full detail of other schools' budgets it appears that we are the **only federation where this would have an impact**. i.e. all other federations operate different budget arrangements or the 8% allowance takes the permitted excess beyond £40K
- This proposal is contrary to what was explained to the schools when we opted to manage our two budgets under one cost centre; please note we did not opt for one budget

- The budget arrangements for federated schools specify that school should not be 'worse off' and we believe this should apply in all matters of finance not just in the determination of budget amounts
- The difference that it would make in real terms is less than £5,000; an amount so small that it is deemed to be 'de minimis' by the Local Authority when applied to items such as capital expenditure. However it is the choice to be able to do so that is being denied to us and for schools operating budgets of our size, clearly this may be a significant amount

We also understand that this is a **local decision** (within the LA) and whilst arrangements in our Local Authority may be more advantageous than some, there appears to be little justification for making this change when the impact on overall school funding is so minimal as compared to the potential impact on two federated small schools. Another point put forward by the Local Authority is that we operate one budget. This is point that we do not accept. We agreed to manage our two budgets under one cost centre and if one looks at how our budgets are generated this is by separate schools and we therefore have to manually combine these two amounts. Under arrangements for CFR it would be reasonable to either assume a 50:50 split or proportionally depending on the proportion of the original budget share per school. CFR was put forward as a reason for needing to operate 'one budget'.

Looking to the future it will be highly unlikely that we will be able to carry forward these sorts of amounts as budgets get tighter and the formula funding arrangements change. The cost to small federations are such that in managing two sites, reducing our staffing costs, and overheads as far as possible, still means we will be facing tough decisions in the near future. We will need the support of both the Local Authority, through bodies such as the Schools' Funding Forum, to ensure that there is an equal playing field and our 'uniqueness' is not a disadvantage or becomes a target for misconceived regulation."

Decision: Schools' Forum to decide whether to accept the amendment to paragraph 4.2 in light of the comment received.

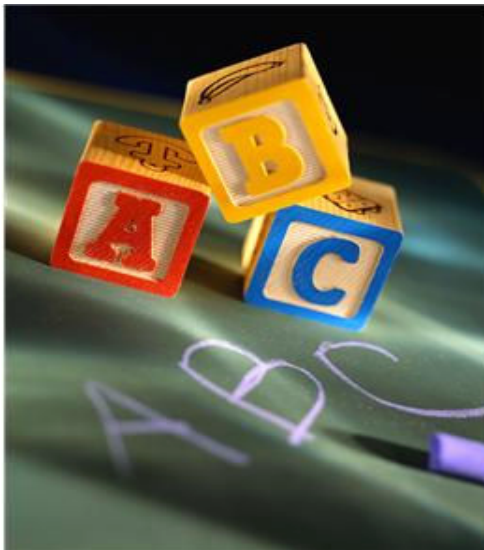
Recommendation: Members representing maintained schools only to approve the Scheme for Financing Schools for 2013/14

Appendices

Appendix A – The Scheme for Financing Schools 2013

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Scheme for Financing Schools



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SECTION 1: INTRODUCTION

1.1 The funding framework: main features

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, local authorities determine for themselves the size of their schools budget and their non schools education budget – although at a minimum an Authority must appropriate its entire Dedicated Schools Grant to their schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.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 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 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 regulations made under that section. All proposals to revise the scheme must be approved by the Schools' Forum, though the local authority may apply to the Secretary of State for approval in the event of the Forum rejecting a proposal or approving it subject to modifications that are not acceptable to the Local Authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purpose 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 (s.50 (3A) of the Act).

Deleted: all

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

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

Deleted: , the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school.

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

Deleted: Both of these statements are published on the local authority website.¶¶

Regulations also require the 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.

1.2 The role of the scheme

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

1.3 Application of the Scheme to the Authority and maintained schools

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

1.4 Publication of the scheme

The scheme will be published on the West Berkshire website at <http://www.westberks.gov.uk/index.aspx?articleid=18416>

Deleted: The Scheme will also apply to any new maintained schools that open. ¶¶
¶¶ Because Pupil Referral Units are not maintained schools within the meaning of S.20 (7) of the Act, the scheme does not apply to Pupil Referral Units (these are listed at the end of Annex A).¶¶

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

Deleted: before they are submitted to the Schools' Forum for their approval.

1.6 Delegation of powers to the headteacher

Each governing body is asked to consider the extent to which it wishes to delegate its financial powers to the headteacher, and to record its decision (and any revisions) in the minutes of the governing body. The first formal budget plan of each financial year must be approved by the governing body.

In terms of the headteachers' role in financial management, governors may wish to delegate powers as follows:

- Responsibility for day to day management of resources (practical day to day management of resources may also be delegated to other senior staff and/or the finance officer);
- Signing off of all orders/cheques/BACS payments within a monitoring system approved by governors or under a certain sum to be decided by governors;
- Administration of the expenditure budget within the annual amount of any budget heading or authorisation of spending up to (a sum agreed with the governing body) within a budget heading;
- Authority over virement up to a sum agreed with the governing body;
- Monitor day to day management of the budget;
- Provision of regular reports to the governing body on expenditure and income;
- Preparation of the budget estimates of expenditure and income for governing body approval.

It is recognised that the level of delegation will be based on practice, experience, knowledge, size and resources of the school.

1.7 Maintenance of schools

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

2.1. Application of financial controls to schools

In managing their delegated budgets schools must abide by the Authority's requirements on financial controls and monitoring.

Certain of these are directly referred to in this scheme while others are included in the Authority's Financial Regulations and Contract Standing Orders which are available within the West Berkshire Constitution, Parts 10 and 11 respectively (see www.westberks.gov.uk/index.aspx?articleid=1252)

2.2 Provision of financial information and reports

Schools are required to provide the LA with details of anticipated and actual expenditure and income, in a form determined by the authority, compatible with the Consistent Financial Reporting framework. This information must be provided within one month of each quarter end (i.e. by 31 July, 31 October, 31 January and 30 April) unless:

- the LA has notified the school in writing that in its view the school's financial position requires more frequent submission or;
- the school is in its first year of operation or;
- the information is required in connection with tax or banking reconciliation when it can be requested more frequently.

This provision does not apply to schools submitting an imprest and which are part of the financial accounting system operated by the local authority (Agresso).

2.3 Payment of salaries; payment of bills

The procedures for these will vary according to the choices schools make about the holding of bank accounts and the buying back of the Authority's payroll and creditor payments systems.

2.3.1 Payment of salaries

In all cases schools are required to abide by the Authority's financial regulations covering payments to staff.

The Authority's payroll service

The Authority can provide a payroll service that complies with all the statutory requirements and the conditions of service requirements for teaching and local government staff. The payroll service will also cover the deduction and paying over of contributions to both the Local Government Pension Scheme and the Teachers' Pension Scheme

Under this service, all payments to staff, Inland Revenue, Teachers' Pension Agency etc. will be made from the Authority's bank accounts [either direct to the school's ledger](#)

account if on the Council's financial system, or with appropriate adjustments being made to budget share instalments. All PAYE matters would be dealt with under the Authority's Inland Revenue registration number.

The processing timetables and documents to be used for notification of all payroll variations are issued to schools by the payroll section.

Details of the Fair Funding services and charges will be notified to schools ahead of each multiple year funding period.

Schools making alternative payroll arrangements

The school, as payroll provider, would need to ensure separate registration with the Inland Revenue, Teachers' Pension Agency and Local Government Pension Scheme.

2.3.2 Payment of bills

Schools are required to abide by the Authority's financial regulations covering payments to creditors.

The Authority provides a creditor payments service that generates payments on a weekly timetable and ensure compliance with both the VAT regulations and the Construction Industry Tax Deduction Scheme.

Under this service all payments would be generated from the Authority's bank accounts and recharged to the school's account.

Details of the procedures and forms are issued to schools by the payments team. Details of this Fair Funding service and charges will be notified to schools ahead of each multiple year funding period.

Those schools using their own bank accounts must ensure compliance with the Authority's financial regulations in respect of the operation of those accounts.

2.4 Control of assets

Each school must maintain an inventory in accordance with the Authority's financial regulations recording its moveable non-capital assets worth more than £1,000 and setting out the basic authorisation procedures for disposal of assets. For assets worth less than £1,000, schools must keep a register but this may be in a form as determined by the school.

2.5 Accounting policies (including year-end procedures)

Schools are required to comply with the procedures, requirements and regulations relating to the accounting policies and end of year financial procedures issued and determined by the Authority as being applicable to schools.

2.6 Writing off debts

No debt shall be discharged other than by payment in full or being written-off. The writing-off of non-recoverable debts is subject to individual consideration of the debt and appropriate approval. Those debts less than £2,000 may be written-off subject to the authorisation of the Authority's Head of Finance (or nominated officer) and the Corporate Director Communities after the consideration of a report by the headteacher. All other debts may only be written off by the Head of Finance after consideration of a recommendation from the appropriate governing body.

This provision does not apply to the cancellation of invoices because a debt is deemed to be no longer due. Invoice cancellations can be approved by the head teacher.

2.7 Basis of accounting

The Authority prepares its statutory accounts on an accruals basis. Maintained Schools are required to ensure that annual spending notified to the Authority and Consistent Financial Reporting returns are on an accruals basis. However, schools can choose their own basis of accounting for internal accounting and reporting.

Schools can choose which financial software they wish to use, provided they meet any costs of modification to provide the output required by the Authority. In particular schools should be able to report separately to the Authority on revenue and capital expenditure, and on any funds held by them on behalf of collaborative ventures with other schools where specified by the Authority in order to demonstrate that only public funds have been reported to the Authority and provide an audit trail back to the accounts for each of the separate funds.

2.8 Submission of budget plans

Each school is required to submit a budget plan, in the agreed format, to the Authority **by 31 May each year**. The plan must show the school's intentions for expenditure in the current financial year and the assumptions underpinning the budget plan, which include taking full account of any estimated deficits/surpluses at the previous 31 March. The format of the budget submission **must** be consistent with the Consistent Financial Reporting framework and must be approved by the governing body.

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The Authority may also require the submission of revised plans where the Authority deems it necessary. Such revised plans shall not be required at intervals of less than three months.

The LA will supply schools with all school income and expenditure data, which it holds and which is necessary to efficient planning by schools. The LA will also supply schools with an annual statement of when this information will be made available throughout the year.

2.9 Submission of financial forecasts

Each school is required to submit a financial forecast covering each year of a multi-year period for which schools have been notified of budget shares beyond the current year. This is required in the agreed format **by 31st July each year**. This is to provide evidence of

schools adhering to best financial management practice, and to alert the local authority of any schools having difficulty in balancing future year budgets.

2.10 Efficiency and Value for Money

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

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

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

2.11 Schools Financial Value Standard (SFVS)

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

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

All maintained schools with a delegated budget must submit the form to the Local Authority before **31 March** 2013 and annually thereafter.

2.12 Virement

Schools are free to vire between budget heads in the expenditure of their budget shares but governors are advised to establish criteria for virements and financial limits above which the approval of the governors is required. The Good Practice Guide on virements, available on the Schools' Finance webpage, provides guidance on what criteria would be deemed best practice.

Schools are also advised to refer to paragraph 2.20 when considering virement between budget heads.

2.13 Audit: General

Schools are required to co-operate both with auditors employed by the Local Authority (**internal audit**) and auditors appointed to audit the Local Authority itself (**external audit**).

In regard to **internal audit**, all schools come within the audit regime determined by the LA.

Deleted: Maintained schools that did not achieve the Financial Management Standard in Schools (FMSiS) must submit a form to the local authority before 31 March 2012, and annually thereafter.¶

Deleted: other

The depth and frequency of internal audit coverage of individual schools will depend on an assessment of each school's strength in financial management and by reference to the School's SFVS annual return. The Authority's Internal Audit service will contact each school to arrange the appropriate audit coverage.

In relation to **external audit** all schools come within the Local Authority's external audit regime.

Governing bodies shall supply to both internal and external audit all financial and other information which might reasonably be required in discharging their duties.

2.14 Separate external audits

In instances where a school wishes to seek an additional source of assurance at its own expense, a governing body is permitted to spend funds from its budget share to obtain external audit certification of its accounts, separate from any Local Authority internal or external audit process. Any external audit commissioned by the school must take into account the status of the school as being a spender of the Authority's funds. Copies of external audit reports commissioned by the school should be made available to the Authority upon request.

Schools operating outside the Local Authority financial system and producing their own accounts are required to commission an external audit if the Local Authority requests it.

Where a school has such an additional audit it does not remove the requirement that the school must also co-operate with the Local Authority's internal and external auditors.

2.15 Audit of voluntary and private funds

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

The procedures for furnishing these audit certificates and advice on the handling of such voluntary and private funds is set out in the Authority's financial regulations.

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

Deleted: The Consistent Financial Reporting framework requires that private funds under the control of the governing body be included.¶
¶

2.17 Register of business interests

The governing body of each school is required to maintain a register which lists for each member of the governing body and the headteacher, any business interests they or any member of their immediate family have; to keep the register up to date with notification of changes and through annual review of entries, and to make the register available for inspection by governors, staff, parents and the Authority.

2.18 Purchasing, tendering and contracting requirements

Schools are required to abide by the Authority's financial regulations and standing orders in purchasing, tendering and contracting matters. This includes a requirement to assess in advance, where relevant, the health and safety competence of contractors, taking account of the LA's policies and procedures.

However any section of the Authority's financial regulations and standing orders must be **disapplied** if it requires schools:

- a) to do anything incompatible with any of the provisions of this scheme, or any statutory provision, or any EU Procurement Directive;
- b) to seek LA officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- c) to select suppliers only from an approved list;
- d) to seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year.

2.19 Application of contracts to schools

Schools are free to elect to opt out of Local Authority arranged contracts.

Although governing bodies are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the Local Authority as the maintainer of the school and owner of the funds in the budget share. However, some contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations e.g. contracts made by aided or foundation schools for the employment of staff.

2.20 Central funds and earmarking

The Local Authority is authorised to make sums available to schools from central funds, in the form of allocations which are additional to and separate from the schools' budget shares. Such allocations may be subject to conditions setting out the purpose or purposes for which the funds may be used and these conditions may preclude virement.

Earmarked funding from centrally-retained funds is to be spent only on the purposes for which it is given, and is not to be vired into the school's budget share. Schools should maintain an accounting mechanism in order to demonstrate that this requirement has been

met. Unless previously agreed with the Corporate Director (Communities), schools are required to return to the Local Authority any earmarked funds not spent in the current financial year or within the period over which schools are allowed to use the funding as stipulated by the Authority. Such allocations might, for example, be sums for SEN or other initiatives funded from the central expenditure of a Local Authority's Schools Budget.

The Local Authority is not allowed to make any deduction, in respect of interest costs to the Authority, from payments to schools of devolved specific or special grant.

2.21 Spending for the purposes of the school

Section 50(3) of the School Standards and Framework Act 1998 allows governing bodies to spend budget shares for the purpose of the school, subject to the regulations made by the Secretary of State and any provisions of the scheme. Under section 50(3) (b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. Such regulations are prescribed in the Schools 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). In particular budget shares may be spent for the educational benefit of pupils registered at other maintained schools. From 1 April 2011, under section 50(3a) amounts spent by governing bodies of all schools on community facilities or services under s27 of the Education Act 2002 will be treated as spent for the purposes of the school.

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2.22 Capital spending from budget shares

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 which is their responsibility under paragraph 3 of schedule 3 of the SSAF Act 1998.

Schools must notify the Local Authority of all proposed capital spending from their budget share. It is recommended that schools discuss their proposals with the Authority prior to the final authorisation of such proposals and in particular that they ensure that the proposed works do not already form part of the Council's approved capital programme. In any event if the expected capital expenditure from the budget share in any one year will exceed £20,000, the governing body must notify the Local Authority and take into account any advice from the Corporate Director (Communities) as to the merits of the proposed expenditure.

Where the premises are owned by the Local Authority, or the school has voluntary controlled status, then the governing body shall seek the consent of the Local Authority to the proposed works. However, consent will only be withheld on health and safety grounds.

2.23 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 Corporate Director (Communities), the school has failed to comply with any provisions of the Scheme, or

where actions need to be taken to safeguard the financial position of the Local Authority or the school.

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

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

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

SECTION 3: INSTALMENTS OF BUDGET SHARE; BANKING ARRANGEMENTS

Budget share includes place-led funding for special schools and pupil referral units.

3.1 Frequency of instalments

Schools with their own bank accounts will receive monthly instalments of their budget share normally on the Monday before the last Thursday of each month. Schools that use West Berkshire's Imprest system are free to draw on the whole of their budget share from 1 April each year. Top-up payments for pupils with high needs should be made on a monthly basis unless alternative arrangements have been agreed with the provider.

3.2 Proportion of budget share payable at each instalment

Budget share payments to schools will be made in accordance with the schedule of payment agreed with individual schools and the Head of Finance. The monthly payment will be equal to one twelfth of the schools approved budget share, except for month one where an additional one third of the normal monthly payment is paid at the beginning of the month, and month twelve where two thirds of the normal monthly payment is paid.

Schools on the imprest system which use an external payroll provider will make their salary payments through their imprest account and reclaim the expenditure retrospectively.

6th form funding will be paid according to the schedule and receipt of the grant from the Education Funding Agency.

3.3 Interest clawback

Where a school requests and the Authority agrees to make available the budget share in advance (of what the Authority believes to be reasonable cash flow needs taking account of the pattern of expenditure of schools of that size, and any particular representations relating to the individual school's circumstances), the Authority may deduct from the budget share an amount equal to the estimated interest lost. The calculation basis will be at a rate up to 2 per cent above the bank base rate at the time of the advance.

3.4 Interest on late budget share payments

The Local Authority will add interest to budget share payments which are late as a result of Local Authority error. Interest due will be calculated on a daily basis at the bank base rate at the time that the payment was due.

3.5 Budget shares for closing schools

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

3.6 Bank and building society accounts

All schools may have an external bank account into which their budget share instalments (as determined by other provisions) are paid and any interest payable on the account can be retained by the school.

Where a school opens an external bank account, the Local Authority must, if the school desires, transfer immediately to the account an amount agreed by both school and Local Authority as the estimated surplus balance held by the Local Authority in respect of the school's budget share, on the basis that there is a subsequent correction when the accounts for the relevant year are closed.

In the event that a school with a deficit balance requests their budget share instalments to be paid into an external bank account, the deficit shall be cleared before this is agreed.

The Local Authority currently supports two options of bank account arrangements for use by schools; an independent external bank account or an Imprest account which the Authority has arranged with its own banker.

New bank account arrangements may only be requested with effect from the beginning of each financial year provided two months notice has been given.

3.7 Restrictions on accounts

The banks or building societies with which schools may hold an account for the purpose of receiving budget share payments must be as per the approved list consistent with the local authority Treasury Management Policy.

Any school closing an account used to receive its budget share and opening another must select the new bank or building society which meets the criteria set out in this paragraph even if the closed account was with an institution which did not.

Schools are allowed to have accounts for budget share purposes which are in the name of the school rather than the Local Authority. Money paid by the Local Authority and held in such accounts remains Local Authority property until spent (s.49 (5) of the Act). The account mandate should therefore provide that the Local Authority is the owner of the funds in the account, that it is entitled to receive statements on request; and that it can take control of the account if the school's right to a delegated budget is suspended by the Local Authority. These provisions would only be used in exceptional circumstances e.g. the Local Authority would only require regular bank statements to be provided if the school was in serious financial difficulty or in a case of serious financial mismanagement (see also Section 2.21 Notice of Concern).

3.8 Borrowing by schools

With the exception of loan schemes run by the Authority and the financial instruments outlined in the Scheme (section 4.10), governing bodies may only borrow money with the written permission of the Secretary of State. Details of all such requests and subsequent approvals or otherwise should be supplied in writing to the Authority's Head of Finance.

The restrictions do not apply to Trustees or Foundations, whose borrowing as private [bodies](#) makes no impact on government accounts. These debts may not be serviced

directly from delegated budgets, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing. Governing bodies do not act as agents of the authority when repaying loans.

Schools are barred from using credit cards which are regarded as borrowing. However schools may use a Government Procurement Card in order to facilitate electronic purchases. Schools are required to adhere to the local authority protocol on the use of procurement cards.

3.9 Leasing Arrangements

Schools may not enter into finance leases for the purchase of assets because such agreements are credit agreements and constitute borrowing. A lease is defined as a finance lease if either or both of the following conditions are met:

- The school is the owner of the asset for the duration of the lease
- The residual value of the asset is less than 10% of its original value.

A “hire purchase” agreement is likely to be defined as a finance lease.

Schools may enter into operating leases that are akin to rental agreements. An operating lease must meet the following criteria:

- The leasing company owns the asset for the duration of the lease
- The asset is returned to the leasing company at the end of the lease unless the school makes an additional payment to buy it outright
- The value of the asset (i.e. the purchase price) at the end of the lease is at least 10% of its original value.

Schools are recommended to seek advice from Accountancy before entering into any such agreements.

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

4.1 Right to carry forward surplus balances

Schools must carry forward from one financial year to the next any surplus/deficit in net expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.

If a school requests to set up its own bank account, an amount will be paid into the school's new account on the 1 April representing any invested balances held by the council on behalf of the school, plus an estimate of any underspend in the financial year immediately prior to the opening of the account. If the school is expected to overspend in the preceding financial year, the amount of the estimated overspend will be deducted from the invested balances transferred to the new account. The estimate of any under or over spend will be agreed between the LA and the school. When the school's final outturn position for the previous financial year is known and agreed between the LA and the school, an adjustment will, if necessary, be made to the opening balance paid into the account by adding to, or deducting an amount from the next instalment of the school's budget share to be paid into its bank account.

4.2 Reporting on and control of the use of surplus balances

All primary and secondary schools are required to submit a "balance control mechanism" return by 31st May each year. Nursery and special schools are excluded from the scheme due to the volatile nature of their funding which is no longer fixed for the duration of the financial year.

Surplus balances held by schools as permitted under this Scheme are subject to the following restrictions from 1st April 2011:

- a. The Authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose, the balance will be the recurrent balance as defined in the Consistent Financial Reporting framework.
- b. The Authority shall deduct from the calculated balance any amounts for which the school is holding on behalf of a cluster or partnership agreement, and any ring fenced grant funding with permission to carry forward.
- c. If the result is a sum greater than 5% of the current year's budget share for secondary school, 8% for primary, nursery and special schools, or £20,000 (where that is greater than either percentage threshold), then this shall be deemed an excess balance. Where schools in a Federation operate a single budget, the sum / percentage threshold refers to a single budget and is not calculated for each individual school within the Federation.
- d. The Schools' Forum will consider all schools excess balances by referring to the returns made by the schools showing the proposed assigned purposes for the use of

the balance. In considering whether any sums are properly assigned, they may take into account any previously declared assignment of such sums. If not satisfied that the sums are properly assigned or are uncommitted, a clawback may apply.

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

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

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

4.3 Interest on surplus balances

Balances held by the Authority on behalf of schools will attract no interest unless it is invested in the Authority's reserve account where this accrues directly to the school. The rate of interest paid will be based on the average rate earned by the Council on its investments. Schools will be advised at the start of each financial year on the rate of interest payable on their invested balances.

4.4 Obligation to carry forward deficit balances

Deficit balances will be carried forward by the deduction of the relevant amounts from the following year's budget share (see also 4.9)

4.5 Planning for deficit budgets

Schools may only plan for a deficit budget in accordance with the terms of paragraph 4.9 below.

4.6 Charging of interest on deficit balances

The Authority may charge interest on any deficit balance at the bank base rate depending on the reason why the deficit has occurred. The Head of the Education Service, in consultation with the Head of Finance will determine whether or not interest will be payable and will advise the school accordingly when the deficit is approved.

4.7 Writing off deficits

The LA has no power to write off the deficit balance of any school. Assistance may be given towards elimination of a deficit balance through the allocation of a cash sum from the Schools centrally held budget specified for the purpose of expenditure on special schools and pupil referral units in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget where this has been agreed by the Schools Forum.

Deleted: Budget

Deleted: subject to the approval of the Schools' Forum.

4.8 Balances of closing and replacement schools

When a school closes, any balance (whether surplus or deficit) must revert to the LA; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school. However, the LA will normally reallocate any balance to a successor school under the provisions of the SSAF Act 1998.

Where a school converts to an Academy under s4(1)(a) of the Academies Act 2010, its surplus at the date of conversion transfers to the Academy.

Deleted: or deficit

4.9 Licensed deficits

The LA will permit schools to plan for a deficit budget in particular circumstances. The funding to allow such a deficit budget shall be provided from the collective surplus of school balances held by the Authority on behalf of schools although it is open to the local authority, in circumstances where there is no such surplus, to make alternative arrangements if it can do so within the relevant local authority finance legislation. The detailed arrangements applying to this Scheme are set out below:

- The maximum length over which schools may repay the deficit, i.e. reach at least a zero balance with appropriate mechanism to ensure that the deficit is not simply extended indefinitely, would normally be five years.
- The deficit will only be agreed to allow a school in the short term to maintain a level of spend which in the opinion of the Head of the Education Service is the minimum required to deliver the National Curriculum.
- The maximum size of the deficit in normal circumstances will not exceed 20% of the school's budget share.
- The maximum proportion of the collective balances held by the LA, which would be used to back the arrangement, shall not exceed 40%.
- Before a deficit budget is approved, the school must produce a detailed deficit recovery plan in the prescribed format for the duration of the planned period of the deficit, which will be reviewed at least annually.
- Meet with the Local Authority at least every 6 months to review progress of the deficit recovery plan and attend Schools' Forum if requested.
- Submit monthly budget monitoring reports to Schools' Finance.
- Submit a copy of any Governor meeting minutes where the budget is discussed (a member of the LA may also attend such meetings).
- The Head of the Education Service, jointly with the Head of Finance, would be responsible for approving any deficit.

4.10 Loan Schemes

The LA provides a loan arrangement for schools which does not operate by way of a licensed deficit but rather by way of actual payments to schools or expenditure by the Authority in respect of a particular school on condition that a corresponding sum is repaid from the budget share. The detailed arrangements applying to this scheme are set out below:

- The maximum length over which schools may repay the loan is five years.
- Loans will normally only be made available for the following purposes:
 - Repairs and maintenance or improvement to school buildings
 - Investment projects to produce future revenue savings (e.g. energy efficiency schemes)
 - Projects to improve school security
 - Purchase of major items of equipment with a useful life of at least the duration of the loan
- The school must clearly demonstrate its ability to repay the loan.
- The maximum size of the loan in normal circumstances will not exceed 20% of the school's budget share.
- The maximum proportion of the collective school balances held by the LA which is used to back the arrangement shall not exceed 40%.
- The Head of the Education Service and the Head of Finance are responsible for approving any loans.
- Interest will be charged at an appropriate rate.

4.11 Credit union approach

Schools may wish to group together to utilise externally-held balances for a credit union approach to loans. Where schools choose to borrow money through such a scheme the LA will require audit certification of the running of the scheme.

5.1 Income from lettings

Schools may retain income from lettings of the school premises which would otherwise accrue to the LA, subject to alternative provisions arising from any joint use or PFI/PPP agreements. Schools are allowed 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 and there is no net cost to the budget share. Schools whose premises are owned by the LA shall be required to have regard to directions issued by the LA as to the use of school premises as permitted under the School Standards and Framework Act 1998 for various categories of schools.

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

5.2 Income from fees and charges

Schools may retain income from fees and charges except where a service is provided by the LA from centrally-retained funds. However, schools are required to have regard to any policy statements on charging produced by the LA.

5.3 Income from fund-raising activities

Schools may retain income from fund-raising activities.

5.4 Income from the sale of assets

Schools may retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it should be for the LA to decide whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the LA.

5.5 Administrative procedures for the collection of income

Because of the potential VAT implications of providing services which lead to fees and charges, fund raising activities and the sale of assets, the LA will establish administrative procedures for the collection of income which may vary from time to time in the light of advice from the VAT authorities.

5.6 Purposes for which income may be used

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

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General provision

The budget share of a school may be charged by the LA without the consent of the governing body **only** in circumstances set out in 6.2 below. The LA shall consult a school as to the intention to so charge, and shall notify a school when it has been done.

Schools are reminded that the LA cannot act unreasonably in the exercise of any power given by this scheme, or it may be the subject of a direction under s.496 of the Education Act 1996. The LA shall make arrangements for a disputes procedure for such charges that will include both council member and headteacher representation.

The LA will charge salaries of school-based staff to school budget shares at actual cost.

Local Authorities may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives at the Schools Forum.

6.2 Circumstances in which charges may be made

- Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA).
- Other expenditure incurred to secure resignations where the school had not followed LA advice.
- Awards by courts and industrial tribunals against the LA, or out of court settlements, arising from action or inaction by the governing body contrary to the LA's advice.
- Expenditure by the LA in carrying out health and safety work or capital expenditure for which the LA is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work.
- Expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the LA, or the school has voluntary-controlled status.
- Expenditure by the LA incurred in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the Authority.
- 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 LA.

- Recovery of penalties imposed on the LA by the Board of Inland Revenue, the Contributions Agency, HM Customs and Excise, Teachers' Pensions, the Environment Agency or other regulatory authorities as a result of school negligence.
- Correction of LA errors in calculating charges to a budget share (e.g. pension deductions).
- Additional transport costs incurred by the LA arising from decisions by the governing body on the length of the school day, and/or failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
- Legal costs which are incurred by the LA because the governing body did not accept the advice of the LA (see also section 11).
- Costs of necessary health and safety training for staff employed by the LA, where funding for training has been delegated but the necessary training not 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-LA payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations.
- Costs incurred by the LA in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with high needs,
- Costs incurred by the LA due to submission by the school of incorrect data.
- Recovery of amounts spent from specific grants on ineligible purposes.
- Costs incurred by the LA as a result of the governing body being in breach of the terms of a contract.
- Costs incurred by the LA 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 LA e.g. for school meals or transport, due to Governing Bodies setting different term dates, as well as length of day, or through additional closure days.

Deleted: that statement.

7.1 Value Added Tax

The LA has established procedures to enable schools to utilise the Authority's ability to reclaim VAT on expenditure relating to non-business activity and which have been circulated to schools separately.

Amounts reclaimed through these procedures will be passed back to the school.

However, in the case of voluntary aided schools the governing body retains statutory responsibility for certain capital expenditure, including when made from the school's delegated budget. Therefore, in respect of any supplies which fall within the prescribed definition of such expenditure, the supply will be made to the governing body, even where the expenditure is met from the school's delegated budget, and VAT incurred may not be recovered by the local authority. (HMRC briefing document 53/09)

Capital expenditure for which the governing body of a voluntary aided school is responsible is defined as expenditure relating to:

- the existing buildings (internal and external)
- those buildings previously known as 'excepted' (kitchens, dining areas, medical/dental rooms, swimming pools, caretakers' dwelling houses)
- perimeter walls and fences, even if around the playing fields
- playgrounds
- furniture, fixtures and fittings – including ICT infrastructure and equipment
- other capital items (which can include capital work to boilers or other services)

7.2 CIS (Construction Industry Taxation Scheme)

Schools are required to abide by the procedures issued by the Authority in connection with CIS.

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

8.1 Provision of services from centrally-retained budgets

The LA shall determine on what basis services from centrally-retained funds (including existing commitments for premature retirement costs and redundancy payments) will be provided to schools, but the LA is debarred from discriminating in its provision of services on the basis of categories of schools except where such discrimination is justified by differences in statutory duties.

Deleted: (a) funding has been delegated to some schools only or (b)

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

The term of any arrangement with a school starting on or after 1 April 1999 to buy services or facilities from the LA shall be limited to a maximum of three years from the inception of the scheme or the date of the agreement, whichever is the later, and periods not exceeding five years for any subsequent agreement relating to the same services. There is an exception in the case of contracts for the supply of catering services which, on renewal, may be let for a maximum of seven years. Schools will be consulted as to the actual length of any new contracts or agreements to be let for services to schools.

Services provided to schools, for which funding is not retained centrally by the LA (under the regulations made under Section 45A of the Act) will be offered at prices which are intended to generate sufficient income to cover the cost of providing those services. The total cost of those services will be met by the total income, even if schools are charged differentially.

8.3 Packaging

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

8.4 Service level agreements

Service level agreements for services to be provided by the LA to schools must be in place (i.e. signed and returned by headteachers/chairs of governor) by 31 March to be effective for the following financial year and schools will have at least a month to consider the terms of agreements prior to finalising them. In practice the LA will aim to make available any new service level agreements for the coming financial year by at least 1 January each year.

Services, if offered at all by the LA, shall be available on a basis that is not related to an extended agreement, as well as on the basis of such agreements. Where such services are provided on an ad-hoc basis they may be charged for at a different rate than if those services were provided on the basis of an extended agreement.

Where services or facilities are provided under a service level agreement, whether free or a buyback basis, the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every 3 years if the agreement lasts longer than that.

Centrally-arranged provision for premises and liability insurance are excluded from the requirements.

8.5 Teachers' pensions

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

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

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

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

9.1 PFI/PPP

The LA shall have the power to issue regulations from time to time relating to PFI/PPP projects. Amongst other issues these may deal with the reaching of agreements with the governing bodies of schools as to the basis of charges relating to such projects; and the treatment of monies withheld from contractors due to poor performance. Such provisions may be scheme variations requiring consultation and approval.

10.1 Insurance cover

A policy arranged by the governing body must be at least as good as the relevant minimum cover arranged by the Authority.

The buildings and contents of the school for which you are responsible should be insured on a full reinstatement basis.

Perils of all risks of physical loss or damage including terrorism to be insured.

Business interruption and increased / additional increased cost of working. The sum insured should reflect the loss of revenue / income likely to accrue if the school suffers a total loss. Increased cost of working would represent the costs incurred in hiring alternative premises in which to deliver the curriculum on an economic basis. Additional increased cost of working allows you to spend over the economic limit for hiring alternative premises; this of course depends on the availability of such sites. The indemnity period should reflect the period that it would take to get the school up and running in full.

If gross profit / revenue only is to be insured a basic guide as a starting point for the insurance figure would be the staff costs and overheads which would have to continue to be paid and the loss of income per head of pupil which may divert elsewhere to fund education in alternative establishments.

Advice must be obtained from a reputable insurer / broker who specialises in insurance for schools and is able to arrange a suitable programme and detail how this protects your interests.

Contract works insurance cover (as per the JCT conditions of contract) must be arranged on an individual basis for every building work contract arranged by the school which is the “employers” responsibility to insure. This usually encompasses work on existing structures, extensions, alterations etc. In addition you must notify your insurers of all work undertaken on your premises for which a contractor is responsible. Hot works must be managed by the school in accordance with the insurer’s requirements.

Employers and public liability for a sum insured of between £20 million and £30 million depending on whether you are a primary or secondary school.

Governors and official indemnity for a sum not less than £1 million

Professional indemnity if work is undertaken for the LA or for other schools and training/ advice given.

All liability insurance to include libel and slander cover as appropriate.

Legal expenses insurance cover to be considered.

Schools buying back the Authority's Insurance Service will have the above cover except:

Contract works insurance: This is arranged individually through our insurance arrangements by notification from the school and there is currently no additional charge for this service.

11.1 Right of access to information

Governing bodies shall supply to the LA all financial and other information which might reasonably be required to enable the LA to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the LA (e.g. earmarked funds) on the school.

11.2 Liability of governors

Because the governing body is a corporate body, and because of the terms of s.50(7) of the SSAF Act, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

11.3 Governors' expenses

The LA shall have the power to delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses

Under s.50 (5) of the Act, only allowances in respect of purposes specified in schedule 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. Schools are expressly forbidden from paying any other allowances to governors.

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

11.4 Responsibility for legal costs

Legal costs incurred by the governing body, although the responsibility of the LA as part of the cost of maintaining the school unless they relate to the statutory responsibility of 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.

In instances where there appears to be a conflict of interest between the Council and the governing body, schools are advised to obtain a list of suitably qualified firms of solicitors practising in the area available from the Law Society, 113 Chancery Lane, London WC2, telephone number 0870 606 2500 or www.lawsociety.org.uk

Once the governing body has taken independent legal advice, if necessary, the LA's legal service will communicate directly with the governing body's legal adviser to resolve the dispute. In these circumstances the LA retains discretion as to whether or not to charge the school's budget for the cost of such advice.

11.5 Health and Safety

In expending the school's budget share, governing bodies should have regard to duties placed on the LA in relation to health and safety, and the Authority's policy on health and safety matters in the management of the budget share.

11.6 Right of attendance for Chief Finance Officer

Governing bodies are required to permit the Chief Finance Officer of the Authority, or any officer of the Authority nominated by the Chief Finance Officer, to attend meetings of the governing body at which any agenda items are relevant to the exercise of his or her responsibilities. The Chief Finance Officer attendance shall normally be limited to items which relate to issues of probity or overall financial management and shall not be regarded as routine. The Authority will give prior notice of the Chief Finance Officer intention to attend unless it is impracticable to do so.

11.7 Special Educational Needs

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

11.8 Interest on late payments

The terms of the scheme cannot affect statutory requirements now introduced on this matter.

11.9 "Whistle Blowing"

If any person working at a school, or a school governor, wishes to make a complaint about financial management or financial propriety at the school they should contact the Chief Internal auditor at the local authority.

11.10 Child protection

Schools should be prepared to release staff to attend child protection case conferences and other related events.

11.11 Redundancy / Early retirement costs

The responsibility and procedure for the payment of redundancy/early retirement costs is set out in the School Severance Funding Policy of the local authority, available on the website <http://www.westberks.gov.uk/index.aspx?articleid=21754>

Schools cannot access central funding unless they have taken HR and finance advice before any steps towards potential redundancy have been taken.

Deleted: <#>Optional delegated funding¶ <#>¶

Where schools exercise an option to receive delegated or devolved funding for an item, that option may only be exercised once a year and the school should inform the LA before the start of the financial year in question.¶

Deleted: for which supply cover would normally be funded from special staff costs.¶

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

12.1 Responsibility for repairs and maintenance

The LA delegates funding for repairs and maintenance to schools. Only capital expenditure is to be retained by the LA. For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the Local Authority for financial accounting purposes in line with the CIPFA Code of Practice on Local Authority accounting. The LA uses a *de minimis* limit of £5,000 for defining capital in its own financial accounts.

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 for other maintained 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 DfE to categorise such work, not the *de minimis* limit used by the Authority.

[Further information on the definition of capital can be found in Good Practice Guide number 22 on the School Finance website www.westberks.gov.uk/index.aspx?articleid=19500](http://www.westberks.gov.uk/index.aspx?articleid=19500)

Deleted: (Refer to guidance on the website on definition of capital)

SECTION 13: COMMUNITY FACILITIES

Note: This section 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.

13.1 Introduction

Schools which choose to exercise the power conferred by s.27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. First, regulations made under s.28 (2) can specify activities which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult its LA and have regard to advice from the Authority. Thirdly, the Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that.

However, under s.28 (1), the main limitations and restrictions on the power will be those contained in the local authority scheme. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

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

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

13.2 Consultation with the LA

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 LA.

Schools wishing to make provision for community use of school facilities should notify the Corporate Director (Communities) of their intention in writing giving details of their proposal. The Corporate Director (Communities) may from time to time issue guidance as to procedures to be followed by schools and the LA.

13.3 Funding agreements

When entering into a funding agreement with third parties for the provision of community facilities, schools **must** have regard to the Authority's financial standing orders and contracts.

Deleted: should

13.4 Other prohibitions, restrictions and limitations

Where the Authority considers that such an agreement constitutes a significant financial risk, then the governing body may be required to make arrangements to protect the

Authority's financial interest. This may be by carrying out the activity concerned through the vehicle of a private limited company or by obtaining indemnity insurance for risks associated with that project as specified by the LA.

13.5 Supply of financial information

Schools should normally provide the Authority with a summary statement every six months, in a form determined by the Authority, showing the income and expenditure for the school arising from the facilities in question for the previous six months and on an estimated basis, for the next six months.

If the Authority has concerns about the financial arrangements for the provision of community use, then on giving notice to the school it may require such financial statements to be supplied every three months and, if the Authority sees fit, to require the submission of a recovery plan for the activity in question.

13.6 Audit

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

Where funding agreements are entered into with third parties for the provision of community facilities, the governors shall ensure that provision is made for access by the Authority to records and other property held on school premises, or held elsewhere insofar as they relate to the activity in question, in order for the Authority to satisfy itself as to the propriety of expenditure on the facilities in question.

13.7 Treatment of income and surpluses

Schools may retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the LA or some other person.

Schools may carry such retained net income over from one financial year to the next as a separate community facilities surplus, or, subject to the agreement of the Authority at the end of each financial year, transfer all or part of it to the budget share balance.

Where a school is a community or community special school, and the Authority ceases to maintain the school, any accumulated retained income obtained from exercise of the community facilities power reverts to the Authority unless otherwise agreed with a funding provider.

13.8 Health and safety matters

It will be the responsibility of the school's governing body to ensure that any health and safety provisions of the main scheme also apply to the community facilities power.

It will be the governing body's responsibility to meet the costs of securing Criminal Records Bureau clearance for all adults involved in community activities taking place

during the school day. Governing bodies would be free to pass on such costs to a funding partner as part of an agreement with that partner.

13.9 Insurance

It is the responsibility of the governing body to 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. Schools should seek the Authority's advice before finalising any insurance arrangement for community facilities.

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

13.10 Taxation

Schools should seek the advice of the LA and the local VAT office on any issues relating to the possible imposition of Value Added Tax on expenditure in connection with community facilities; including the use of the Local Authority VAT reclaim facility.

If any member of staff employed by the school or LA 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 – see section 11), the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules.

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

13.11 Banking

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

School should also have regard to the provisions at 3.6 and 3.7 above relating to the banks which may be used, signing of cheques, the titles of bank accounts, the contents of bank account mandates, and similar matters. The general approach to these matters should mirror these sections, except that a provision requiring that a mandate show the LA as owner of the funds in the account should exempt the community facilities funds from that if they are not in the same account as the budget share.

Schools may not borrow money without the written consent of the Secretary of State except where this is from the LA as in sections 4.9 and 4.10 above.

13.12 Responsibility for redundancy and early retirement costs

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, but 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:

(1) 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.

(1A) Any amount payable by virtue of subsection (1) by the governing body of a maintained school to the local education 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 (1B) is met.

(1B) 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.

(2) 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 A: LIST OF SCHOOLS TO WHICH THIS SCHEME APPLIES

PRIMARY SCHOOLS

Aldermaston Church of England Primary School
Basildon Church of England Primary School
Beedon Church of England Controlled Primary School
Beenham Primary School
Birch Copse Primary School
Bradfield Church of England Primary School
Brightwalton Church of England Aided Primary School
Brimpton Church of England Primary School
Bucklebury Church of England Primary School
Burghfield St. Mary's Church of England Primary
Calcot Infant School and Nursery
Calcot Junior School
Chaddleworth St. Andrew's Church of England Primary School
Chieveley Primary School
Cold Ash St Mark's Church of England Primary School
Compton Church of England Primary School
Curridge Primary School
Downsway Primary School
Enborne Church of England Primary School
Englefield Church of England Primary School
Falkland Primary School
Francis Baily Primary School
Garland Junior School
Hampstead Norreys Church of England Primary School
Hermitage Primary School
Hungerford Primary School
The Ilsleys Primary School
Inkpen Primary School
John Rankin Infant and Nursery School
John Rankin Junior School
Kennet Valley Primary School
Kintbury St. Mary's Church of England Primary School
Lambourn Church of England Primary School
Long Lane Primary School
Mrs Bland's Infant School
Mortimer St John's Church of England Infant School
Mortimer St Mary's Church of England Junior School
Pangbourne Primary School
Parsons Down Infant and Nursery School
Parsons Down Junior School
Purley Church of England Infant School
Robert Sandilands Primary School and Nursery
Shaw-cum-Donnington Church of England Primary School
Shefford Church of England Primary School
Speenhamland Primary School
Springfield Primary School
Spurcroft Primary School

St Finian's Catholic Primary School
 St John the Evangelist Infant and Nursery School
 St. Joseph's RC Primary
 St Nicolas Church of England Junior School
 St Paul's Catholic Primary School
 Stockcross Church of England Primary School
 Streatley Church of England Voluntary Controlled School
 Sulhamstead & Ufton Nerve Church of England Voluntary Aided Primary School
 Thatcham Park Primary School
 Theale Church of England Primary School
 Welford & Wickham Church of England Primary School
 Westwood Farm Infant School
 Westwood Farm Junior School
 Whitelands Park Primary School
 Willows (The)
 Winchcombe School
 Woolhampton Church of England Primary School
 Yattendon Church of England Primary School

SPECIAL SCHOOLS

Brookfields Special School
 The Castle School

SECONDARY SCHOOLS

The Downs School
 John O'Gaunt School & Community College
 Little Heath School
 Theale Green Community School
 The Willink School

NURSERY SCHOOLS

Hungerford Nursery School Centre for Children & Families
 Victoria Park Nursery School

PRUS

Badgers Hill Pupil Referral Unit	}	Alternative Curriculum 14-19
Bridgeway Pupil Referral Unit		
The Porch Pupil Referral Unit		
Kingfisher Pupil Referral Unit	}	Reintegration Service
The Key Pupil Referral Unit		
The Oaks Pupil Referral Unit		

West Berkshire Schools' Forum	
Title of Report:	DSG Outturn Report 2012 - 2013
Date of Meeting:	10th June 2013
Contact Officer(s)	Ian Pearson, Shannon Coleman-Slaughter
For Discussion	

1. Background

1.1 The Dedicated Schools Grant (DSG) is a ring fenced grant from the DfE which can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance (England) Regulations. The Schools Budget includes elements for a range of educational services provided by the Local Authority (known as the Centrally Retained Budget) and the Individual Schools Budget, which is divided into a budget share for each maintained school.

2. Outturn Position for 2012 - 2013

2.1 The following is the position as at the end of March financial year 2012 -2013. A further analysis per cost centre is shown in Appendix A.

	Total Budget £m	Actual £m	Outturn £m
ISB Delegated Budget	82,692	82,516	-0.176
Centrally Retained Budget	10,479	9,899	-0.580
Support Service Recharges	0.721	0.721	0
Total Expenditure	93,892	93,136	-756
DSG Grant	-93,892	-93,892	0
Net Budget	0	-0.756	-0.756

2.2 All delegated (ISB) money is transferred to schools, and any overspends or underspends on individual schools budgets are carried forward on the schools budget. £1.451m of the under spend in the Centrally Retained budget was allocated out to schools in the current year (and hence accounted for within the outturn figures). It is recommended that the additional in year under spend will amounting to £580k will go towards the High Needs contingency in 2013/14.

2.3 The Centrally Retained Budget generated a significant in year net under spend. This is largely due to less than anticipated SEN placements in Out of Authority non maintained schools, and additional recoupment income from other Local Authorities for their SEN children placed in our schools. A summary of all significant variances (greater than £25k) on budget for the Centrally Retained Budget is included in the following table.

Budget	£000
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Significant Overspends:	
Schools in Financial Difficulty – agreed by Schools Forum offset via under spends on recoupment and Out of County Placements	446.0
Non Delegated Contingency – increased numbers of children in alternative provision	38.0
School Delegated Contingency – agreed by Schools Forum offset via under spends on recoupment and Out of County Placements	966.2
Special Needs Delegated Contingency – Costs for Brookfields met via recoupment income	43.9
Pupil Referral Units – overspend on the Alternative Curriculum	26.5
Place Planning, Transport & Finance – additional resource required to undertake statutory work.	45.4
Recoupment Resource Units – Children with varying levels of need	57.0
Significant Underspends:	
Academy SEN Payments – offset with secondary over spend, too much budget vired.	-(87.5)
SEN Inclusion Programme – under spend on training and supplies / services.	-(38.3)
Non LEA Special Schools (recoupment) - Predicted under spend allocated to schools in March via contingency	-(970.9)
Recoupment Special Schools – Under spend due to a small increase in the number of children in special schools. Level of contingency reduced.	-(819.6)
Recoupment Mainstream Schools – Under spend due to number of children in mainstream schools.	-(212.8)

3. School Contingency Budget (90235)

3.1 The position on the School Contingency Budget for financial year 2012 - 2013 is:

	£000
School Contingency (90235) Budget	1,094.6
Newly Qualified Teachers	258.0
Infant Class Size	135.0
Resource Unit	-20.0
Link Group Funding	6.0
Rates Adjustments	56.0
Trinity Split Site Funding	3.0
Excess Balance Claw back	-7.0
Allocation of 11/12 carry forward / claw back	346.0
Allocation of 12/13 under spend	1,000.0
Repayment of School Loans	121.0
SISS Funding Special Schools	45.0
Redundancy Costs John O Gaunt	85.0
Fir Tree deficit on Academy Transfer	33.0
Total 90235 spend	2,061.0
Variance – over spend	966.2

Appendices

Appendix A – DSG 2012/13 Outturn Report

Dedicated School's Grant (DSG) 2012/13 YEAR END OUTTURN							
Budget manager	Cost Centre	Description	Budget for Year	Actual	Variance	Comments	SSR's
Ian Pearson	90010	Nursery Schools	730,020	804,548.00	74,528.00	Funded on actual hours of provision. The contingency for this overspend is held on 90036 budget	
Ian Pearson	90020	Primary Schools	46,961,440	46,959,177.96	-2,262.04	Fir Tree rates & insurance saving on conversion to academy	
Ian Pearson	90025	Secondary Schools	23,458,870	23,592,011.79	133,141.79	Partly offset with Academy SEN payments budget (too much budget vired), remainder incorrect estimate of rates & insurance saving for school converting to Academy - offset by school contingency	
Ian Pearson	90540	Special Schools	6,037,230	6,037,227.14	-2.86		
Diane Haines	90036	Early Years Funding for PVI	4,481,260	4,040,222.30	-441,037.70	Funded on actual hours of provision - contingency of £500k included in budget which also offsets additional costs in the maintained	
Ian Pearson	90037	Early Yrs Funding Maintained Sector	1,023,650	1,082,455.00	58,805.00	Funded on actual hours of provision. The contingency for this overspend is held on 90036 budget	
Ian Pearson	90038	Pupil Premium		0.00	0.00	All allocated	
DELEGATED ISB TOTAL			82,692,470	82,515,642.19	-176,827.81		
Margaret Goldie	90006	CRB Checks	40,000	40,946.00	946.00		1,310.00
Maria Shepherd	90017	Early Years Support Team	63,440	59,560.21	-3,879.79	Salary savings	
Ian Pearson	90019	DSG Servicing of Schools' Forum		2,062.60	2,062.60	Overspend on supplies/services offset through underspend on 90736	
Ian Pearson	90026	Academy SEN Payments	1,267,360	1,179,859.75	-87,500.25	offset with secondary overspend - too much budget vired	
Adrian Slaughter	90028	Schools Carbon Reduction Commitment	105,000	105,000.00	0.00		3,440.00
Ian Pearson	90029	DSG Revenue Contribution to Capital	1,101,680	1,101,680.00	0.00	WAN project costs transferred to capital	
Maxine Slade	90039	Diploma Grant	12,170	8,720.49	-3,449.51	Lower than anticipated demand	
Mark Lewis	90041	R & M Non Delegated	27,050	42,130.76	15,080.76	Unanticipated remedial works and repairs	
Ian Pearson	90045	Service Tenancy - Primary	-30,460	-28,728.69	1,731.31	Rental receipts not fully realised.	
Ian Pearson	90050	Service Tenancy - Secondary	-9,050	-10,074.71	-1,024.71	Greater income receipts realised.	
Ian Pearson	90112	Special Costs Primary	24,680	23,713.00	-967.00		
Ian Pearson	90117	Special Costs Secondary	18,640	18,712.00	72.00		
Jane Seymour	90200	Castle/Vict Co-Locatio	6,660	6,335.80	-324.20		
Ian Pearson	90230	Schools in Financial Difficulty	408,830	854,832.00	446,002.00	overspend agreed by Schools Forum re underspend on recruitment/OOC	
Jane Seymour	90231	Non Delegated Contingency	160,680	198,769.26	38,089.26	Overspend due to increased number of children funded in alternative provision (cheaper alternative than out of county placements).	
Ian Pearson	90235	School Delegated Contingency	1,094,030	2,060,271.44	966,241.44	overspend agreed by Schools Forum re underspend on recruitment/OOC	
Ian Pearson	90236	Managed Moves/Exclusions Contingency		-17,661.00	-17,661.00	Money not claimed by Reading/Other Las after 3 years (mainly child left school)	
Jane Seymour	90237	Special Needs Delegated Contingency	200,000	243,939.58	43,939.58	£32k for Brookfields special school met by Reading via Recoupment income	
Rhian Ireland	90238	Sen Pre School Childm	33,220	46,863.84	13,643.84	Increased commitments for assessed needs of children.	1,090.00
Maxine Slade	90255	Virtual School Service	173,550	171,676.10	-1,873.90	Underspend on supplies/services	38,070.00
Rhian Ireland	90280	Spec Needs Sprrt Team	236,160	228,004.28	-8,155.72	Salary savings within year	46,050.00
Jane Seymour	90290	Sensory Impairment	227,420	226,480.90	-939.10		8,520.00
Cathy Bumham	90315	Home Tuition	207,910	209,240.91	1,330.91	Underspend on premises and supplies/services	26,480.00
Cathy Bumham	90320	Pupil Referral Units	1,455,830	1,482,348.42	26,518.42	Overspend in the Alternative Curriculum, partially offset through underspend in the Reintegration Service.	257,100.00
Cathy Bumham	90341	Ed Psychology - DSG	95,250	74,854.03	-20,395.97	Salary savings in year	3,120.00
Cathy Bumham	90349	Behaviour Support - DSG	140,020	153,315.68	13,295.68	Pressure on salary costs due to incorrect movement of teachers post, costs partially offset by supplies /services savings.	37,300.00
Ian Pearson	90515	Willink Sports Centre	52,040	34,092.51	-17,947.49	Saving on property and utility recharges.	1,710.00
Anne Cooper	90565	Equipment For SEN Pupils	38,470	37,112.80	-1,357.20	Lower than anticipated demand	1,260.00
Anne Cooper	90575	Non LEA Special School (OofA)	3,539,670	2,568,689.71	-970,980.29	Predicted underspend - allocated to schools in March via contingency.	141,780.00
Jane Seymour	90577	SEN Commissioned Provision	448,790	444,038.57	-4,751.43	Saving on premises expenses	16,990.00
Anne Cooper	90605	Recoupment Special Schools	-1,470,000	-2,289,690.35	-819,690.35	Underspend due to a small increase in the number of children in special schools. Level of contingency reduced.	20,060.00
Anne Cooper	90610	Hospital Tuition	31,010	-192,320.34	-223,330.34	Debtor provision of £238K should be coded to 90615 recoupment , resourced units.; overspend should be £14K due to payments made to LA's for providing WBC children tuition while in hospital.	1,020.00
Anne Cooper	90615	Recoupment Resourced Units	-150,000	145,352.24	295,352.24	Debtor provision should be £238K; overspend should be £57K due to children with varying levels of needs	1,310.00
Anne Cooper	90620	Recoupment Mainstream Schools	-50,000	-262,835.20	-212,835.20	Underspend due to number of children in mainstream schools and a more prudent approach on estimating recoupment income	13,230.00
Anne Cooper	90623	Recoupment PRU's	8,890	0.00	-8,890.00	Late recoupment charges to Hampshire of £6376 for one child	
Joseph Holmes	90711	Schools Finance	153,970	149,108.65	-4,861.35	Salary savings in year	5,770.00
Jane Seymour	90722	Special Needs Assess - DSG	219,370	219,684.92	314.92		10,100.00
Ian Pearson	90736	Pupil & Student Services - DSG	60,160	55,382.08	-4,777.92	Salary savings plus offset of supplies and services underspend against the overspend on 90019.	3,380.00
Caroline Corcoran	90742	Place Planning, Transport and Finance DSG	149,380	194,853.33	45,473.33	Due to urgent work on statutory function to meet Council's priorities additional resource has been required. This was partially offset by maternity savings.	46,410.00
Rhian Ireland	90830	ASD Teachers	109,930	116,430.28	6,500.28	Salary and car allowance pressures	16,580.00
Sheila Loy	90903	Peer Mentoring Funding	7,000	6,275.56	-724.44		
Maxine Slade	90917	Children in Public Care	50,420	48,715.56	-1,704.44	Lower than anticipated demand for service	1,650.00
Rhian Ireland	90957	Early Intervention	48,040	33,125.60	-14,914.40	Salary savings in year	8,180.00
Cathy Bumham	90961	Vulnerable Children	98,510	85,054.81	-13,455.19	Lower than anticipated demand levels	3,260.00
Rhian Ireland	90965	SEN Inclusion Programme	73,420	35,023.20	-38,396.80	Underspend on training and supplies/services	5,720.00
Avril Allenby	90994	Primary Strategy 1:1 Tuition		-9,000.00	-9,000.00	Claw Back of 1:1 funding from Park House	
CENTRALLY RETAINED TOTAL			10,479,140	9,899,946.58	-579,193.42		
SUPPORT SERVICE RECHARGES			720,890	720,890.00	0.00		720,890.00
TOTAL DSG EXPENDITURE			93,892,500	93,136,479	-756,021.23		
Ian Pearson	90030	DSG Grant Account	-93,892,500	-93,892,065.12	434.88		
NET DSG EXPENDITURE			0	-755,586	-755,586.35		

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West Berkshire Schools' Forum	
Title of Report:	School Balances as at 31 March 2013
Date of Meeting:	10th June 2013
Contact Officer(s)	Claire White
For Decision	

1.1 The schools accounts for 2012/13 have now been closed and the closing balances for each school determined.

1.2 The following table summarises the overall closing balances compared to the previous year (the opening balances relating to schools converting to Academies during the financial year have been removed for comparison purposes). A detailed breakdown per school is shown in Appendix A.

	As at 31 March 2012 £'000	As at 31 March 2013 £'000	Increase / (decrease) £'000
Nursery	58	65	7
Primary	3,192	3,041	(151)
Secondary	464	1,040	576
Special	277	170	(107)
Total	3,991	4,316	325

1.3 Although overall balances have increased, this is largely due to John O Gaunt School having its deficit cleared at the end of the last financial year. Generally, schools have managed to retain a reasonable level of contingency, with an average of 6% for primary schools and 3% for secondary schools.

1.4 The schools other than John O Gaunt who had a deficit budget for 2012/13 were Fir Tree and Stockcross. Fir Tree converted to Academy Status in March 2013, but had significantly reduced their planned deficit by about 50%. Stockcross closed with a small surplus.

1.5 One school (The Castle Special School) closed with a deficit balance. The explanation from the school is that they had brought forward some items of spend prior to the new financial year when their budget allocation for 2013/14 had been confirmed in early March. A balanced budget will be set by the school for the current year.

1.6 West Berkshire's Balance Control Mechanism sets a maximum limit for balances on schools' delegated budgets of 8% primary and 5% secondary of the annual budget allocation or £20,000 (whichever is greater). Balances in excess of this limit may be clawed back. After adjustments for late one off

funding and carry forward of other grant funding, two schools closed with an excess surplus balance (compared to 19 schools last year). Both schools had been in contact with Schools' Finance early in the Spring Term regarding their likely position, and the Schools' Finance Manager determined that their circumstances were exceptional and that they should be allowed to carry forward their full surplus including the excess. Brimpton, as a very small school effected by the funding reforms, has planned to continue with 3 classes for another academic year whilst it reviews its structure according to funding available for 2014/15. Westwood Farm Junior had an IEB put in place earlier this year, and due to their circumstances needs more time to plan for the best use of the balance.

1.7 Schools should be commended on their ability during 2012/13 to monitor and control their budgets, as at the close of the year there were no real deficits or excess surpluses to cause concern.

Recommendation: To agree to the two schools with an excess surplus balance carrying forward their full surplus with no clawback.

Appendices

Appendix A – School Balances as at 31 March 2013

APPENDIX A

School Balances Summary (Net Revenue Balance only) Exclude Capital and Community Focused	Closing Balance 31/03/12	Closing Balance 31/03/13	Change in Balance	Upper Threshold	Excess Balance	Less Late Funding Adjustment	Less Other Grants Carried Fwd	Final Excess Balance
NURSERY SCHOOLS								
Hungerford Nursery School	20,311	22,465	2,153	Excluded from Balance Control				
Victoria Park Nursery School	37,669	42,679	5,010	Excluded from Balance Control				
TOTAL NURSERY SCHOOLS	57,981	65,144	7,163					
PRIMARY SCHOOLS								
Aldermaston Church of England Primary School	59,263	39,370	-19,894	53,688	0	10,191		0
Basildon Church of England Primary School	40,524	38,802	-1,722	42,941	0	8,631		0
Beedon Church of England (Controlled) Primary School	24,658	23,054	-1,603	21,406	1,649	2,342		0
Beenham Primary School	6,577	2,217	-4,360	32,091	0	5,223		0
Birch Copse Primary School	147,907	50,035	-97,872	113,309	0	26,418		0
Bradfield Church of England Primary School	4,733	28,460	23,727	53,728	0	10,429		0
Brightwalton Church of England Aided Primary School	22,935	29,269	6,334	34,007	0	7,577		0
Brimpton Church of England Primary School	20,984	26,668	5,685	21,043	5,625	3,478		2,148
Bucklebury Church of England Primary School	24,364	7,126	-17,239	40,328	0	7,255		0
Burghfield St Mary's Church of England Primary School	25,784	15,006	-10,778	51,511	0	10,345		0
Calcot Infant School and Nursery	39,647	59,620	19,973	64,266	0	9,336		0
Calcot Junior School	48,999	36,869	-12,130	62,009	0	9,069		0
Chieveley Primary School	135	20,204	20,069	55,134	0	10,031		0
Cold Ash St Mark's Church of England Primary School	53,636	57,112	3,476	55,737	1,374	11,507		0
Compton Church of England Primary School	46,688	27,908	-18,780	43,818	0	8,914		0
Curridge Primary School	19,739	19,694	-45	34,956	0	6,546		0
Dow nsw ay Primary School	47,379	58,627	11,248	62,239	0	13,802		0
Enborne Church of England Primary School	43,733	26,443	-17,289	24,466	1,977	3,593		0
Englefield Church of England Primary School	20,755	29,678	8,923	35,999	0	7,013		0
Falkland Primary School	145,156	121,029	-24,127	119,196	1,833	23,437		0
Francis Baily Primary School	121,632	101,184	-20,448	152,649	0	22,823		0
Garland Junior School	55,154	66,385	11,231	60,862	5,523	11,377		0
Hampstead Norreys Church of England Primary School	24,903	25,209	305	36,538	0	7,136		0
Hermitage Primary School	59,198	33,708	-25,490	59,177	0	11,593		0
Hungerford Primary School	116,314	95,942	-20,372	113,051	0	22,007		0
The Ilsleys' Primary School	18,956	22,541	3,585	25,846	0	4,304		0
Inkpen Primary School	20,020	17,777	-2,244	26,883	0	4,729		0
John Rankin Infant and Nursery School	59,196	57,262	-1,934	59,067	0	7,912		0
John Rankin Junior School	35,781	30,041	-5,740	64,811	0	10,140		0
Kennet Valley Primary School	52,988	58,193	5,204	62,009	0	10,359		0
Kintbury St Mary's Church of England Primary School	50,792	54,113	3,321	55,305	0	8,558		0
Lambourn Church of England Primary School	32,456	60,117	27,662	55,477	4,640	10,398		0
Long Lane Primary School	61,732	100,301	38,569	76,862	23,439	15,764	8,000	0
Mortimer St John's Church of England School	7,742	44,831	37,088	54,572	0	11,890		0
Mortimer St Mary's CofE Junior School	75,387	67,757	-7,630	65,591	2,166	13,608		0
Mrs Bland's Infant School	59,701	42,085	-17,616	56,915	0	9,031		0
Pangbourne Primary School	32,210	33,220	1,010	60,156	0	12,029		0
Parsons Dow n Infant and Nursery School	47,591	57,597	10,006	75,938	0	12,876		0
Parsons Dow n Junior School	65,641	51,199	-14,442	74,547	0	13,530		0
Purley Church of England Infant School	20,300	27,441	7,141	24,351	3,090	3,857		0
Robert Sandilands Primary School and Nursery	56,224	73,877	17,653	67,408	6,469	11,990		0
Shaw -cum-Donnington CE Primary School	25,409	16,810	-8,599	35,397	0	4,210		0
Chaddle orth Shefford Federation CE Primary School	50,246	27,851	-22,395	35,565	0	4,020		0
Speenhamland Primary School	46,614	70,340	23,725	90,021	0	14,792		0
Springfield Primary School	79,407	85,357	5,950	82,752	2,604	13,958		0
Spurcroft Primary School	34,841	74,508	39,667	98,329	0	16,335		0
St Finian's Catholic Primary School	26,039	33,835	7,796	54,354	0	13,300		0
St John the Evangelist CE Infant and Nursery School	98,732	8,398	-90,334	55,827	0	8,084		0
St Joseph's Catholic Primary School	39,826	53,655	13,830	58,014	0	8,684		0
St Nicolas Church of England Junior School	18,351	52,724	34,373	73,511	0	14,552		0
St Paul's Catholic Primary School	41,565	43,390	1,825	89,959	0	16,299		0
Stockcross Church of England School	8,747	9,098	351	36,092	0	6,547		0
Streatley Church of England Voluntary Controlled School	6,180	32,932	26,752	32,799	134	5,319		0
Sulhamstead and Ufton Nervet CE VA Primary School	32,024	34,288	2,264	36,289	0	5,355		0
Thatcham Park Church of England Primary School	176,354	127,483	-48,871	109,820	17,664	18,254		0
Theale Church of England Primary School	81,218	68,742	-12,476	72,797	0	10,339		0
Welford and Wickham Church of England Primary School	38,308	29,809	-8,498	32,845	0	5,420		0
Westw ood Farm Infant School	71,521	48,329	-23,192	59,211	0	9,465		0
Westw ood Farm Junior School	75,620	103,541	27,921	73,613	29,928	12,325	9,600	8,003
Whitelands Park Primary School	93,293	107,746	14,452	94,482	13,264	16,660		0
The Willows Primary School	43,307	84,119	40,811	63,075	21,043	68,287		0
The Wincombe School	127,029	39,686	-87,344	103,926	0	13,024		0
Woolhampton Church of England Primary School	25,542	27,721	2,178	32,283	0	5,682		0
Yattendon Church of England Primary School	34,625	22,664	-11,961	31,025	0	4,070		0
TOTAL PRIMARY SCHOOLS	3,192,314	3,040,993	-151,321		142,422			10,151
SECONDARY SCHOOLS								
The Dow ns School	271,753	324,209	52,456	281,782	42,427	41,313	2,000	0
John O'Gaunt Community Technology College	-350,802	166,255	517,057	127,240	39,015	492,161		0
Little Heath School	101,581	113,755	12,173	414,206	0	59,644		0
Theale Green Community School	240,812	236,099	-4,713	317,408	0	50,205		0
The Willink School	200,101	199,355	-746	244,818	0	50,306		0
TOTAL SECONDARY SCHOOLS	463,446	1,039,673	576,228		81,443			0
SPECIAL SCHOOLS								
Brookfields Special School	252,524	213,794	-38,730	Excluded from Balance Control				
The Castle School	24,756	-43,730	-68,486	Excluded from Balance Control				
TOTAL SPECIAL SCHOOLS	277,280	170,064	-107,217					
TOTAL FOR ALL SCHOOLS	3,991,020	4,315,873	324,853		223,865			10,151

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West Berkshire Schools' Forum	
Title of Report:	Allocation of Teachers Pay Grant
Date of Meeting:	10th June 2013
Contact Officer(s)	Ian Pearson
For Decision	

- 1.1 The Education Funding Agency (EFA) pays a Teachers Pay Grant to local authorities in respect of performance pay for 6th form teachers. This was previously allocated to all schools via the school formula based on the actual payments made to teachers for upper pay scale and leadership grades – this did not distinguish between pre and post 16.
- 1.2 The EFA has been phasing this grant out (by 25% each year since 2010/11) and 2013/14 is the final year. The allocation for 2013/14 is £94,986
- 1.3 As the new school formula regulations do not allow for a performance pay factor, the previous funding allocation has been rolled into the AWPU. The receipt of this grant was not taken into account in determining the 2013/14 formula allocations, so as it is a separate grant from the Dedicated Schools Grant it can be allocated to schools as a one off grant allocation in the current year.
- 1.4 The options on which to base its allocation include January 2013 6th form census pupil numbers; learner numbers used by the EFA in their allocation of 6th form funding for the academic or financial year, or in proportion to actual 6th form allocations for the 2013/14 academic or financial year.
- 1.5 The recommendation is to use school census data as shown below:

School	6th Form Pupil No.s	Funding Allocation £
Denefield School	169	6,515
The Downs School	262	10,100
John O'Gaunt School	60	2,313
Kennet School	362	13,955
Little Heath School	401	15,458
Park House School	222	8,558
St. Bartholomew's School	432	16,653
Theale Green School	202	7,787
Trinity School	121	4,664
The Willink School	172	6,631
Brookfields Special School	35	1,349
The Castle School	26	1,002
	2,464	94,986

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West Berkshire Schools' Forum	
Title of Report:	School Financial Value Standard 2012-13
Date of Meeting:	10th June 2013
Contact Officer(s)	Clare Warren
For Discussion	

1. Summary

1.1 All schools had submitted a School Financial Value Standard (SFVS) assessment by the end of April 2013. Seven had to be chased after the Easter holidays on 16th April (a further four had submitted unsigned copies). Of these seven, four schools were sent a reminder letter from the Head of Finance.

1.2 Generally the schools seem to have taken on board the training and the Best Practice Example and the majority gave quite good detail. It would appear that most governors have used this as was intended, as a self-assessment tool to develop their statutory role of financial management.

1.3 20 schools had submitted a draft copy for review and the majority of feedback suggestions were incorporated into the final submission.

1.4 Two schools submitted a revised signed version following feedback/audit comments on their original signed submissions.

1.5 Nine schools were submitting an SFVS for the second year running. Most showed some progress against previously identified actions.

2. Number of responses

2.1 In total 69 SFVS for the 74 WBC schools were submitted with the five Federations only submitting one SFVS for both schools as required.

2.2 Maintained nurseries and special schools are included in the total but the PRUs are not required to submit an SFVS until March 2014 to reflect the change in their funding.

2.3 The responses to the 23 questions were:

Type of response	Number of schools	Number of responses	% Average response
Yes	69	1,362	85.8
No (including 2 N/A)	16	35	2.3
In Part	51	189	11.9

16 schools responded with 23 'Yes' including two secondary schools.

3. Quality of responses

3.1 Each SFVS was reviewed and classified as:

- Poor: No dates and very few details, generally listed documents only
- OK: Some details but no dates and a few key details not commented on
- Good: Mostly gave dates and quite a bit of detail
- Very Good: Included dates and enough detail to evidence that clear, up-to-date processes were in place

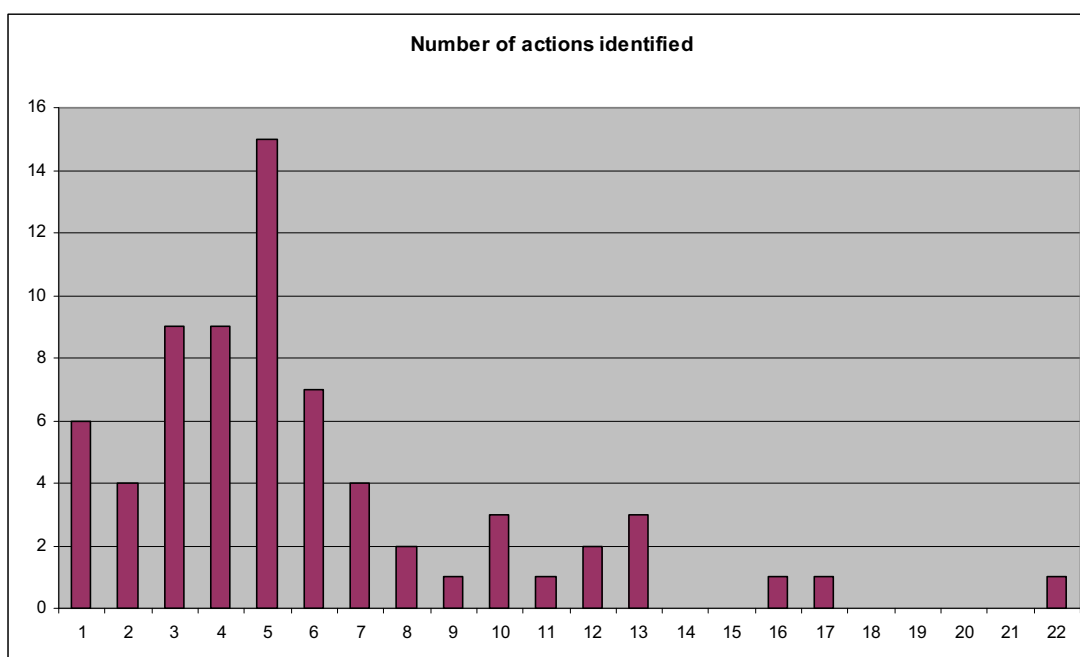
3.2 This was very much an arbitrary classification and given that the reviews took place over two months may have slightly changed over time.

3.3 Of the 69 SFVS responses made:

Classification	Number
Poor	8
OK	11
Good	40
Very Good	10

4. Number of actions identified

4.1 In total 337 actions were identified by schools. It was felt that generally governors were very open about what they needed to improve on which can be seen by the spread in the number of actions. The most actions identified by a school were 22 as can be seen below in the chart of the incidence of actions.



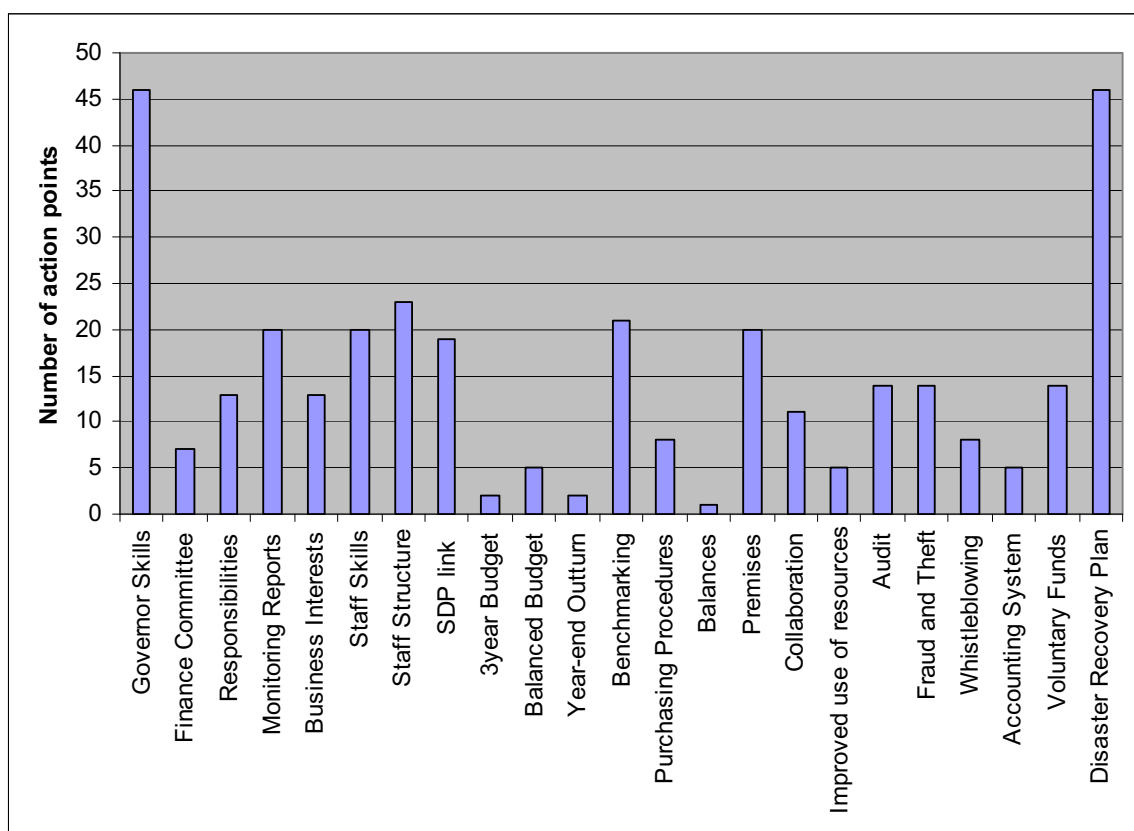
4.2 The average number of actions identified was five. Where one action addressed two questions this was counted as two to get a clear understanding of where governors were taking action.

4.3 Some of the schools who responded 'Yes' to all 23 questions still had identified some action points. Only six schools had no action points.

5. Types of actions identified

5.1 All but one school summarised their actions in Section E, the majority with clear owners and timelines, although often the owner was the SBM/FO.

5.2 The questions to which actions were identified are summarised on the chart below:



5.3 Clearly governors felt they could do more on training and on the final question with regards to asset registers and the Critical Incidence Plan.

5.4 These statistics also bear out our experience of questions being raised in training on staff structure and premises planning but what was also surprising was the number identifying benchmarking for further work

5.5 Probably the weakest responses were with regards to staff structure. Generally it is reviewed as part of the SDP or budget but it was not always clear how this was presented. Our Best Practice would be an actual organisation chart and we will provide an example on future training courses.

5.6 The question on voluntary funds was also quite weak as whilst the date of audit was often provided it was not clear what period had been audited and

whether this had been presented to governors. This was rarely within the recommended guidance note of 3 months from the end of the financial year.

6. Impact on training

6.1 55 schools attended some sort of training, mostly in the three training sessions that were held. Of the 14 that did not attend training, four schools did send in a draft for review.

6.2 Of the ten that did not do any training, the average score for quality was 2.7 (OK) compared to the rest which was 2.2 (Good) - where 1 was very good and 4 was poor.

6.3 On average the responses for the two groups were:

	Attended training	Did not attend
Yes	19.7	20.1
No	0.6	0.1
In Part	2.7	2.8
Number of actions	5.1	3.8

6.4 Generally training was very well received and the governors seemed to appreciate the course structure which allowed them time for group discussions. The training courses scored overall between 83% to 87%.

7. Follow up

7.1 Schools that submitted an SFVS with a number of action plans have already been offered support. This was also mentioned on an email to the Chairs of Governors thanking them for their submissions sent on 29th April 2013.

7.2 The timing of future SFVS submissions was also mentioned in this email to encourage them to complete a review of the SFVS before March 2014.

7.3 We have also informed them that, in future, training with regards to the SFVS would be incorporated into the Role of the Finance Governor training.

7.4 Audit has also been informed where concerns were identified regarding responses e.g. out of date documents. The majority of schools flagged to audit are already on the 2013/14 audit programme. The remainder will be in the 2014/15 audit programme.

8. Conclusion

8.1 Overall the process seems to have worked well.

8.2 The Best Practice Example seems to have helped schools consider what should be included. However a future version should perhaps include a table of documents to avoid repetition as well as include references to Pupil Premium tracking and the Scheme for Financing Schools.

8.3 Training, as part of the Role of the Finance Governor, should continue to emphasise staff structure, premises plans, training and Critical Incidence Plans but should also include benchmarking.

8.4 It should consider whether a template for staff structure/premises plan should be developed. This should take place in the autumn based on the audit team's findings for audits taking place this summer.

8.5 Finally for next year's submission the progress against actions will be key.

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