

Notice of Meeting

Schools Forum

Monday 7 December 2015 at 5.00pm
in Shaw House Church Road Newbury
RG14 2DR

Date of despatch of Agenda: Monday, 30 November 2015

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Jo Reeves on (01635) 519486
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Agenda - Schools Forum to be held on Monday, 7 December 2015 (continued)

Forum Members:	Reverend Mark Bennet, Patricia Brims, Fadia Clarke, Paul Dick, Reverend Mary Harwood, Jon Hewitt, Kate House, Peter Hudson, Stacey Hunter, Brian Jenkins, Sheilagh Peacock, Derek Peaple, Chris Prosser, David Ramsden, Clive Rothwell, Graham Spellman, Bruce Steiner (Vice-Chair), Suzanne Taylor, John Tyzack (Chair), Keith Watts and Charlotte Wilson
Councillors:	Councillor Dominic Boeck (Executive Member for Education) and Councillor Mollie Lock (Shadow Executive Member for Education)
Officers:	Avril Allenby (Early Years Service Manager), Cathy Burnham (Principal Educational Psychologist), Ian Pearson (Deputy Corporate Director (Communities) & Head of Education Service), Jo Reeves (Policy Officer), Jane Seymour (Service Manager, SEN & Disabled Children's Team), Claire White (Finance Manager (Schools))

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16	Date of the next meeting <i>Monday 25 January 2015, 5pm at Shaw House.</i>	
17	Exclusion of the press and public <i>RECOMMENDATION: That members of the press and public be excluded from the meeting during consideration of the following item as it is likely that there would be disclosure of exempt information of the description contained in the paragraphs of Schedule 12A of the Local Government Act 1972 specified in brackets in the heading of each item. Rule 8.10.4 of the Constitution also refers.</i>	

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Andy Day
Head of Strategic Support

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Note: These Minutes will remain DRAFT until approved at the next meeting of the Committee

SCHOOLS FORUM

MINUTES OF THE MEETING HELD ON MONDAY, 28 SEPTEMBER 2015

Members Present: Jacquie Davies, Jon Hewitt, Stacey Hunter, Brian Jenkins, Mollie Lock, Sheilagh Peacock, Chris Prickett, Chris Prosser, David Ramsden, Graham Spellman, Bruce Steiner, Suzanne Taylor and John Tyzack (Chairman)

Also Present: Avril Allenby (Early Years Service Manager), Caroline Corcoran (Education Service Manager), Ian Pearson (Deputy Corporate Director (Communities) & Head of Education Service) and Claire White (Finance Manager (Schools)), Jo Reeves (Policy Officer)

Apologies for inability to attend the meeting: Reverend Mark Bennet, Richard Blofeld, Patricia Brims, Paul Dick, Mary Harwood, Derek Peaple, Clive Rothwell and Charlotte Wilson

Members Absent: Councillor Dominic Boeck, Fadia Clarke, Kate House, Peter Hudson and Keith Watts

PART I

1 Minutes of previous meeting dated 13 July 2015

The minutes of the meeting held on 13 July 2015 were approved as a true and correct record.

2 Actions arising from previous meetings

The Schools' Forum constitution had been updated and was available on the website.

The Heads Funding Group Terms of Reference had been updated.

The consultation for the Balance Control Scheme would be sent to schools in October and a report would be considered by the Schools Forum in December 2015.

All other actions were either on the agenda for this meeting or were due to be completed at a later date.

3 Declarations of Interest

There were no declarations of interest received.

4 Membership

The Schools Forum was asked to note the following changes in membership:

- Catherine Morley, Headteacher of Theale Primary School, had stepped down from the Schools Forum and Heads Funding Group. There was therefore a vacancy for a Primary Head.
- Paul Dick, Headteacher of Kennet School, and Charlotte Wilson, Headteacher of the Trinity School, had been re-elected to the Schools Forum and Heads Funding Group by Academy Heads.
- Chris Prickett, Headteacher of Streatley Primary School, would reach the end of his term in October 2015.
- Reverend Mary Harwood had been re-elected by the Diocese of Oxford.

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- Stacey Hunter, Headteacher of the Reintegration Service, would be the Pupil Referral Unit Representative, however Jacquie Davis, Headteacher of the Alternative Curriculum, would also attend as substitute.

5 Election of the Chair and Vice-Chair

Outgoing Chairman, John Tyzack handed the meeting to Ian Pearson, who asked for nominations for the Chair of the Schools Forum. No nominations had been received in advance and no volunteers had come forward.

Prompted by Ian Pearson, John Tyzack recalled that when elections for Chair were last held, the Trade Union representative had been ardent that John Tyzack be elected Chair. David Ramsden proposed that John Tyzack be elected Chair of the Schools Forum. The proposal was put to Forum members and agreed.

John Tyzack in the Chair.

John Tyzack asked for any nominations or volunteers for Vice-Chair of the Schools Forum. After some hesitation from members, Bruce Steiner put himself forward. He stated that he had experience of managing some 20,000 people in his professional life and now he was enjoying retirement he would have the time to commit to the role. Graham Spellman proposed that Bruce Steiner be elected Vice-Chair of the Schools Forum. The proposal was put to Forum members and agreed.

DECISION: that John Tyzack be elected Chair of the Schools Forum and that Bruce Steiner be elected Vice-Chair of the Schools Forum.

6 Primary & Secondary School Formula 2016/17

Claire White introduced the report to set the School Formula 2016/17. The Department for Education had announced the arrangements for the formula on 16 July 2015 with no amendments to the regulations.

At the meeting of the Schools Forum on 13 July 2015, members agreed that if there was no change to the regulations, they would propose no change to the formula for 2016/17 in comparison to 2015/16.

All primary and secondary schools were consulted on this proposal from 1 September to 8 September 2015. There were few responses and one response expressed the view that more funding should be allocated through the deprivation factor.

Heads Funding Group had recommended that Schools Forum accept the proposal to make no change to the School Formula 2016/17.

The funding blocks would continue not to be ring fenced and the Schools Block could be used to fund the High Needs Block in the case of a shortfall. If there was any increase in funding, the Schools Forum could take a decision on how to allocate the surplus at the meeting in January 2016.

The only impact on individual schools would be where they were receiving minimum funding guarantee due to the original formula changes in 2013 (their funding would reduce by 1.5% per pupil). The exemplification in the consultation document used current (October 2014) data. Schools' final funding allocation for 2016/17 would be based on their pupil numbers (and other relevant data) in the October 2015 census. If this changed significantly then so would their funding.

DECISION: that the Primary and Secondary School Formula 2016/17 be endorsed by the Schools Forum and considered by the Council's Executive on 19 November 2015.

7 De-delegations 2016/17

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Ian Pearson introduced the report which sought to review the services which maintained schools de-delegated to be centrally provided in 2016/17. The Primary and Secondary School representatives on the Schools Forum were each required to make a decision for their own phase.

There were four services where maintained schools had the option to pool back funding for the service to continue being centrally provided in 2016/17 on the basis of economies of scale or pooled risk. These being:

- Behaviour Support Service
- Ethnic Minority Support Service
- Trade Union Representation
- Schools in Financial Difficulty

The Schools Forum noted that attached as Appendix E to the report was a letter from the Trade Unions expressing their support for schools to continue to de-delegate funding in respect of Trade Union Representation.

The recommendations from Heads Funding Group were as follows:

Service	Primary	Secondary
Behaviour Support	YES	YES
Ethnic Minority Support	YES	YES
Trade Union Representation	YES	YES
Schools in Financial Difficulty	YES	NO

DECISION: that the Schools Forum agree to de-delegate funding in respect of the above listed services as per the recommendations of the Heads Funding Group.

8 Additional Funding Criteria Proposals for 2016/17

Claire White presented the report to outline the Additional Funding Criteria Proposals for 2016/17.

Under the current school funding regulations, no in-year adjustments to funding allocations were permitted and all funding to schools had to be allocated through the approved formula. There were however, four circumstances under which the local authority could provide additional funding:

1. A growth fund for the purpose of supporting growth in pre-16 pupil numbers to meet basic need.
2. A falling rolls fund where a population bulge was expected in the future but where a good and necessary school or academy currently had surplus places and faced an unmanageable funding shortfall in the short term

(The local authority was required to produce criteria on which any growth funding or falling rolls fund was to be allocated.)

3. Funding for schools in financial difficulty.
4. Funding from the high needs block could be used to allocate additional funding to schools with a disproportionate number of high needs pupils.

The only proposed change for 2016/17 was to the growth fund for new schools, having received some further clarification on this from the DfE. Although a new school would not be opened until September 2017 at the earliest, it would be advisable to have the criteria in place as soon as possible for new schools to be able to estimate their likely funding well in advance, and for the Schools' Forum to be aware of the likely cost to be met from the DSG (there would be no additional DSG funding for new schools).

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The change was in relation to diseconomies of scale funding for new schools. The DfE had clarified that whilst a new school was growing to full capacity, the local authority could agree with the new school the number of pupils it required for it to be financially viable, and use this number for funding the school through the formula. This would be instead of an estimate of actual pupil numbers being formula funded plus diseconomy of scale funding from the growth fund. The advantage would be that there was certainty of the funding level at an early stage which would be beneficial for both the school, and Schools' Forum in determining costs against the DSG budget. A number of local authorities were now using this method. It was therefore proposed to remove diseconomy of scale funding from the growth fund, and fund via the formula instead. This should make no difference to the amount of funding required overall from the DSG budget.

Bruce Steiner enquired whether other Local Authorities were taking this approach. Claire White responded that it was discussed at a meeting in Summer 2015 with other local authorities and the DfE had issued guidance to Local Authorities on using this option.

Graham Spellman noted that the opening of a new schools might incur additional costs of up to £100k. Claire White confirmed that before a new school opened it would need funding from the Growth Fund for the costs of any staff recruited upfront; there would be a cap of £75k plus £25k for other pre opening costs. The formula funding for the school would need to be met from the DSG, which for a primary school opening with 60 places would be in the region of £300k.

Graham Spellman pressed the need for existing schools to be made aware of another school opening and the impact that this might have on the funding they would receive. Caroline Corcoran commented that schools received the formula information and Ian Pearson agreed that a briefing note would be useful in order to share that information with schools.

Claire White reminded Forum members that they needed to agree the budgets for each additional fund. The proposals outlined in the report were that they were kept the same but members would need to be mindful of the changes to the growth fund when setting the 2017/18 budget.

DECISION: that the criteria and funding be agreed as laid out in the report and its appendices.

9 Primary Schools in Financial Difficulty - Bid for Funding

Ian Pearson introduced the report which examined a bid from Kintbury St Mary's CE Primary School for a sum of £18,677 from the Schools in Financial Difficulty Fund.

Since 2013, local authorities had been required to delegate to all schools the contingency previously held for schools in financial difficulty. Each phase in the maintained sector then had the option to de-delegate the funding to centrally retain it. This decision was made annually. In 2015/16, Primary Schools chose to de-delegate this funding.

The balance of the fund for 2015/15 was £233,960, including the unspent budget from 2014/15. No payments had been made so far in 2015/16. The criteria for allocation of the funding was laid out in the report.

A bid had been received from Kintbury St Mary's CE Primary School for £18,677 to cover redundancy costs, which has been incurred from restructuring the school in order to reduce costs as part of its long term budget planning.

Heads Funding Group had recommended that the Schools Forum approve the award of £18,677 from the Schools in Financial Difficulty Budget.

David Ramsden commented that he had not been present at the meeting of the Heads Funding Group and expressed concern that the decision taken might set a precedent for

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further bids for funding. He noted that although the bid was for £18,677 it was to cover redundancy costs associated with restructuring, the numbers of high needs pupils, the response to a 'requires improvement' judgement from Ofsted and other factors which might effect any primary school. Claire White responded that an in depth discussion was held at the Heads Funding Group meeting which touched on the point raised however the bid was deemed to meet the criteria to receive funding from the Schools in Financial Difficulty Fund. Primary Schools had chosen to de-delegate money to this fund.

John Tyzack summarised that this was a legitimate bid for funding and met the criteria as agreed by the Schools Forum. Claire White agreed that the school had made a clear and well-informed application.

DECISION: that the sum of £18,677 from the Schools in Financial Difficulty Fund be awarded to Kintbury St Mary's CE Primary School to cover redundancy costs.

10 High Needs Place Funding 2016/17

Ian Pearson introduced the report which set out the proposed High Needs Place Funding for 2016/17.

Place funding in 2015/16 was based initially on place funding allocated by the Education Funding Agency (EFA) in 2014/15. The local authority had attempted to make 'exceptional' requests for increases to the planned places at Brookfields, The Castle, Trinity ASD Resource, West Berkshire Training Consortium (WBTC) and Newbury College but all were refused apart from four planned places for the WBTC and Newbury College due to the stringent criteria. A formal challenge against this decision was unsuccessful; an experience shared with many other local authorities.

In 2016/17, local authorities would have the flexibility to move planned place funding between institutions in line with any changing patterns of need but there would be no overall increase in planned place funding.

The purpose of the report was to inform the Schools Forum of this matter and to open up a discussion.

Claire White provided an update that further information had been received the previous week, following the publication of the agenda that the local authority would only be permitted to reallocate place funding for pre-16 places. The local authority would be required to inform the DfE by 16 November 2015 if any changes were being proposed to the place funding for Academies. Clarification was offered that changes could be made to maintained Primary and Secondary Schools without informing the DfE.

Graham Spellman summarised that the proposal was to reallocate High Needs place funding from those schools that were undersubscribed to those that were oversubscribed as the local authority was not able to reallocate the High Needs Block funding. Claire White confirmed that it would be known in January 2016 whether any more funding would be available in the High Needs Block or not.

David Ramsden sought clarification on how the planned places for 2015/16 was calculated. Claire White answered that they were unchanged from 2014/15. A bid to cover exceptional growth had been attempted but had not been successful.

Ian Pearson commented that the government was underfunding Special Needs and it would be a challenging task to reallocate place funding in some cases in order to minimise the impact on the schools.

ACTION: an updated report would be considered by the Schools Forum on 7 December 2015.

11 Early Years Formula 2016/17

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Claire White presented the report which examined the Early Years Formula for 2016/17.

In setting the 2015/16 early years block budget, it was recognised that the in-year estimate of funding (through the early years Dedicated Schools Grant (DSG)) did not cover the estimated payments through the early years single funding formula (EYSFF) for three and four year olds. In 2015/16 this was being covered by a one off carry forward of unspent two year old funding in 2014/15, as agreed by the Schools' Forum.

Moving forward, the current formula rates for the EYSFF would not be sustainable if the DSG rate remained the same. The following table demonstrated the net estimated position for 2015/16 (without the carry forward being applied):

Three & Four Year Old Funding:	Budget Set 2015/16
PVI Providers	4,726,470
Nursery classes in Mainstream schools	1,080,100
Maintained nursery schools	808,730
Total Expenditure	6,615,300
DSG 3 & 4 year old Grant	-6,105,071
Net Shortfall	510,229

If all things remained equal (i.e. DSG funding rates, hours of provision, quality of provision, formula rates) there would be approximately a £500k shortfall in 2016/17, and it was therefore assumed at this stage that this is the level of saving that would need to be found.

The Early Years Steering Group had met twice since April, and considered what options were available in order to bring the cost down by approximately £500k.

Four options had been discussed as follows:

- 1) Removing all quality rates and increasing the base rates up to the level of funding available
- 2) Reducing all quality rates by the same percentage down to the level of funding available
- 3) Replace the current (four) quality rates with two new simplified quality rates, with the total funding being paid through quality rates reduced down to the level of total funding available.
- 4) Replace all base and quality rates with just one hourly rate for all providers (as per two year old funding). The rate will be similar to the unit of funding received through the DSG.

The Group had also looked at benchmarking information from the authority's statistical neighbours and other Berkshire authorities, comparing West Berkshire's rates and methodologies.

Options 1 and 4 had been ruled out, mainly because through these options there would be some providers that had a rate increase, and it was felt that all providers should take a

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share of the cut. It was also felt that quality of provision should still feature in the funding rates.

Once the Group had more information regarding the budget forecast for the current year and the Government's future intentions for funding of early years (probably following the spending review), further work would be carried out on the formula, and a proposal would be brought to the Schools' Forum.

Once a proposal was agreed, providers would be sent this information including an exemplification for their own setting.

Avril Allenby confirmed that no information had been provided by the government in relation to the proposed 30 hours free childcare for some households or the feedback from the pilot.

Brian Jenkins stated that this matter would be a 'thorny subject' for Early Years PVI Providers as nurseries tended to be small and there would be a great impact. If the hourly rate charged was above the hourly rate received from the government, the nursery would be making a loss and some small nurseries might go out of business. This would be exacerbated if the number of free hours of childcare was increased to 30 hours. It was a difficult subject and he did not anticipate a high turnout for responses to the consultation.

John Tyzack asked if the timescales were known; Avril Allenby replied that the local authority would have to continue to pursue options to reduce the shortfall and present proposals to the Schools Forum ready for April 2016. Brian Jenkins advised that 'an announcement' was anticipated from the government in the Autumn of 2015.

David Ramsden noted that options 1 and 4 had been ruled out by the Steering Group however explained that this did not mean the Schools Forum could not decide to take one of these options. He supported the next steps as laid out in paragraph 3.1, 3.2 and 3.3 of the report and agreed that the Steering Group be given the opportunity to do what they could to mitigate the impact of the shortfall. David Ramsden felt that Primary and Secondary Schools had been dealing with such a crisis themselves over a number of years and there had been a huge impact on schools and children.

ACTION: the report be noted and a further update to return to the Schools Forum on 7 December 2015.

12 DSG Budget Monitoring 2015/16 Month 5

Ian Pearson introduced the report which presented the monitoring on the Dedicated Schools Grant (DSG) at month 5 of 2015/16.

At the end of August 2015 the total DSG overspend position forecast for year end was £273k, all in the high needs block, as shown in Figure 1 below:

	Total Current Budget £m	Actual Spend Forecast Month 5 £m	Month 5 Forecast Outturn Variance £m
Schools Block (inc ISB)	65,464,140	65,464,140	0
Early Years Block	7,629,750	7,629,750	0
High Needs Block	16,141,010	16,413,890	272,880

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Total Net Expenditure	89,234,900	89,507,780	272,880
Support Service Recharges	720,890	720,890	0
Total Expenditure	89,955,790	90,228,670	272,880
DSG Grant	-89,955,790	-89,955,790	0
Net Position	0	272,880	272,880

The Schools Block was expected to be largely on-line. Any under spends in the growth fund contingency budget and primary schools in financial difficulty budget would be ring fenced and carried forward to 2016/17 and would not impact on the overall position of the DSG. There might be a small overspend on the delegated primary and secondary budgets due to rating revaluations.

A detailed assessment of the forecast for the Early Years block budgets would be undertaken once the Autumn payments have been made to providers and a projection could be made for Spring payments.

The High Needs Block was forecasting an overspend of £272k, the bulk of which was in relation to new placements in non West Berkshire Special schools, mainly Thames Valley Free School. Additional placements over and above allocated place numbers in the Council's own special schools were also causing a pressure.

A more detailed report on the high needs budget and a review of the savings targets that were set for the current year's budget would be brought to the next meeting of the Schools' Forum in December 2015.

Stacey Hunter enquired any of the pressures were 'one-offs' or whether the Schools Forum should expect them to be persistent pressures. Ian Pearson commented that some were demand led and therefore less predictable.

Claire White added that of the £280k spent on non-WBC special schools top-up, the majority related to one or two pupils with significantly high needs.

Graham Spellman enquired upon the control of these costs. Ian Pearson responded that there were some pupils with needs that the schools were unable to accommodate. The local authority would look for the best value option in the 'market place' and consider whether any of the options had places, what their costs might be, what an additional travel costs might be. There might only be one option available within a travelling distance so there was a limit to the choice available without more specialist settings in the district.

ACTION: the report be noted.

13 Forward Plan

The forward plan for November 2015 – January 2016 was noted.

14 Any Other Business

No other business was raised.

15 Date of the next meeting

The next meeting of the Schools Forum would be held on 7 December 2015, 5pm at Shaw House.

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16 Exclusion of Press and Public

RESOLVED that members of the press and public be excluded from the meeting for the under-mentioned item of business on the grounds that it involves the likely disclosure of exempt information as contained in Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) Order 2006. Rule 8.10.4 of the Constitution also refers.

17 Engaging Potential Budget Review

The Schools Forum considered the exempt report.

18 Joint Strategic Review of Pupil Referral Unit Provision

The Schools Forum considered the exempt report.

(The meeting commenced at 5.00 pm and closed at 6.34 pm)

CHAIRMAN

Date of Signature

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Agenda Item 3

ACTIONS ARISING FROM PREVIOUS SCHOOLS' FORUM MEETINGS 2015/16

Ref No.	Date – Item No.	Action	Officer	Comment / Update
1.	09/03/15 - 7	PRU outreach budget – to be reviewed at the July meeting of the SF	C. Burnham	Incorporated into High Needs Budget report on the agenda for the meeting
2.	09/03/15 - 8	PRU Top Up Rates – impact of the revised rates to be reviewed at end of Summer Term	C. Burnham	Incorporated into High Needs Budget report on the agenda for the meeting
3.	13/07/15 - 6	The five members coming to end of their term to make arrangement for their re-election or replacement	P. Dick for Academies I Pearson for Primary S. Hunter for PRU M. Harwood for Cof E Diocese	P. Dick, M. Harwood and S. Hunter were re-elected. IP has raised the issue with the Chair of Primary Heads Forum
4.	13/07/15 - 9	Balance Control Scheme consultation to go out to maintained schools with report back to SF in September	C. White	Completed and being brought to December meeting
5.	13/07/15 - 14	Home Tuition report – further data requested on cost per hour of provision	C. Burnham	
6.	28/09/15 - 11	An updated High Needs Place Funding Report would be brought the Schools Forum on 7 December 2015.	J. Seymour	On the agenda for the meeting
7.	28/09/15 - 12	a further update on the Early Years Formula 2016/17 return to the Schools Forum on 7 December 2015.	C. White	On the agenda for the meeting

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West Berkshire Schools' Forum	
Title of Report:	Proposed Changes to the Scheme for Financing Schools
Date of Meeting:	7th December 2015
Contact Officer(s)	Claire White
For Decision	

1. Background

- 1.1. The Scheme for Financing Schools is a statutory document which sets out the financial relationship between the local authority and the schools it maintains. In order to make changes to the Scheme, all schools must first be consulted, and having reviewed the consultation responses the members of the Schools' Forum representing maintained schools will be required to approve each change proposed.
- 1.2. The consultation went out to schools prior to 2nd November, and closed on 13th November. The consultation document is attached in Appendix A and the full Scheme tracking the proposed changes is attached in Appendix B.
- 1.3. Apart from two statutory changes and minor corrections, there are six discretionary changes being proposed and which were consulted on.
- 1.4. There were 40 responses to the consultation, from 27 (38%) schools; though not all respondents replied to all questions (some answered none at all). This report sets out the questions asked in the consultation and the responses received.
- 1.5. Schools' Forum are required to agree or otherwise on each of the main changes proposed.

2. Responses to the Consultation

- 2.1. The responses received to the consultation can be broken down as follows (where this question was answered):

Responses From:	No.	%
Head teachers	3	13
SBM/Finance Officer	16	70
Governor	4	17
Total	23	100

- 2.2 **Question 1 – Provision of Financial Information and Reports.** Do you agree with our proposal to formalise the current arrangement for imprest schools to

submit a month nine forecast and bank report (as at 31st December) by mid January each year?

YES		NO	
No.	%	No.	%
25	96	1	4

Comments:

- This requirement may as well be formalised as school's have been asked to do this anyway.
- I think formalising arrangements penalise those schools who manage their finances carefully, it displays a lack of trust. I think the current informal arrangements encourage schools to work in a more collaborative way and allows schools accountancy to 'target' those schools who they already know require support.
- No issues with this, time scale is sufficient after return from Christmas break.
- It makes sense to formalise a best practice procedure already in place. It will also enable schools who need support to access it in a timely manner.
- I believe that it is better financial management to make the local authority aware of any excess surpluses or deficits before end of year (no unwanted surprises).
- It will have no effect on the current arrangements and agree it will help to identify schools that may need support.
- Good financial planning
- Considering the current and forthcoming financial pressures on schools, it appears legitimate for West Berkshire Council to request these documents in order to have a clear picture of the financial situation in maintained schools.
- The earlier date allows governors more opportunity to assess the implications of the budget for the coming year The school also believes this will allow more efficiency in spending. However, there will certainly be 'knock-on' implications, not least that finance staff will be expected to work within a tighter timeframe. The governor's meeting schedule might also be impacted, with Finance meetings held during Easter break.
- This provides a clear picture of performance to date and may enable better decision making.
- Last year we were asked for a month 9 forecast but not a bank report. We did not think that this was an optional request and we are assuming that it will be repeated this year. We agree that it is good practice for both the school and the LA to do a thorough analysis of the month 9 (end of December) position. We would, however suggest that the information should be supplied by the end of January rather than mid-month.
- Formalising existing arrangements
- This seems like a reasonable check to have in place at that point of the year and is not overly-onerous.
- I'm aware P9 is the usual time accountancy scrutinise our forecasting to check it's on track.
- Anything that helps provide a clear picture of activity can only be a good thing.
- Agree with reasons stated in WB explanatory document

- Good practice. Good financial management and actioned on a voluntary basis currently
- Would better serve to identify schools which will require additional financial support or guidance

2.3 Question 2 – Submission of Budget Plans. Do you agree with our proposal to move the budget plan submission date to 1st May?

YES		NO	
No.	%	No.	%
24	92	2	8

Comments:

- Aligns well with financial year
- Better to complete the budget process earlier, although this will put pressure on schools due to the Easter Holidays when Finance Teams are off work (our Finance Team is employed term time only).
- Makes sense, we rarely get any real sensible agresso reports until P3 because of time lag.
- I'm not entirely clear why we have to move to the earliest statutory date? This will make the first 2 months of the calendar year extremely busy, and depending where Easter falls can mean scheduling FGB's very close together. The timing of Easter may also impact having the end of year balance available to meet the 1 May deadline? We will be unable to meet the 1 May at our school this year as FGB dates are already set.
- I do in principle as I can see the benefits for WB BUT each year it will depend on when Easter falls as many BM's work term time only-It would mean for this year from 24th March to 1st May there are just 14 working days...which may be tight with moving Governors meetings both Finance & FGB to get it fully approved ready for submission. In 2016/17 all budgets will need to be completed by the 7th April before the Easter break as we return on the 25th April, just 3 days before final submission date.
- It makes sense to bring the date closer to the start of the financial year.
- Earlier submission means that we can release budgets earlier for purchasing resources and better planning
- As long as carry forward is available in time
- The proposal seems reasonable considering practices in organisations other than local authorities. One downside to the proposed change however is that Governing Bodies will have to agree a budget without strong indication of the numbers for the Foundation September intake. While we appreciate that this number would not affect funding in Financial Year 1, it could have very significant implications on Financial Year 2, particularly in small schools. Governing Bodies may find themselves having to review budget and staff structure again within weeks of having submitted the budget.
- A clear intent to have budgets in place on time is always to be welcomed. if this helps that process all the better. However, the greatest enemy of the school's budget process is last-minute changes. These throw the process out of kilter. If the new system avoids this, particularly in light of the tighter deadlines, that would be welcome

- Theoretically it would allow schools to spend more efficiently (by knowing what's in place) and Governors to monitor in more detail knowing things had been agreed.
- Experience in recent years has shown that transactions continue to come through in month 13 (April). Some of these transactions are from within West Berks. We are therefore not really able to give a true picture of the year-end position – which determines the final carry forward into the new financial year, until the end of April. This is critical when budgets are so very tight. Submitting the budget early would mean a less accurate budget. The Easter holidays usually cover at least one, if not two weeks in April: moving the final budget submission date to 1st May would mean that the SBM and SFO could not take any time off during the Easter Break. We would also have to bring forward the Finance committee and FGB meetings to the middle/end of April; this may not always be possible due to school holidays.
- As long as it remains voluntarily for 2016 and implemented in 2017 so that we can re-arrange Governors meetings to approve budget.
- In general, an earlier budget date is better, provided all the supporting information (namely funding etc) is available in a timely fashion, as well as the budget planning Excel templates.
- It seems reasonable to have the budget plan approved as close to the new financial year as possible.
- Again, the earlier things are agreed the better. My only other comment would be that its important that the school receive all data in a timely fashion in order to get things right first time.
- Sensible to encourage earlier budget planning
- Makes more sense - Financial year starts in April!!
- In essence, yes. It will enable schools to offer better financial management from the start of the financial year. However, I have grave concerns about the additional pressure this will apply to school staff particularly those who DO NOT work during school holidays

2.4 Question 3 – Accounting Policies. Capital Spend de-minimus level. Do you agree with our proposal to specify within the Scheme a requirement for schools to set a de-minimus level for capital spend?

YES		NO	
No.	%	No.	%
23	92	2	8

Comments:

- We already do this.
- No - if a de-minimus level is set it should be the same level for all schools irrespective of being VA or whatever. By setting £5K for controlled/community schools and £2K for VA schools discriminates against VA schools. It should be the same level playing field for all. £2K is an unrealistic level in this day and age.
- So that we have clarity on this subject
- In line with VA diocese de-minimus
- Schools should however be able to set their own level and should be allowed to be less than £2000. Revenue budgets are very stretched and using Capital can be helpful in sourcing equipment. In this respect £2000 can be a large amount especially as ICT costs come down in

certain areas eg if you bought 5 laptops at £300, this is a significant purchase though would only cost £1500 which could potentially put strain on the revenue budget.

- The proposal would allow schools to set a limit appropriate to their size and circumstances, within a reasonable range.
- From a governor's perspective the broader brush (within reason) provides a clearer picture for strategic decision - making
- No further comments in this instance.
- We do not believe that there will be any significant impact on our school by setting a de minimis for Capital spend
- As long as schools can set their own level - for small schools this would be quite low.
- I struggle to see what is achieved by doing this but have no strong objections to it.
- If the de minimus is specified on the FMP it makes the process clearer regarding capital expenditure.
- I don't think I understand this point well enough currently to comment in full.
- We agree to setting a de-minimus level however would prefer to choose our own level which would be less than the recommended.
- VA schools do this anyway
- In principal but better guidance would need to be provided around the practice and the definition of capital works
- The limit should be lower. For us the de minimus should be £1,000 as we only have £7,000 in any one year and it is falling. Sometimes you need two or three smaller projects so this allows for more flexibility.

2.5 Question 4 – Controls on Surplus Balances. Do you agree that the current scheme for the claw back of excess surplus balances should be removed and replaced by a light touch review by the Schools' Forum?

YES		NO	
No.	%	No.	%
24	96	1	4

Comments:

- Surplus may be earmarked for example capital expenditure which could not be completed in the financial year
- It makes sense for schools to be allowed to budget for movement of surplus between years when circumstances require it
- The current claw back procedures do not appear so relevant now in current financial climate.
- Sometimes surplus balances can be as a result of things beyond a school's control, i.e. the LA not processing central contract payments by year end. Sometimes seems like a paper chase.
- If schools are able to retain excess surplus balances it will aid more effective financial planning over years to come where funding is likely to be relatively static but costs are increasing more markedly.
- It will allow the school to cope with the volatility in pupil numbers year on year and their needs for specialist equipment which are unknown.
- As excess balances are no longer an issue this is acceptable

- Governors should have autonomy regarding the budget when considering the longer term strategic planning for the school and making the best decisions for the school
- In the current funding circumstances, schools should be allowed to have as large a carry forward as possible (within reason) to help weather difficult circumstances in years to come. Such arrangements also allow schools more flexibility to manage their budget to best suit their circumstances, developments plans, etc.
- This would be welcome, particularly if it means that schools will benefit from prudent management. It also provides a greater degree of parity with what happens in Academy schools.
- With funding at an all-time low it is important that schools have greater autonomy over how they manage their finances from one year to the next. In the past our school has had to spend in January in order not to lose funds. While it is very unlikely under the current funding regime that we would exceed the 5% surplus (£250,000), We believe that the School should make the decisions.
- Although we feel that it should be challenged.
- This is okay PROVIDED surplus balances are still monitored to avoid a school accumulating bigger and bigger surpluses over a period of years which would suggest the school is overfunded. There should also be a mechanism in place to check surpluses on revenue and capital funds before any central funding is agreed from West Berkshire council for (e.g.) building works as it would be unfair for these scarce resources to be used to support schools with already large revenue/capital balances.
- As the budgeting is getting tighter any surplus is decreasing anyway. The existing claw back system could result in unnecessary spending for schools resulting in deficits earlier than expected.
- Agree with rationale as set out in WB explanatory document
- Light touch seems more reasonable
- It is vital that schools provide the best possible education for the children in their care for the time frame the funding is provided for. The current application for retention, whilst time consuming, is adequate. An option to approach the Schools Forum, in advance to explain the need to accrue funds would be useful to enable the conversation sooner.

2.6 Question 5 – Obligation to carry forward deficit balances. Do you agree that schools closing the year with an unplanned deficit carried forward to the following financial year, should for that year be required to submit the same additional information as schools setting a planned deficit budget?

YES		NO	
No.	%	No.	%
22	92	2	8

Comments:

- Good fiscal policy
- This is appropriate, unless the unplanned deficit is very small. Maybe it should apply if the unplanned deficit is over a certain % of the school's budget.
- Having never been in this position, I do not know what level of information is required, but in many ways, if it is an unplanned deficit it indicates insufficient budget monitoring throughout the year which

should really be picked up earlier by the governing body and schools accountancy.

- Unless there is a clear exceptional reason.
- I think the answer to this depends on the reason for the unplanned deficit. If it is due to a one-off event, e.g. a major maintenance issue or an unexpected staff change or a fall in pupil numbers, etc. then it is not necessarily appropriate to monitor the school going forward in the same way as a school setting a planned deficit budget. If the reason for the deficit is more general and better financial controls could have prevented the deficit occurring in the first place then I do agree that the same additional information should be submitted.
- To ensure that we do understand the reasons why the deficit occurred in the first place and get support from the local authority to avoid this happening again in the future.
- Individual circumstances and size of deficit should be considered before requesting onerous paperwork
- Good financial planning
- The level of scrutiny required by the Local Authority should be the same, whether the deficit as planned or not (possibly even more so if it wasn't as this could indicate unrealistic budgets rather than exceptional circumstances).
- Not wishing to sound too punitive, but an unplanned deficit is less forgivable than a planned one.
- This seems a logical step and its important schools are thoroughly accountable.
- An unplanned year-end deficit is a nightmare as it has repercussions for the new financial year and beyond. An unplanned deficit should usually be anticipated by the scrutiny of the month 9 position (see above) and should already be being managed by the school with support from School's Accountancy at West Berks. That said we cannot predict the future. We are concerned that the "additional information" alluded to in the question can place a heavy burden on the finance team and this may well be overkill if the deficit is small or can easily be absorbed in the new year's budget. We would suggest that rather than the wording above it should be changed to "schools closing the year with an unplanned deficit carried forward to the following financial year, may for that year be required to submit the same additional information as schools setting a planned deficit budget. This will be decided on a school by school basis and is at the discretion of the School's Finance Manager (Claire White) and following discussion with the Headteacher and Chair of Governors of the School concerned".
- Sensible
- A deficit is a deficit and the same scrutiny and requirements should be applied no matter how it has arisen.
- This system would seem to be fairer especially to schools who have a planned deficit and have already had to provide the required information.
- it is a prudent approach which will impose greater budgetary discipline on schools
- We feel that all schools experiencing a deficit should have a plan
- Clear explanation for an unplanned deficit should be given. Budget should be monitored therefore the year end outturn should not be a surprise!

- Schools should be aware of forecast difficulties and be in discussion with WBC to mitigate this issue.

2.7 Question 6 – Loan Scheme. Do you agree with the proposed amendments to the current loan scheme?

YES		NO	
No.	%	No.	%
20	91	2	9

Comments:

- Amendments proposed seem sensible.
- 5% is too low, it could be equally argued that because of school capital funding allocations having been slashed and getting on to any kind of LA capital maintenance plan, schools would struggle to be able to fund any kind of work. Applying for a loan is a really big step for any school and the current arrangements allow for sensible discussion on ability to repay.
- I agree with the provision of information to the LA. I feel that the decrease in size of the loan from 20% to 5% does not allow smaller schools adequate flexibility but I understand the reasoning behind the proposal.
- No further comments.
- Fortunately my school has not had to ask for a loan so we have no experience of this. That said, we agree with the determining factors for the giving of a loan but we are concerned that the maximum amount of the loan be reduced from 20% of the school's budget share to 5% as this may limit the scope of the project the loan is to be used for. While we appreciate the caution that West Berkshire is employing here we feel that a reduction to maybe 12% would be more realistic than the dramatic cut from 20% to 5%. We therefore agree with part 1 of this proposal and disagree with part 2
- Doesn't really affect us at the present.
- I have no strong views as I have never had to access loans and hope that I would not have to in the future.
- Prudent approach especially in the light of funding cuts

2.8 Other Comments

- It has been useful to have had the opportunity to comment on these proposed changes as it has made me think in greater depth about how they would affect my school in particular.
- Please note that these questions were discussed by the meeting of the Governors' finance committee on Monday 9th November 2015
- Could there be provision made within schools funding to assist schools where a physical limitation on space restricts class size (as opposed to an availability of supply of pupils or policy decisions on admission numbers) as the staffing model for such schools is expensive on a "per pupil" basis?

Recommendation: To approve the proposed changes to the Scheme for Financing Schools, to come into operation from 1st January 2016.

Appendices

Appendix A – Consultation Document on Proposed Changes to the Scheme for Financing Schools

Appendix B – The current Scheme for Financing Schools with Proposed Changes tracked

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Proposed Changes to the Scheme for Financing Schools

Consultation Document for Schools 2nd to 13th November 2015

1. Introduction

1.1 The 'Scheme for Financing Schools' is a statutory document which sets out the financial relationship between the local authority and the schools it maintains. In making any changes to the scheme, a local authority must consult all schools in their area and receive the approval of the members of their schools forum representing maintained schools.

1.2 The Department for Education (DfE) will review its guidance annually and update where necessary. The latest statutory guidance was published by the DfE on 19th August 2015 and contained two changes. The local authority has also reviewed the current scheme to ensure that all sections are still appropriate. Following on from this review a number of changes are being proposed where there is the discretion in the regulations to do so.

1.3 The two statutory changes are as follows:

- 1) Requirement for maintained schools to publish a register of the business interests of their governors, along with any relationships with staff (section 2.17).
- 2) Clarification that borrowing includes the use of finance leases and is not allowable, with the exception of certain schemes approved by the Secretary of State. Currently only Salix loans have such approval (section 3.8).

1.4 The discretionary changes being proposed are as follows:

- 1) Provision of month 9 budget forecast.
- 2) Change the deadline for submission of budgets to 1st May.
- 3) Requirement to set a capital spend de-minimus level.
- 4) Balance Control Mechanism – removal of the claw back scheme for excess surplus balances and replace with a light touch review.
- 5) Requiring schools closing the year with an unplanned deficit to meet some of the same conditions as schools with a deficit budget if asked.
- 6) Revising the guidelines for school loans.

- 1.5 The rationale behind each of the discretionary changes is set out in this document, and we are seeking your views on these changes.
- 1.6 The complete scheme is attached showing the proposed tracked changes. This also includes the statutory changes and minor amendments (e.g. updating web page references).
- 1.7 In order to respond to this consultation, please use the following link to access the short survey monkey, which contains the questions asked in this document:

https://www.surveymonkey.com/r/SFS_Oct2015

- 1.8 The timetable for this consultation is as follows:

2 nd to 13 th November 2015	Consultation with Schools
24 th November 2015	Heads' Funding Group review responses
7 th December 2015	Schools' Forum approve revisions
1 st January 2016	Revised scheme comes into operation

2. Provision of Financial Information and Reports (section 2.2)

- 2.1 The current provision requires schools to submit quarterly budget monitoring reports to the LA, *unless they are submitting an imprest and are part of the LA financial system (Agresso)*. It is proposed to require imprest schools to submit their budget monitoring forecast reports and bank report as at the end of month nine (31st December). This is for the following reasons:
- 1) This will formalise what is currently being requested and all schools are complying with.
 - 2) It provides the LA with assurance that schools are on track or have arrangements in place to deal with any excess surpluses or deficits.
 - 3) Support can be offered at an early stage to those schools who are having financial difficulty.
 - 4) It focuses on the significance of month nine, helping to prepare schools for year end.

Do you agree with our proposal to formalise the current arrangement for imprest schools to submit a month nine forecast and bank report (as at 31st December) by mid January each year?

3. Submission of Budget Plans (sections 2.8 and 2.9)

- 3.1 The statutory requirement is for the LA to set the deadline for submission of one year school budget plans for any date between 1st May and 30th June. The LA may also request forecasts for a multi year period. The current deadline for West Berkshire schools is 31st May for the one year plan (section 2.8), and 31st July for the three year plan (section 2.9).
- 3.2 It is proposed to move the deadline to the earliest date of 1st May for both plans for the following reasons:

- 1) Schools receive indicative budget allocations much earlier now (November) and final budget allocations are usually received by the end of January (the statutory deadline is end of February). Previously indicative budgets were end of January with final budgets end of March.
- 2) Schools generally start the budget planning process much earlier with access to planning tools/data that aid this.
- 3) Accounts at year end are closed earlier, and schools know their final end of year balance by mid April, though robust monitoring should give a clear estimate of this well before the end of March.
- 4) Schools need to be setting their budgets before the start of the financial year as this will inform their spending and staffing decisions. Schools need to ensure that the dates for the relevant Governor meetings to approve the budget facilitate this. Note that a budget is not expected to contain exact expenditure and income, but is your best estimate at a certain point in time using the best information you have. Academies and most other institutions will set their budgets well before the start of the financial year.
- 5) For consistency, it is good practice to prepare the three year budget at the same time as the one year budget, and the planning tool provided to schools facilitates this. It is recognised that years 2 and 3 will be a snapshot of the school's position as at that time and an indication of the school's position if no changes (such as staffing) and no action is taken.
- 6) To allow longer term strategic financial planning to start in the summer term and form part of the school development plan for the next academic year, particularly where the three year plan is showing the school going into deficit in future years if nothing changes.

3.3 If agreed, this provision would not be mandatory for 2016 in recognition that many schools will have set their Governors meetings which do not facilitate the budget submission by the earlier date, but we would expect schools to submit their budgets as early as possible.

Do you agree with our proposal to move the budget plan submission date to 1st May?

4. Accounting Policies (Section 2.5) - Capital Spend de-minimus level

4.1 There is no mention in the scheme about schools being required to set a de-minimus level for capital spend. It is therefore proposed to require schools to set a de-minimus within their own financial management policy, which needs to be in the range £2,000 to £5,000. As a default the LA de-minimus will apply, currently £5,000, or £2,000 for VA schools. The reasons for including this in the scheme are:

- 1) Schools have sought clarity on this subject
- 2) Schools are required to set their own de-minimus level and report this on the annual CFR return.

Do you agree with our proposal to specify within the Scheme a requirement for schools to set a de-minimus level for capital spend?

5. Controls on Surplus Balances (section 4.2)

5.1 The scheme must set out the arrangements in relation to the carrying forward from one funding period to the next of surpluses. The scheme *may* contain a mechanism to clawback excess surplus balances (balance control mechanism scheme). The latest guidance states:

“Any mechanism should have regard to the principle that schools should be moving towards greater autonomy, should not be constrained from making early efficiencies to support their medium term budgeting in a tighter financial climate, and should not be burdened by bureaucracy. The mechanism should, therefore, be focused on only those schools which have built up significant excessive uncommitted balances and/or where some level of redistribution would support improved provision across a local area”.

5.2 Our current scheme applies to primary and secondary schools only. An excess surplus balance is set as 8% in primary schools and 5% in secondary schools or £20,000 whichever is greater, based on the total formula funding received by the school (excludes additional/ring fenced grants).

5.3 It is proposed that the claw back scheme be removed and replaced with a light touch review. The reasons for this are:

1. The number of schools with an excess surplus balance and the value of these excesses have reduced significantly since 2011/12 (3 schools in 2014/15 totalling £21k, all with valid reasons).
2. It is no longer a DfE requirement, and the DfE no longer report on school balances, as it is no longer an issue of concern for them.
3. Academies no longer have such a scheme and their balances are not scrutinised.
4. Schools should be capable of making their own judgement on what is a reasonable balance for their circumstances and how this fits into their longer term strategic financial planning.
5. Schools are required to do longer term budget planning and provide 3 – 5 year budget plans which were not a requirement when the scheme originated.
6. Having such a scheme may drive poor decision making, e.g. spending spree at end of financial year to avoid a claw back or transferring large sums to capital without a proper plan for its use.
7. Schools have not seen increases to their funding rates for a number of years, and are unlikely to in the foreseeable future, so schools are less likely to be in a position to build up such large balances.
8. In respect of nursery, special and PRU schools, their funding is volatile as funding follows the child rather than the funding being fixed at the start of the year, so they need a higher contingency.

5.4 In terms of a schools finances, the expectation is that the following would be in place in a school:

1. Governors having autonomy on decisions regarding their budget and receiving the relevant financial information to enable them to make the best decisions for their school.
2. Robust medium to long term financial planning in place
3. A detailed annual budget plan linked to the School Development Plan and vice versa.
4. Robust and regular budget monitoring and forecasting in place

As a result of having all of the above in place, there should be no build up of large balances without the Governors having considered options and having a plan in place for its use. The School Financial Value Standard provides Governors with an annual self check that this is all in place within their school.

5.5 At the July meeting of the Schools' Forum it was agreed that a light touch review should be proposed to replace the current claw back scheme.

5.6 A light touch review could be on the following basis:

- Schools no longer complete a balance control return.
- Schools' Forum receive an annual report in July from Finance providing the following information for each school:
 - a. Actual end of year balance for last 3 years.
 - b. Actual end of year balance for the last financial year as a percentage of income actually received.
 - c. What the planned end of year balance had been for each of the last 3 years.
 - d. Planned end of year balance for next 3 years.
- Schools' Forum to review data and determine whether any school's data raises any concerns and *may* ask such schools to provide further information. For example, this could include schools whose data shows one or more of the following:
 - a. Continuing growth in balance in the last 3 years and the current balance is more than 10% of the actual income received in the last financial year.
 - b. Actual end of year balance for each of the last 3 years is significantly different to planned end of year balance in every year.
 - c. Continuing growth in balance forecast for next 3 years.
- Schools' Forum may ask such schools to provide a written explanation and/or attend a meeting of the Heads Funding Group to be challenged – the purpose being that Schools' Forum act as a peer group to challenge the robustness of the school's financial management.

Do you agree that the current scheme for the claw back of excess surplus balances should be removed and replaced by a light touch review by the Schools' Forum?

6. Obligation to carry forward deficit balances (section 4.4)

6.1 The current scheme sets out additional requirements (in section 4.9) those schools in deficit need to meet, including the provision of additional information.

6.2 It is proposed that schools that close the financial year with an unplanned deficit but are submitting a balanced budget for the following year may also be required to provide this additional information for the duration of one year. This is for the following reasons:

- 1) To understand the reasons why the school has closed with a deficit, and whether the school needs support in improving its financial monitoring and planning procedures.
- 2) To ensure that the school has set a robust balanced budget for the next year, and that any new systems/procedures put in place are working effectively.

Do you agree that schools closing the year with an unplanned deficit carried forward to the following financial year, should for that year be required to submit the same additional information as schools setting a planned deficit budget?

7. Loan scheme (section 4.10)

7.1 It is proposed that the arrangements be amended as follows:

- 1) Clarifying that the LA will determine the schools ability to repay the loan by reviewing the following information:
 - Last three years end of year balances.
 - Last three years capital funding allocations.
 - Current three year budget plan.
 - School's estimate of next five year pupil numbers and funding allocations (verified by the LA).
 - Latest audit plan recommendations.
- 2) Changing the maximum size of the loan from 20% of the school's budget share to 5%, due to school funding allocations not keeping up with inflation in recent years, and the risk of cuts to school funding in the future. This also aligns with the Academy loan scheme.
- 3) Changing the maximum proportion of the collective school balances backing the arrangement from 40% to 20% to reflect that schools are now starting to use their balances having not had funding increases for several years, and the risk that the current level of balances will not be there in the future.

7.2 Note that the maximum size and maximum proportion (points 2 and 3 above) for loans must also apply to licensed deficits (section 4.9).

Do you agree with the proposed amendments to the current loan scheme?

Scheme for Financing Schools



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Annex A: Schools to which the scheme applies

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 West Berkshire school formula and details of other funding are published on the following web page:](http://info.westberks.gov.uk/index.aspx?articleid=31483)

<http://info.westberks.gov.uk/index.aspx?articleid=31483>

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).

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.

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.

Copies of these statements are published on the following web page:

<http://info.westberks.gov.uk/index.aspx?articleid=29831>

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://info.westberks.gov.uk/index.aspx?articleid=29831>

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.

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, or by a committee of 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.

SECTION 2: FINANCIAL CONTROLS

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. Copies of these can be found on the following web page:

<http://info.westberks.gov.uk/index.aspx?articleid=27929>
(~~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). However these schools are required to submit their month nine budget monitoring forecast and bank report by mid January.

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 buy back 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 buy back 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.

This will include the setting of a de-minimus level for capital spend which needs to be in the range of £2,000 to £5,000. As a default the LA de-minimus will apply, currently £5,000 or £2,000 for VA 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- 1st 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 as specified by the authority consistent with the Consistent Financial Reporting framework, and must be approved by the governing body or a committee of the governing body.

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 1st May 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** each financial year.

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.

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.

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.

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 head teacher:

- a) any business interests they or any member of their immediate family have
- b) Details of any other educational establishments they govern
- c) Any relationship between school staff and members of the governing body
- d) 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 and to publish the register, for example on a publicly accessible website.

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 or quotations 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 or academies. 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.

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, resource units 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 will have an imprest limit set based on a monthly instalment of their budget share less any central payments e.g. payroll. Top-up payments for pupils with high needs should be made on a monthly basis unless alternative arrangements have been agreed with the relevant 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. The imprest limit will reflect this payment.

6th form funding **and other EFA grants such as pupil premium** 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 (which includes the use of finance leases) 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 Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives. Schools may use any scheme that the Secretary of state has said is available to schools without specific approval, currently including the Salix scheme which is designed to support energy saving.

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 C~~ontrols of the use of ~~on~~ surplus balances

~~All primary and secondary schools are required to submit a "balance control mechanism" return by 31st May each year. Nursery, special schools and pupil referral units are excluded from any claw back due to the volatile nature of their funding which is no longer fixed for the duration of the financial year; however they must still submit the return.~~

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

~~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.~~

~~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.~~

~~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.~~

~~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.~~

Although schools have the autonomy to plan for and use their funding in the way that best meets the purposes of their school, they should not be carrying forward significant excessive surplus balances which are uncommitted and without a plan for their use. An excessive balance for this purpose is deemed to be 10% of the school's actual income received in the financial year or £20,000, whichever sum is the greatest. This applies to all revenue funds of the school, but excluding community facilities and other external services.

In order to control surplus balances, the authority will report the balances held by each school at the end of the financial year to the Schools' Forum (during the Summer term), alongside the actual and planned balance for the previous three years and any other data deemed to be of relevance. The Schools' Forum may request individual schools to provide further information and/or attend a meeting of the Heads Funding Group if the data reported raises any concerns regarding their financial management in respect of their balances.

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.

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)~~

Schools closing the financial year with an unplanned deficit, though setting a balanced budget for the current year, may be asked to submit the same additional information (for one year only) as those schools with a licensed deficit (see paragraph 4.9) and will be notified accordingly.

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.

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.

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 **205%** 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 420%.
- 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.
- The school must meet with the local authority at least every 6 months to review progress of the deficit recovery plan and attend Schools' Forum if requested.
- The school must submit monthly budget monitoring reports to Schools' Accountancy.
- The school must 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 LA will determine the schools ability to repay the loan by reviewing the following: school must clearly demonstrate its ability to repay the loan:
 - Last three years end of year blances
 - Last three years capital funding allocations
 - Current five year budget plan
 - Schools estimate of next five year pupil numbers and funding allocations (verified by the LA)
 - Latest audit plan recommendations

- The maximum size of the loan in normal circumstances will not exceed ~~20~~5% 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 ~~4~~20%.
- 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.

SECTION 5: INCOME

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, schools need to refer and adhere to the latest VAT guidance issued by the LAs VAT advisors. 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.

SECTION 7: TAXATION

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.

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 have 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.

SECTION 10: INSURANCE

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.

SECTION 11: MISCELLANEOUS

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 section 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~~ legal actions.

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://intranet/index.aspx?articleid=17242>

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

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.

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.

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 Nervet 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
 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
 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:	Estimated Dedicated Schools Grant (DSG) Budget for 2016/17 - Overview
Date of Meeting:	7th December 2015
Contact Officer(s)	Claire White, Ian Pearson
For discussion	

1. School Funding Settlement 2016/17

- 1.1 The Department for Education (DfE) is due to announce the school funding (DSG) settlement for 2016/17 by mid December 2015. DSG funding is split into 3 funding blocks – schools, early years and high needs, each calculated in a different way. Following the Spending Review on 25th November 2015 it appears that, as expected, there will be no increases to the funding rate for the schools block and early years block, and the total sum for the high needs block is likely to remain the same.
- 1.2 It is therefore highly likely that there will be a significant shortfall in funding in 2016/17, due mainly to the following factors:
- A significant over spend in the current year high needs block which will need to be met from next year's DSG.
 - Carry forward of under spend from previous years in the high needs and early years blocks will have been used up in the current year.
 - Pupil numbers and needs in the high needs block continue to rise without any increase in funding.
- 1.3 Assuming there will be no increase to our DSG, and taking an early estimate of the budget requirements for next year, the following table summarises the funding position for 2016/17. A breakdown of the funding and budget, split between the three blocks is shown in Appendix A, with a more detailed breakdown of expenditure by cost centre shown in Appendix B.

2016/17 Estimate	DSG Funding £'000	Budget Estimate £'000	Headroom/ (Shortfall) £'000
Schools Block	96,093	96,228	-135
Early Years Block	6,997	7,764	-767
High Needs Block	19,109	21,126	-2,017
Total	122,199	125,118	-2,919

2. Next Steps

- 2.1 The scale of the funding shortfall can be confirmed, once the following has taken place:
- Actual funding settlement received from the DfE.
 - School census data received from the DfE and the school formula run.
 - Officers will continue to work on obtaining their best forecasts for the current year spend and next year's estimates for all other budgets.
- 2.2 The school formula is set for 2016/17 but a decision will need to be taken on the funding rates at the January meeting of the Schools' Forum. It is currently assumed that there will be enough funding in the schools block to maintain the current funding rates. If there is a "surplus" in this block, consideration needs to be given on whether this can be used towards the shortfall in the high needs block rather than increasing the funding rates. Consideration will also need to be given to *reducing* current funding rates in the school formula. For example, a reduction of £10,000 from the lump sum paid to every school would generate £760k funding for the high needs block, or for each £10 deducted from the per pupil rate funding would generate approximately £220k funding for the high needs block.
- 2.3 Officers will consult with The Early Years Steering Group in drawing up proposals for balancing this block. The latest indication is that it may be possible to balance this block without reducing funding rates as the increases in hours of provision predicted for the current year have not materialised and there may be an under spend in the current year. This will become clearer following the January 2016 census.
- 2.4 Detailed information on the High Needs block is set out in a separate report on this agenda which has been discussed in detail at the recent Heads Funding Group (HFG). Officers are to bring a range of proposals for balancing this block back to the January meeting of the HFG to determine a recommendation to bring back to the Schools' Forum.
- 2.5 The Spending Review also highlighted the Government's intention to introduce a national funding formula for schools, high needs and early years starting in 2017/18. As West Berkshire receives below average funding, this may indicate possible additional funding in the future, though there are no details yet on what a national funding formula actually means. A detailed consultation is expected early in 2016.

Appendices

Appendix A - Estimated DSG Funding 2016/17 as at November 2015

Appendix B – Draft DSG budget 2016/17 as at November 2015

Appendix A

1	Estimated DSG Funding 2016/17 as at NOVEMBER 2015		
2		Final 2015/16	Estimate 2016/17
3	SCHOOLS BLOCK	Oct 2014 census	Oct 2015 census
4	Pupil Numbers		
5	School Census - Mainstream	22,062.0	22,062.0
6	Add: Reception Uplift	49.0	49.0
7	Less: Pupils/Places in Resource Units	-119.0	-119.0
8	Total Pupil numbers	21,992.0	21,992.0
9			
10	DSG Guaranteed Unit of Funding	£4,367.93	£4,367.93
11	DSG based on pupil numbers	£96,059,517	£96,059,517
12			
13	Plus: Adjustment for NQT	£33,115	£33,115
14			
15	ADD Carry Forward from Previous Year	£148,491	£0
16			
17	Total Schools Block including Academies	96,241,123	96,092,632
18			
19	EARLY YEARS BLOCK (Provisional)	Jan 2015 census	Jan 2016 census
20	Pupil Numbers (FTE)		
21	School Census - Mainstream	422.0	422.0
22	Early Years Census	1,139.0	1,140.0
23	Adjustment for universal provision	0.0	0.0
24	Total Pupil numbers	1,561.0	1,562.0
25			
26	DSG Guaranteed Unit of Funding	£3,911.25	£3,911.00
27	DSG based on pupil numbers	£6,105,461	£6,108,982
28	add back assumed	£3,521	
29			
30	Difference in provision for DSG due in previous year:		
31	Provision for estimated DSG	-£61,000.00	
32	Actual DSG	£59,000.00	
33			
34	Two Year Old Funding		
35	DSG Guaranteed Unit of Funding 2 Year Olds 15/16 (FTE)	£5,092.00	£5,092.00
36	Estimated number of 2 year olds per counts (FTE)	114	162
37	DSG based on estimated number of 2 year olds	£580,488	£823,224
38	add back assumed	£242,736	
39			
40	Plus Indicative Early Years PPG	£74,590	£74,590
41	Transfer Funding to HNB		-£10,000
42	ADD Carry Forward from Previous Year	£667,092	£0
43			
44	Total Early Years Block	7,671,888	6,996,796
45			
46	HIGH NEEDS BLOCK		
47	Previous Year High Needs Budget	17,550,154	19,100,554
48	Adjustments:		694,600
49	Adjust from residency basis to location basis	1,389,400	
50	Funding Adjustment	17,000	0
51	Additional Funding	144,000	0
52	Transfer Funding from EYB		10,000
52	ADD Carry Forward from Previous Year	344,944	-695,780
53			
54	Total High Needs Block	19,445,498	19,109,374
55			
56	TOTAL DSG FUNDING AVAILABLE	123,358,509	122,198,801
57			
58	Expenditure Budgets (including academies, split into funding blocks)		
59	SCHOOLS BLOCK		
60	Primary & Secondary Delegated Budgets 4 - 16	95,445,260	95,284,970
61	Schools Contingency (Growth Fund/Falling Rolls Fund)	322,160	290,000
62	Centrally Retained Schools Budget	473,700	653,090
63		96,241,120	96,228,060
64	EARLY YEARS BLOCK		
65	Early Years single Funding Formula - Schools	1,888,830	1,888,830
66	Early Years single Funding Formula - PVI	4,673,650	4,726,470
67	2 year old Funding	810,000	810,000
68	Early Years PPG	209,590	209,590
69	Centrally Retained early years budgets	79,820	129,160
70		7,661,890	7,764,050
71	HIGH NEEDS BLOCK		
72	Special Schools	6,616,190	6,843,010
73	Resource Units / LALs	2,564,810	1,459,260
74	Mainstream Schools (Top Ups)	801,370	778,750
75	PRU's	2,018,000	2,218,000
76	Non Maintained/Independent Special Schools/FE	3,479,210	3,511,460
77	Recoupment for Academy, NMSS, and 6th form HN places	1,536,000	3,670,000
78	Centrally Retained High Needs Budgets	2,566,580	2,645,220
79		19,582,160	21,125,700
80			
81	Total Expenditure Budgets	123,485,170	125,117,810
82			
83	Headroom or (Shortfall)	-126,661	-2,919,009

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West Berkshire Schools Forum	
Title of Report:	Update on High Needs Place Funding 2016/17
Date of Meeting:	7th December 2015
Contact Officer(s)	Jane Seymour
For Discussion	

1. Background

- 1.1 Place funding is allocated by the Education Funding Agency for children and young people with high level needs who are under 16 and attend a special or resourced school.
- 1.2 Place funding is also allocated by the Education Funding Agency for young people with high level needs who are over 16 and attend a mainstream school, special school, resourced school or FE College.
- 1.3 Place funding in 2015/16 was based initially on place funding allocated by the EFA in 2014/15. A process was put in place by the EFA for Local Authorities to make “exceptional” requests for planned place numbers in 2015/16 over and above 2014/15 numbers. The EFA stated that exceptional planned place requests were unlikely to be agreed unless either (a) actual numbers in 2014/15 were significantly higher than the planned places (at least 10% higher), or (b) a significant number of new places were needed as a result of a change in infrastructure such as a new school.
- 1.4 West Berkshire Council made the following requests for increases to planned places through the exceptions process.

School/setting	14/15 Planned Places	Places requested for 15/16	Places agreed by EFA for 15/16
Brookfields	218	230	218
The Castle	147	156	147
Trinity ASD Resource	0	4	0
West Berkshire Training Consortium	0	6	4
Newbury College	68	100	91

- 1.5 All requests were refused apart from the addition of 4 planned places for the West Berkshire Training Consortium and the addition of 23 planned places for Newbury College.
- 1.6 The Council made a formal challenge to this decision but the EFA was unwilling to make any changes to planned place numbers for 2015/2016. Many other Local Authorities had similar experiences of the exceptional planned place process.

2. High Needs Place Funding 2015/16 Academic Year

- 2.1 Places currently funded by the EFA and actual places currently filled are as follows:

SCHOOL / INSTITUTION	Planned Places 2015/16	ACTUAL Numbers Sept 15	Difference
Primary schools with special resources			
Speenhamland (PD Resource)	10	11	+1
The Winchcombe (Speech Lang Resource)	15	7	-8
Theale Primary (ASD Resource)	10	9	-1
Westwood Farm Infant (HI Resource)	5	3	-2
Westwood Farm Junior (HI Resource)	10	7	-3
Secondary (special resources / post 16 only)			
Denefield	2	0	-2
John O'Gaunt	0	0	0
Kennet (inc. PD & HI Resource)	38	10HI+19PD+3m/s =32	-6
Little Heath	5	1	-4
Park House	2	0	-2
St. Bartholomew's	2	2	0
The Downs	1	3	+2
The Willink	2	0	-2
Theale Green (inc. ASD Resource)	17	12 ASD + 1m/s= 13	-4
Trinity (inc. SpLD Resource)	30	29 SPLD + 1m/s= 30	0
Trinity ASD Resource	0	3	+3
Special schools			

Brookfields	218	229	+11
The Castle	147	157	+10
FE Colleges			
Newbury College (56 places assigned to WBC)	91	70	+14
West Berkshire Training Consortium	4	4	0
TOTAL (excluding PRUs)	609		

3. High Needs Place Funding 2016/17

- 3.1 The EFA has notified Local Authorities that it will base 2016/17 financial year place funding on the place funding allocated for 2015/16. There will be no opportunity for Local Authorities to request additional planned places as there was last year.
- 3.2 The total number of planned places in 2016/17 will therefore remain the same as in 2015/16. Local Authorities will have the flexibility to move planned place funding between institutions, in line with any changing patterns of need, but there will be no overall increase in planned place funding.
- 3.3 Local Authorities may request additional planned places for academies and FE Colleges, but if these are agreed, the funding will be taken from the Authority's DSG.
- 3.4 Any places which need to be funded over and above the current total of 609 will therefore represent a pressure on the High Needs Block.
- 3.5 There has been a shortfall this year in planned place funding for Brookfields, The Castle, Trinity ASD Resource, Newbury College and Speenhamland PD Resource. However, there has been over provision of planned place funding at some other establishments, with the net shortfall being 7 places currently.
- 3.6 Numbers at The Castle and Brookfields continue to rise and are likely to further exceed planned place numbers in 2016/17, which will be an additional pressure on the High Needs Block.
- 3.7 It is anticipated that the Trinity ASD Resource will take 2 or 3 more children in September 2016.
- 3.8 Newbury College numbers are likely to fluctuate this term and could increase.
- 3.9 As some institutions have more planned places than they require, a decision will need to be taken for 2016/17 as to whether some of the "surplus" planned places are reallocated. However, this is likely to be difficult for small resourced units as they may then be unable to fund the required basic level of staffing to run the resource.
- 3.10 Post 16 planned places cannot be removed from schools' budgets.

4. Changes to Planned Places in 2016/17

- 4.1 A request has been made to the EFA for 5 planned places for the Trinity ASD Resource which opened in September. If agreed, this funding will be removed from our DSG. These places are already being funded and therefore this does not represent an additional funding pressure on the HNB.
- 4.2 No other requests for changes to planned places at academies or FE Colleges have been made.
- 4.3 Changes to planned places at maintained schools, either up or down, do not require approval of the EFA.
- 4.4 There is surplus post 16 planned place funding in 5 mainstream schools, but under EFA regulations this funding cannot be removed from schools. There may, however, be opportunities to reduce top up funding to these schools to take in to account surplus place funding.
- 4.5 Four schools with resourced units currently have more planned places than High Needs students. These are: Kennet, Westwood Farm Infant, Westwood Farm Junior and Winchcombe.
- 4.6 Discussions with these Headteachers are being held and have not all yet been concluded. However, initial indications are that in most cases numbers will be higher in 2016-17 than they are currently and therefore there is likely to be limited scope to remove any planned place funding. An update will be given at the January meetings of the Heads' Funding Group and Schools Forum.
- 4.7 Any additional planned place funding allocated to special schools will therefore be an additional pressure on the HNB.

West Berkshire Schools Forum	
Title of Report:	High Needs Budget Proposals 2016-17
Date of Meeting:	7 December 2015
Contact Officer(s)	Jane Seymour, Cathy Burnham
For Decision	

1. Background

- 1.1 This report sets out the 2015-16 High Needs budgets, the forecast for the current year, and the latest estimates for 2016-17.
- 1.2 There is likely to be a significant shortfall in funding in the High Needs Block (HNB) in 2016/17 of approximately £2m, mainly due to the following factors:
 - No increase in funding expected for this block (other than the full year neutral effect of changing from residency to location basis for place funding – see paragraph 3.1).
 - The carry forward in funding from previous years which has supported the budget in the current year has been used up.
 - There is likely to be an overspend in 2015/16 which will need to be funded from the 2016/17 HNB allocation.
 - Continuing increase in numbers and level of support required for high needs pupils.
- 1.3 This report sets out the expected projections on expenditure for next year and highlights areas where savings could be considered, alongside likely impacts.
- 1.4 HFG Members are asked to consider the options and provide a steer on what areas they would like more detailed information on to consider as proposals at the January meeting.

2. High Needs Block Summary

- 2.1 **Table 1** summarises the position on the HNB. The current forecast for 2015/16 is a shortfall of £695,780 which will need to be funded in 2016/17. The estimates for 2016/17 are based on all services continuing and at current staffing levels/contract costs, and funding rates for top ups remaining the same for the current and/or known number and funding level of pupils.

TABLE 1	2015/16 Budget £	2015/16 Forecast £	2016/17 Estimate £
Place Funding	6,285,400	6,285,400	7,030,000
Top Up Funding	8,507,580	8,940,060	9,027,880
PRU Funding	2,201,000	2,401,000	2,401,000
Other Statutory Services	1,213,860	1,254,650	1,233,490
Non Statutory Services	858,570	868,570	1,031,730
Support Service Recharg	515,750	401,600	401,600
Total Expenditure	19,582,160	20,151,280	21,125,700
HNB DSG Allocation	19,100,550	19,100,550	19,795,150
HNB DSG C/F	344,950	344,950	-695,780
EY DSG Allocation	10,000	10,000	10,000
Total DSG Funding	19,455,500	19,455,500	19,109,370
Shortfall	-126,660	-695,780	-2,016,330

3. Place Funding - STATUTORY

3.1 Place funding is agreed by the Education Funding Agency (EFA) and has to be passed on to the institution, forming their base budget. Academy, Non Maintained Special Schools (NMSSs), and post 16 places are included in our initial HNB allocation but the agreed place numbers are then deducted and paid to the institution direct (DSG top slice). From the 2015/16 academic year the funding includes all institutions located in the local authority rather than on residency of the pupils – so, for example, our allocation now includes all places at Mary Hare School, but not places for our pupils in NMSSs outside West Berkshire. As a result of this change there will be an additional allocation of funding in 2016/17 to cover the full year effect of this change – this should have a neutral impact.

3.2 The EFA is not funding any overall increases to places, although there is an increase in demand for places in special schools. **Table 2** currently shows no increase to special school planned places, as there is no additional planned place funding to allocate unless there is surplus planned place funding in other institutions which can be reallocated. If no place funding can be released from other institutions, and if it is decided that additional planned places should be funded at the special schools, this will be a further pressure on the High Needs Block. A bid has been made for the additional 5 places at the new resource unit at Trinity School.

TABLE 2 – Place Funding Budgets	2015/16 Budget			2016/17 Estimate	
	No. of Places	£	Current No. of Places	No. of Places to be Funded (from 1/9/16)	£
Special Schools – pre 16 (90540)	286	2,860,000		286	2,860,000
Special Schools – post 16 (DSG top slice)	79	680,010		79	790,000

Resource Units Maintained – pre 16 (90584)	50	500,000	37	50	500,000
Resource Units Academies – pre 16 (DSG top slice)	69	690,000		74	740,000
Mainstream Maintained – post 16 (DSG top slice)	8	44,000		8	48,000
Mainstream Academies – post 16 (DSG top slice)	22	128,000		22	132,000
NMSS – pre 16 (DSG top slice)	148	1,030,040		148	1,480,000
NMSS – post 16 (DSG top slice)	48	353,350		48	480,000
TOTAL	710	6,285,400		715	7,030,000

- 3.3 There are few options available to reduce the place funding budget. If there are actually fewer pupils than the number of pre-16 places in any institution, then the place numbers could be reduced if it does not impact on viability in that institution. However, if any funding can be released in this way it is likely to be needed for schools which do not have enough planned places. Where there are additional places being agreed in year with schools, (over and above planned places), EFA advice and guidance states that they do not need to be funded at the full place cost of £10,000 and should be negotiated at a lower rate. However, the expectation of schools is generally that the full £10,000 should be paid.

4. Top Up Funding – STATUTORY

- 4.1 Top up funding is paid to the institutions where we are placing pupils who live in West Berkshire (we do not pay our institutions for pupils who live outside West Berkshire). **Table 3** shows the budget and forecast for 2015/16 – the forecast is a £432k overspend. The forecast for top up funding in 2015/16 is based on pupils currently receiving this funding (Autumn term) and assumes no change in numbers to the end of the financial year.
- 4.2 The main areas of pressure in the top up budgets are non West Berkshire special schools, West Berkshire maintained special schools and non West Berkshire resourced units.
- 4.3 The reason for the increase in expenditure in non West Berkshire special schools is mainly the opening of a new free school for children with ASD, Thames Valley Free School. Places are never given at non West Berkshire special schools unless there is no alternative. Pupils who have been allocated places were no longer able to have their needs met in their mainstream schools and there were either no places in WBC ASD secondary resourced units, or their needs could not be met there either. It should be noted that if these pupils had not been placed at TVFS it is likely they would have needed to be placed at more expensive non maintained or independent specialist schools.

TABLE 3	2014/15 Budget		2015/16 Budget			
Top Up Budgets	Estimated no. of pupils	£	Pressure Savings Agreed	Budget Set	Latest Forecast (month 7)	Estimated no. of pupils
Special Schools Maintained (90539)		2,465,120	265,820	2,730,940	2,793,280	
Non WBC special schools (90548)		663,900	71,340	735,240	1,090,210	
Resource Units Maintained (90617)		335,060	-5,830	329,230	329,230	
Resource Units Academies (90026)		252,610	167,120	419,730	419,730	
Resource Units Non WBC (90618)		15,300	12,560	27,860	41,270	
Mainstream Maintained (90621)		522,830	-62,850	459,980	459,980	
Mainstream Academies (90622)		161,940	51,300	213,240	213,240	
Mainstream Non WBC (90624)		50,700	11,450	62,150	72,680	
Non Maintained Special Schools (90575)		889,740	15,580	905,320	914,680	
Independent Special Schools (place & top up) (90579)		1,476,030	107,820	1,583,850	1,565,720	
Further Education (90580)		1,345,340	-355,300	990,040	990,040	
Disproportionate HN Pupils (90627)		50,000	0	50,000	50,000	
TOTAL		8,228,570	279,010	8,507,580	8,940,060	

4.4 The 2016/17 estimate shown in **Table 4** is based on either current predicted costs or actual students for September 2016 where this information is known. The increase in the budget requirement is £520k.

TABLE 4	2015/16 Budget			2016/17 Estimate		
Top Up Budgets	Estimated no. of pupils	£	Average cost per pupil	Estimated no. of pupils	£	Average cost per pupil
Special Schools Maintained (90539)		2,730,940			2,793,280	
Non WBC special schools (90548)		735,240			1,119,729	
Resource Units Maintained		329,230			329,230	

(90617)						
Resource Units Academies (90026)		419,730			439,830	
Resource Units Non WBC (90618)		27,860			55,600	
Mainstream Maintained (90621)		459,980			459,980	
Mainstream Academies (90622)		213,240			213,240	
Mainstream Non WBC (90624)		62,150			55,530	
Non Maintained Special Schools (90575)		905,320			885,010	
Independent Special Schools (place & top up) (90579)		1,583,850			1,636,410	
Further Education (90580)		990,040			990,040	
Disproportionate HN Pupils (90627)		50,000			50,000	
TOTAL		8,507,580			9,027,880	

4.5 The LA has a statutory duty to pay top ups according to a pupil's statement or EHC plan. The only option for reducing spend on top ups in West Berkshire schools is to reduce the value of top up bandings. This would impact on individual school budgets. It would also have statutory implications as Statements and EHC Plans include either a number of hours of TA support or a funding band value.

4.6 It should be noted that the predictions for independent and non maintained schools are based on current pupils, adjusted for known leavers and joiners. It is not possible to predict all pupils who may need placements in 2016-17.

5. Pupil Referral Units (PRU) & Home Tuition – STATUTORY

5.1 Table 5 shows the budget and forecast for the PRU budgets in 2015/16. In 2014/15 the budget for top ups was overspent by £436k. The decision by Schools' Forum was to change to a single top up rate in 2015/16 to reduce actual spend, and only a minimal increase in the budget was agreed. The latest forecast for 2015/16 is that the budget will overspend by £200k. Whilst this is a significant reduction in the overspend compared to last year, this is mainly due to an increase in the number of pupils, and using the average of the old rates. The single average rate seems to be costing more at the Alternative Curriculum, as a greater proportion of pupils were previously on a lower rate.

TABLE 5	2014/15 Budget		2015/16 Budget			
PRU Budgets	Estimated no. of pupils	£	Pressure Savings Agreed	Budget Set	Latest Forecast (month 7)	Estimated no. of pupils
PRU Place Funding (90320)	84	840,000	0	840,000	840,000	AC: 48 RS: 36
PRU Top Up Funding (90625)	AC: 46 RS: 89 pupils	1,037,500	23,500	1,061,000	1,261,000	AC: 53 RS: 80 (based on slightly lower figures this term)
Non WBC PRU Top Up Funding (90626)	0	0	0	0	0	0
Home Tuition Service (90315)	34	282,000	18,000	300,000	300,000	37 estimated (Nov 2015: 18 +5 pending)
TOTAL		2,159,500	41,500	2,201,000	2,401,000	

5.2 The 2016/17 estimates shown in **Table 6** assumes that the rates and numbers of pupils remain the same as 2015/16.

TABLE 6	2015/16 Budget			2016/17 Estimate		
PRU Budgets	Estimated no. of pupils	£	Average cost per pupil	Estimated no. of pupils	£	Average cost per pupil
PRU Place Funding (90320)	84	840,000	10,000	84	840,000	10,000
PRU Top Up Funding (90625)	AC: 53 RS: 80	1,061,000		AC: 53 RS: 80	1,261,000	9,481
Non WBC PRU Top Up Funding (90626)	0	0	0	0	0	0
Home Tuition Service (90315)	37	300,000	8,108	37	300,000	8,108
TOTAL		2,201,000			2,401,000	

5.3 Place funding is fixed and agreed with the EFA, though the number of places if not being used could be reduced. Options for reducing the top up budget in 2016/17 are reducing the current top up rate and reviewing the contributions made by schools for each pupil they place. In the longer term the Strategic Review will inform funding arrangements from September 2017.

5.4 The Home Tuition Service is a statutory service providing home tuition to children with medical conditions and illness that prevent them accessing full time school. It might be possible to reduce this budget by offering more e-learning packages and reducing external support packages but pupil numbers are predicted to increase due to the increase in mental health issues in our school population.

5.5 The impact of a reduction is likely to be:

- A reduced rate of funding per student

- outcomes for pupils could be poorer with fewer managing to reintegrate into mainstream school, and lower attainments
- Increased pressure on other specialist support services

6. Other STATUTORY Services

6.1 **Table 7** details the changes made to statutory services budgets between 2014/15 and 2015/16 and the latest forecast. The main change between 2014/15 and 2015/16 was recognising therapy services needed to be funded by the HNB (previously centrally funded). The pressure in the current year is mainly due to hospital tuition placements.

TABLE 7	2014/15 Budget		2015/16 Budget			
STATUTORY SERVICES	Estimated no. of pupils	£	Pressure Savings Agreed	or Budget Set	Latest Forecast (month 7)	Estimated no. of pupils
Applied Behaviour Analysis (90240)		138,630	-27,900	110,730	110,730	
Sensory Impairment (90290)		227,440	0	227,440	238,800	
Engaging Potential (90577)	14	459,110	81,150	540,260	540,260	14
Equipment for SEN Pupils (90565)		38,470	-18,470	20,000	21,070	
Therapy Services (90295)		0	315,430	315,430	324,430	
Hospital Tuition (90610)		0	0	0	19,360	
TOTAL		863,650	350,210	1,213,860	1,254,650	

6.2 **Table 8** details the current budget compared to the estimate for 2016/17, overall growth of £20k for hospital tuition:

TABLE 8	2015/16 Budget			2016/17 Estimate		
STATUTORY SERVICES	Estimated no. of pupils	£	Average cost per pupil	Estimated no. of pupils	£	Average cost per pupil
Applied Behaviour Analysis (90240)		110,730			90,000	
Sensory Impairment (90290)		227,440			238,800	
Engaging Potential (90577)	14	540,260	£38,590	14	540,260	£38,590
Equipment for SEN Pupils (90565)		20,000			20,000	
Therapy Services		315,430			324,430	

(90295)						
Hospital Tuition (90610)		0			20,000	
TOTAL		1,213,860			1,233,490	

6.3 **Applied Behaviour Analysis (ABA)**

6.3.1 This budget supports a small number of statemented children for whom the Authority has agreed an ABA programme as part of their statement. ABA is an intensive intervention programme for children with autism which aims to modify behaviours which are typical of ASD in order to allow children to function more successfully in school and in society.

6.3.2 This budget also covers the cost of statemented children accessing other “miscellaneous” educational programmes, such as The Lighthouse Project where this is the most appropriate and cost effective way of meeting their needs.

6.3.3 A small reduction of £28k was made to this budget in 2015/16 based on the number of children accessing these services at that time.

6.3.4 It has been possible to reduce the budget slightly for 2016-17 due to a small reduction in the number of children accessing ABA or other alternative packages of support. The budget for 2016/17 is based on existing children with Statements of Special Educational needs who will still be in their placement in 2016-17 and therefore funding cannot be withdrawn or reduced.

6.3.5 The impact of reducing or removing this budget in the future would be:

- Breach of statutory duty as the Local Authority would be unable to make provision set out in Statements / EHC Plans
- High likelihood of judicial reviews and appeals to the SEN and Disability Tribunal
- Children accessing alternative provision such as The Lighthouse needing other provision such as PRU places or having to be returned to mainstream schools.

6.4 **Sensory Impairment**

6.4.1 Support for children with hearing, visual and multi sensory impairments is purchased from the Berkshire Sensory Consortium Service. This includes support from qualified teachers of HI and VI, audiology and mobility support. The service supports both statemented and non statemented children.

6.4.2 West Berkshire Council has a contract with the Sensory Consortium Service which is due for renewal in April 2017.

6.4.3 The budget has needed to increase slightly for 2016-17 as a result of a small number of children leaving specialist schools for the deaf, such as Mary Hare, and moving in to mainstream schools. This has reduced expenditure on non maintained special schools. However, these students need a fairly high level of teacher of the deaf support in order to access the mainstream curriculum, which is outside of the existing contract. (The overall cost for these students, including their mainstream placements and teacher of the deaf support, is lower than the cost of their previous specialist placements).

6.4.4 The impact of reducing or removing this budget from April would be:

- The service supports both statemented and non statemented pupils with sensory impairment. If the service was reduced, schools would receive less support in meeting the specialist needs of these pupils and the attainments and progress of pupils would be likely to suffer
- If support for statemented pupils were to be withdrawn or reduced, there would be statutory implications as this provision is usually written in to the child's Statement. In these circumstances, the Local Authority would be in breach of its statutory duties and there would be a high likelihood of judicial reviews and appeals to the SEN and Disability Tribunal.
- There may be some scope to reduce support for non statemented pupils, although this carries a risk that parents and schools will then seek EHC Plans in order to access the service, so could be counterproductive.
- A review of the SCS is currently being undertaken to establish if it is providing value for money and whether there is scope for efficiency savings. However, changes to the contract could not be made before April 2017.

6.5 **Engaging Potential**

6.5.1 Engaging Potential is a commissioned service providing alternative educational packages for 14 young people in Key Stage 4 with statements for behavioural, emotional and social difficulties whose needs cannot be met in any other provision. An increase in this budget was agreed during 2014-15 because of the need for the project to employ more specialist teaching staff as the group dynamics are such that several students need to be taught on a one to one basis rather than in small groups. Premises costs have also increased since the project was moved to more suitable accommodation.

6.5.2 West Berkshire Council's contract with Engaging Potential was renewed in July 2015 for 3 years. When the contract was retendered, the only organisation which put in a bid was Engaging Potential.

6.5.3 The impact of reducing or removing this budget from April would be:

- Alternative placements would have to be found for 14 young people with severely challenging and anti social behaviours. Unless they could be accommodated in PRUs or mainstream schools, they would require placements in independent or non maintained special schools at significantly greater unit cost.
- It is not realistic to reduce the unit cost given the nature of the client group and the fact that Engaging Potential already offers significantly better value than its competitors. There may be scope to negotiate an in year reduction to the contract on the basis that post 16 students are no longer taken. However, these students would then require placements elsewhere, in PRUs, mainstream schools or FE Colleges, which would all have associated costs in the HNB (and securing such placements may not be feasible in some cases).

6.6 Equipment for SEN Pupils

6.6.1 This budget funds large items of equipment such as specialist chairs and communication aids for statemented pupils.

6.6.2 This budget was reduced to £20k in 2015/16. Equipment is now only purchased for children attending mainstream and resourced schools, and special schools are expected to fund these large items of equipment from their own budgets. The forecast for 2015/16 is £21,070. There has been one exceptionally expensive piece of equipment purchased for an individual child this year which has inflated costs.

6.6.3 The proposed budget for 2016-17 is £20,000. It is hoped that the demand for specialist equipment will not exceed this level of expenditure, based on this year's forecast.

6.6.4 The impact of removing or reducing this budget from April would be:

- There would be some children who would either not receive the specialist equipment they require or schools would have to fund the equipment.
- Parents may appeal to the SEN Tribunal if equipment is not provided, in order to get the equipment written in to the Statement or EHC Plan.

6.7 Therapy Services (Area Health Contract)

6.7.1 Therapy Services covers the costs for children with SEN who have speech therapy or occupational therapy in their Statements or EHC Plans. This budget moved to the HNB in 2015/16, and the current forecast for 2015/16 is £324,430.

6.7.2 It has been necessary to make a slight increase in this budget for 2016-17. This is mainly due to the need to provide additional physiotherapy at The Castle School for children who were subject to appeals to the SEN & Disability Tribunal. The Council was successful in defending these appeals and avoiding two very expensive placements in a non maintained special school.

6.7.3 Therapy services are provided by the Authority solely to children who have the need for a service stipulated and quantified in their Statement or EHC Plan.

6.7.4 The impact of removing or reducing this budget from April would be:

- Breach of statutory duty and high likelihood of litigation including judicial reviews
- Appeals to the SEN & Disability Tribunal
- There may be some scope to review with the therapy service whether more children could be discharged from the service and have therapy provision removed from or reduced in their Statement / EHC Plan. However, there would need to be evidence that therapy was no longer required, or that less was required. Even where this evidence is available, amending Statements to reflect reduced provision will open up a right of appeal to the SEN & Disability Tribunal.

7. NON STATUTORY SEN Services

7.1 **Table 9** details the reductions made to non statutory services budgets in 2015/16 and the latest forecast. £202k savings were agreed by the Schools' Forum and the forecast is that in the majority of cases these budgets should be on-line.

TABLE 9	2014/15 Budget		2015/16 Budget			
NON STATUTORY SERVICES	Estimated no. of pupils	£	Pressure Savings Agreed	Budget Set	Latest Forecast (month 7)	Estimated no. of pupils
Language and Literacy Centres LALs (90555)	48	134,600	0	134,600	134,600	48
Specialist Inclusion Support Service (90585)		105,650	-35,650	70,000	70,000	
SEN Pre School Children (90238)		50,210	0	50,210	60,210	
Cognition & Learning Team (90280)	N/A	318,300	-56,350	261,950	261,950	N/A
ASD Advisory Service (90830)		153,460	-17,970	135,490	135,490	
SEN Inclusion (90965)	N/A	28,780	540	29,320	29,320	N/A
PRU Outreach Service (90582)	52	197,000	-80,000	117,000	117,000	(Nov 2015: 17 pupils supported) Estimate 40
Vulnerable Children (90961)	66	80,000	-20,000	60,000	60,000	55
TOTAL		1,068,000	-209,430	858,570	868,570	

7.2 **Table 10** shows the budget for these services in 2016/17 assuming that these services continue and there are no changes to staffing levels. These services are non statutory so there is more potential scope to make savings, although reductions in any of these budgets could increase pressure on statutory budgets.

TABLE 10	2015/16 Budget			2016/17 Estimate		
NON STATUTORY SERVICES	Estimated no. of pupils	£	Average cost per pupil	Estimated no. of pupils	£	Average cost per pupil
Language and Literacy Centres LALs (90555)		134,600			134,600	
Specialist Inclusion Support Service (90585)		70,000			70,000	
SEN Pre School		50,210			50,210	

Children (90238)						
Cognition & Learning Team (90280)		261,950			270,440	
ASD Advisory Service (90830)		135,490			139,720	
SEN Inclusion (90965)		29,320			29,760	
PRU Outreach Service (90582)	40	117,000	2,925	40	117,000	2,925
Vulnerable Children (90961)	55	60,000	1,090	55	60,000	1,090
Pre School Teacher Counselling Service		0			85,000	
Learning Independence for Travel (LIFT)		0			75,000	
TOTAL		858,570			1,031,730	

7.3 **Language and Literacy Centres (LALs)**

7.3.1 This budget funds the primary LALs at Theale and Winchcombe schools. The LALs provide intensive literacy support for primary children with severe specific literacy difficulties. 48 places per year are available across the two LALs.

7.3.2 Options available are closing one or both LALs, reducing capacity, lowering the level of service, or charging schools who use the service.

7.3.3 Referrals for LAL places usually exceed places available by approximately 24 per year.

7.3.4 The impact of removing or reducing this budget from April would be:

- Schools would have to meet the needs of pupils who did not get LAL places or pay for places
- There would be likely to be an increase in requests for EHC assessments for pupils who are currently non statemented, putting more pressure on the statementing budget.

7.4 **Specialist Inclusion Support Service**

7.4.1 This service provides outreach support from West Berkshire's special schools to mainstream schools to support the inclusion of children with learning and complex needs in their local mainstream schools.

7.4.2 This budget was reduced by £36k in 2015/16 with the special schools providing the service absorbing the cost.

7.4.3 The impact of removing or reducing this budget from April would be:

- Schools would receive no or reduced support in meeting the needs of these complex pupils
- This would be likely to put pressure on other SEN support services such as the Educational Psychology Service and CALT
- Alternatively, schools could be asked to pay for the SISS Service.

7.5 SEN Pre School Children

7.5.1 This budget provides one to one support to enable children with SEN to access non maintained and voluntary pre- school settings.

7.5.2 In 2015/16 this budget has been supported by a £10k contribution from the Early Years DSG. In 2016/17 this block is also under severe pressure, though there is the option to move this service to be funded from this block.

7.5.3 The impact of removing or reducing this budget from April would be:

- Children who are entitled to access 2, 3 or 4 year old early education provision would be unable to do so as they would not have one to one support. This is likely to be unlawful under the Equality Act.
- We can consider whether it is possible to support fewer children and /or offer lower levels of support, although the criteria for accessing funding and levels of support have already been tightened, so there is unlikely to be much scope for this.

7.6 Cognition and Learning Team

7.6.1 The Cognition and Learning Team (CALT) provides advice, support and training to mainstream schools to help them to meet the needs of children with SEN.

7.6.2 A reduction in this budget was made in 2015/16, with certain aspects of the service now being charged to schools.

7.6.3 Many primary schools are reliant on this service to supplement their own SEN provision and expertise, especially schools where the Head has to act as SENCO or where there is an inexperienced SENCO.

7.6.4 The impact of removing or reducing this budget from April would be:

- Reduced levels of support to schools to meet the needs of children with SEN
- Alternatively, making more of the service subject to an income target and / or increasing the existing charges
- Impact on quality of SEN provision in schools, if schools are unable to buy in the service
- Potential for more complaints from parents and also more requests for EHC assessments, with associated costs.

7.7 ASD Advisory Service

7.7.1 The ASD Advisory Service provides advice, support and training for mainstream schools on meeting the needs of children with Autistic Spectrum Disorder. The purpose of the service is to enable children with ASD to be successfully included in mainstream schools wherever possible.

7.7.2 Savings were made to the Early Intervention budget in 2015/16 by ceasing the Early Years Language Project (early intervention for children with speech and language difficulties in pre schools, foundation stage, and KS1). The remainder of this budget (£7,550) relating to ASD support was moved to the ASD service in 2015/16.

7.7.3 The context for this service is vastly increasing numbers of children with ASD diagnoses and mainstream schools having more and more

difficulty meeting the needs of these children. The majority of our placements in non West Berkshire special schools, independent special schools and non maintained special schools are for children with ASD.

7.7.4 The impact of removing or reducing this budget from April would be:

- No or reduced support for schools in meeting the needs of children with ASD
- Pressure for EHC Assessments and Plans for children with ASD who are not currently statemented, with associated costs
- Increase in demand for placements in specialist ASD schools, with associated costs.

7.7.5 It is strongly recommended that this budget is not reduced because of the significant increase in need in relation to ASD and because of the likely impact on demand for expensive specialist ASD placements.

7.8 SEN Inclusion

7.8.1 This budget supplements the Cognition and Learning Team budget, and is effectively part of the CALT budget, although it has never been formally vired.

7.8.2 See comments in paragraph 7.6 above.

7.9 PRU Outreach

7.9.1 The PRU Outreach Service offers consultancy / outreach support mainly to students who have been attending the Reintegration Service and are starting to attend a mainstream school.

7.9.2 A cut of £80k was made to this budget in 2015/16, with the PRU absorbing the cost. Further savings could be made to this budget if schools were prepared to support pupils on reintegration into their schools, reduce the number of outreach sessions they received, or pay in full for these sessions. As Reintegration numbers appear to be slightly lower, outreach numbers (i.e. support for reintegration) may also be slightly lower.

7.9.3 Impact:

- less support to schools in reintegrating young people who have been permanently excluded from another school
- increased likelihood of failed reintegration resulting in poorer outcomes for young people, greater costs on Reintegration Service budget

7.10 Vulnerable Children

7.10.1 The Vulnerable Children Fund is a small budget used to help schools support their most vulnerable pupils on an emergency, unpredicted or short term basis.

7.10.2 The budget was reduced in 2015/16 from £80k to £60k. It is possible to remove completely or reduce the fund such as only being available for primary schools and / or if the criteria were tightened, for example, funding given for shorter periods, no funding extensions.

7.10.3 Impact: The criteria has been strengthened this year, with funding allocated for shorter periods, only one pupil per school being supported at any one time and fewer extensions.

However, the VC Fund is already under pressure. If schools, particularly smaller primary schools, cannot access this support in the future it could lead to:

- Increased movement between schools, with schools being asked to admit more pupils with behaviour difficulties
- Higher exclusion figures
- pressure on the Reintegration Service as more schools ask for primary placements at The Oaks
- Greater pressure on the costs associated with EHC plans and expensive statutory provision
- Increased pressure on the capacity of specialist support services

7.11 Pre School Teacher Counselling Service

7.11.1 This service is currently funded from the central education budget. The budget for the service is £170,000.

7.11.2 The service comprises of 3.3 teachers who are specialists in early years and SEN. Children under 5 who are identified by Health professionals as having significant SEN are referred to this service. Staff initially visit children in their homes (if they are not yet in an early years setting) in order to promote their educational development and model strategies and resources for parents to use to support their child's progress.

7.11.3 PSTCs also assist with the transition to early years settings and schools, providing support and training for staff to help them to meet the child's needs, and continuing to visit for a period of time to provide ongoing support and advice.

7.11.4 PSTCs also help to coordinate support which the family is receiving from other professionals.

7.11.5 The service is currently supporting approximately 108 children.

7.11.6 As a result of the Council's savings programme in 2016-17, this service may be reduced by 50% in order to save £85,000.

7.11.7 This service meets the criteria to be funded through DSG under the category of SEN Support Services, which includes services for children under 5.

7.11.8 It is proposed that half the cost of the service should be met from HNB or Early Years Block (£85,000) in order to avoid a reduction in service.

7.11.9 The impact if the budget were to be reduced by 50% would be:

- Significantly reduced support for children under 5 with severe SEN, impacting on their progress and development and potentially having a long term impact on their ability to reach their potential, if the right intervention is not available at this critical early stage
- Much reduced support for early years settings and schools when they take children under 5 with SEN, including no or reduced advice, guidance and training from specialist teachers
- Children with SEN being unable to attend early years settings because the settings do not have the required expertise and cannot access specialist advice and support
- Children having to leave early years settings, because staff are unable to meet their needs appropriately

- Children arriving in schools without ever having had any suitable early years support and therefore exhibiting a higher level of need than would otherwise have been the case, putting pressure on staff and on schools' SEN budgets
- Children arriving in schools without an EHC Plan in place (as PSTCs initiate these for children on their caseload), putting pressure on schools' SEN budgets
- Increase in parental requests for EHC assessments, with associated costs
- Increase in numbers of very young children needing special school placements, with associated costs.

7.12 Learning Independence for Travel (LIFT)

- 7.12.1 This service is currently funded from the central education budget. The current budget is £115,000. It is externally commissioned from the National Star College, a specialist independent FE College which has pioneered independent travel training for pupils with SEN. The LIFT service has 3 staff; a coordinator and two travel trainers, who are based at Richmond House in Newbury.
- 7.12.2 The service provides independent travel training for children with SEN, so that they are able to travel to school on public transport rather than by taxi or minibus. Not all children with SEN have the capacity to travel to school independently; however, there are some who could potentially walk to school or travel by bus or train, if provided with the right support.
- 7.12.3 The travel training programme typically takes approximately one term, at the end of which the travel mentor will make a recommendation as to whether the child is safe to travel to school independently. If so, the child will then be allocated with a bus or train pass. The programme works with secondary pupils and FE College students only and has a success rate of approximately 80%. Where children do not become independent travellers, it is usually because the route is too difficult given the rural nature of West Berkshire.
- 7.12.4 When children are successfully travel trained this not only reduces SEN transport costs, it also enhances the young person's confidence and self esteem and provides them with an important life skill which improves their opportunities to access FE, employment and social activities.
- 7.12.5 As a result of the Council's savings programme in 2016-17, this service may be lost in order to achieve a saving of £115,000.
- 7.12.6 It is proposed that consideration should be given to allocating £75,000 from the HNB to provide an independent travel training service, at a lower level of provision than the current service.
- 7.12.7 The impact if this service were to be lost would be:
- Increased costs for home to school transport
 - Children remaining dependent on taxis and minibuses who have the potential to learn to travel independently
 - Children missing out on peer contact and being seen as "different" as they come to school by taxi

- Children missing the positive impact on confidence and self esteem which tends to be associated with learning to travel independently
- Reduced life chances for children in the longer term, including reduced social inclusion.

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West Berkshire Schools' Forum	
Title of Report:	Early Years Block Budget Update
Date of Meeting:	7th December 2015
Contact Officer(s)	Avril Allenby & Claire White
For Discussion	

1. Forecast for 2015/16

1.1 In setting the 2015/16 early years block budget, it was assumed that the in year growth in numbers experienced in the previous few years would be repeated, and so the same percentage increase was included in the estimate. On this basis there was a shortfall in 3 and 4 year old funding, but the under spend in 2014/15 (mainly from 2 year old funding) was carried forward to support this budget without the need to adjust downwards the funding rates paid to providers. It was recognised that this would be a solution for one year only.

1.2 Autumn payments to providers have now been made, and a forecast has been made for the Spring term payments based on last year's percentage increase in hours between Autumn and Spring, adjusted for the actual number of weeks. The position on each budget line within the early years block is as follows:

Early Years Block Budget	Budget 2015/16	Current Forecast	Variance
3 & 4 year old PVI Providers	4,673,650	4,176,460	-497,190
3 & 4 year old Nursery classes in schools	1,080,100	1,056,430	-23,670
3 & 4 year old Maintained nursery	808,730	762,240	-46,490
2 Year Old Funding – all settings	810,000	573,850	-236,150
Central Expenditure on Children under 5	79,820	89,320	9,500
SEN Pre School Children (contribution to high needs block)	10,000	10,000	0
Pupil Premium Grant and Deprivation Supplement	209,590	27,470	-182,120
Total Expenditure	7,671,890	6,695,770	-976,120
DSG Early Years Block	-7,671,890	-7,140,320	531,570
Net Position	0	-444,550	-444,550

1.3 It appears there will be a large under spend on payments to providers. The increase in numbers of 2, 3 & 4 year olds has not materialised as forecast,

and this stability in numbers appears to be a national trend. There is also less funded weeks in 2015/16 financial year – 37 rather than 38.

- 1.4 Because the DSG funding for 2, 3, & 4 year olds is based 5/12 on the January 2015 census and 7/12 on the January 2016 census, based on our predicted number of children in January 2016 our DSG funding will significantly reduce to reflect the lower numbers and payment to providers.
- 1.5 The take up of the early years pupil premium grant has been slow (funding is also added through this method for the deprivation supplement of the early years formula). An additional grant of £75k was received for PPG and it is unknown if any funding will be clawed back if it is not all spent. The figures in the table above assume that there will be no claw back.
- 1.6 The overall position is an under spend of over £400k (nearly half of which is in relation to the PPG), but these figures should be treated with caution as it is impossible to predict the actual additional numbers of children who will be accessing early years provision in the Spring term and what the DSG funding will be. A clearer picture will be obtained following the January 2016 census.

2. Budget for 2016/17

- 2.1 It was originally thought that the 3 & 4 year old funding rates to providers would need to be substantially reduced in 2016/17. The current forecast shown in the table below suggests that this may not be the case, though until the January 2016 census figures are known, an estimate for 2016/17 cannot be made. The forecast assumes the same number of hours of provision at the same funding rates as in 2015/16, but using the assumed (lower) January 2016 census pupil numbers to predict the DSG funding. If the under spend from 2015/16 is carried forward, the shortfall is significantly reduced.

Budget	Forecast 2016/17
3 & 4 year old PVI Providers	4,180,000
3 & 4 year old Nursery classes in schools	1,050,000
3 & 4 year old Maintained nursery	760,000
2 Year Old Funding – all settings	570,000
Central Expenditure on Children under 5	129,000
SEN Pre School Children (contribution to high needs block)	10,000
Pupil Premium Grant and Deprivation Supplement	141,000
Total Expenditure	6,840,000
DSG Early Years Block	--6,269,000
DSG EY Block carry forward from 2015/16	-450,000
Net Position	121,000

- 2.2 In the November 2015 Spending Review, the Government has stated that it will increase the “average” funding rate paid to providers for the free entitlement alongside the increase to 30 hours provision for 3 & 4 year olds from working families. This will take place in 2017/18. The average rate quoted is slightly higher than our current rate: £4.36 for 3 and 4 year olds

excluding the PPG element, compared to our current rate received of £4.12, and £5.39 for 2 year olds compared to our current rate of £5.36.

2.3 The Government has also stated its intention to have a national early year's formula from 2017, and a consultation is expected early in 2016. It is not clear whether this means a standard hourly rate across the country (with some area cost adjustment) for each type of provider, or whether local authorities will need to design a simpler formula to distribute the new standard funding rates to providers.

2.4 Although options have been discussed by the Steering Group about how funding rates could be adjusted downwards (which would be a significant negative impact on this sector where many settings are already struggling to remain viable), it *may* be possible to maintain the current rates for a further year if there is an under spend in the current year which is carried forward. From 2017 the new national formula and increased funding rates are then due to be implemented.

3. Next Steps

3.1 Once the January census data is available, Officers will consult with the Steering Group on its proposals for setting a balanced early years block 2016/17 budget, and present these proposals to the Schools' Forum for decision in March 2016.

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West Berkshire Schools' Forum	
Title of Report:	Update on Schools in Financial Difficulty 2015/16 (Maintained Schools)
Date of Meeting:	7th December 2015
Contact Officer(s)	Claire White
For Information	

1. Summary

1.1 The maintained schools that have set a deficit budget for 2015/16 are as follows:

	Actual Opening balance 01.04.15	Budgeted Closing Deficit 31.03.16
John O'Gaunt Secondary	-605,233	-967,030
Long Lane Primary	19,537	-15,660
Kintbury Primary	26,913	-3,010
Purley	9,039	-24,060

2. John O'Gaunt School

2.1 The school is currently reviewing options to significantly change the way it is structured and managed in order to reduce the deficit and be able to balance its budget in year, whilst at the same time improving performance.

2.2 The school's financial position continues to be monitored by the Corporate Director for Communities, Head of Finance, and key Members of the Council.

3. Long Lane Primary School

3.1 The school has experienced a large reduction in pupil numbers, mainly due to Purley's transition from an infant to a primary school (i.e. reduction in years 3 to 6). Costs were initially absorbed through utilising carry forward of previous year surpluses. The current year deficit is mainly due to redundancy costs that could not be absorbed, but with the reduction in teaching assistant hours in the current year and a reduction from 8 to 7 classes (and thus one teacher) in

2016/17, the deficit recovery plan shows the school returning to a balanced budget again in 2016/17.

3.2 As at month 7, the deficit recovery plan is on track. Four teaching assistants were made redundant at the end of the Summer term, and lunchtime staff have been greatly reduced by returning to the same lunch hour for the whole school. There will also be a full time teacher redundancy at the end of August 2016. The current forecast is a deficit of £8k at the end of this financial year, with full recovery by the end of 2016/17.

3.3 The Schools Accountancy team receive and review the school's monthly Budget Monitoring and Forecasting reports, and regularly give feedback to the school.

4. Kintbury Primary School

4.1 The main reasons for the deficit are reduction in funding through the changes to the school formula, and a particularly small year group (8 instead of the average 24) moving through the school. The school has carried out some restructuring and made savings from reducing the number of hours of educational support staff.

4.2 The school has been successful in its bid to fund redundancies from the "schools in financial difficulties" fund, and will now close the financial year in balance. With this funding and the revised structure in place, the school should be able to balance its budget moving forward, even with the funding through the minimum funding guarantee continuing to fall. The plan relies on the small year group being replaced by higher numbers for 2018/19 financial year, but back up plans are also in place.

5. Purley School

5.1 Purley is growing from an infant to a primary school, with the top year consisting of just 9. The admission number has been reduced to 15 (from 21) but whilst this works through, the pupil number configuration is not the optimum from a financial perspective. There will be some restructuring and redundancies whilst the pupil numbers settle to the planned structure, with the school returning to a balanced budget in 2019/20.

5.2 Awaiting information from the school

5.3 The Schools Accountancy team receive and review the school's monthly Budget Monitoring and Forecasting reports and regularly give feedback to the school.

6. Other Schools at Risk

6.1 Out of the 29 schools showing a deficit in 2016/17 when submitting their three year plan last Summer, 4 primary schools still expect to set a deficit budget in 2016/17 and 4 primary schools are unclear whether or not they will set a deficit in 2016/17 (this excludes the schools already in deficit and the PRUs and special schools).

6.2 Of these schools, none have requested support from the Finance team.

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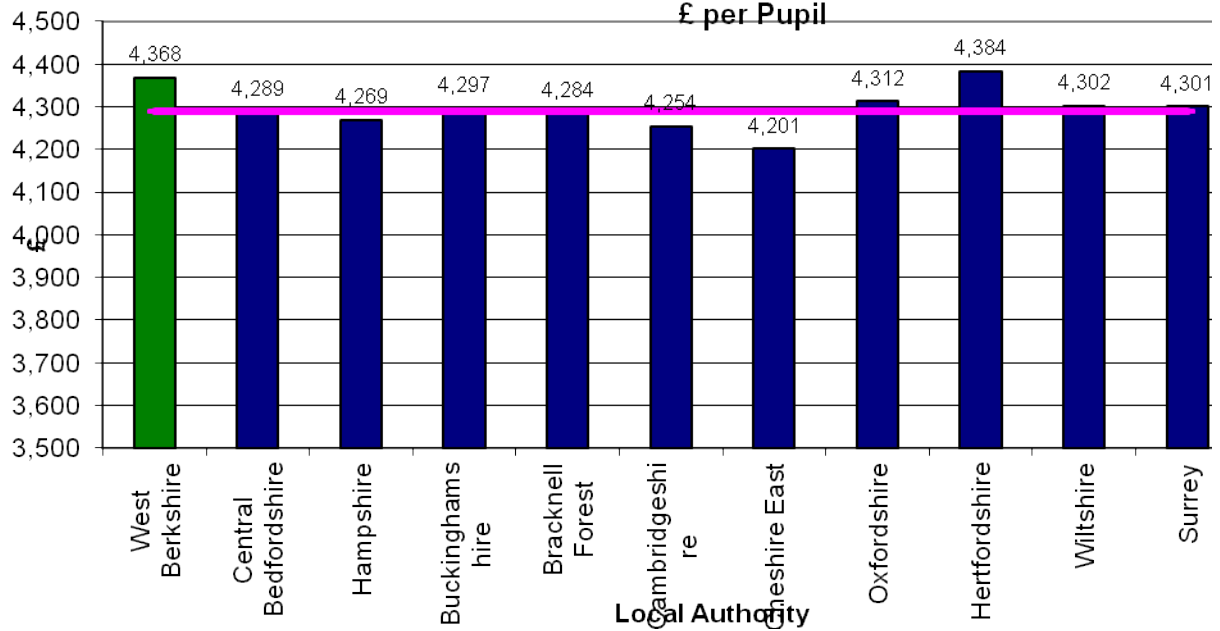
West Berkshire Schools' Forum	
Title of Report:	School Funding Benchmarking Tables 2015/16
Date of Meeting:	7th December 2015
Contact Officer(s)	Claire White
For Information	

1. The Department for Education has recently published benchmarking information on school funding, based on 2015/16 Section 251 budget submissions.
2. The Appendices to this report provide the key funding data for West Berkshire Council compared to our statistical neighbours and to all other unitary authorities.
3. Compared to our statistical neighbours, West Berkshire is still funding schools well above the median – though dropped to third highest (Appendix B), and this is also reflected in the unit of funding received – being the second highest (Appendix A).
4. Our schools block unit of funding received (£4,368) is below average compared to unitary authorities (Appendix E), and individual school budgets (ISB) are also below the average at £4,201 (Appendix F). Due to the additional £390m distributed to the lowest funded local authorities in 2015/16, the national average unit of funding has increased to £4,612, with the highest funded authority being Tower Hamlets at £7,007 per pupil, and the lowest Wokingham at £4,151 per pupil. The highest ISB is £6,842, which is Tower Hamlets. The lowest is £3,000 at Middlesbrough. Wokingham, although the lowest funded is £4,150.
5. There are wide variations in spending on high needs budgets per pupil, even when comparing our statistical neighbours (Appendix C). Our high needs budget is higher than the average for unitary authorities (Appendix G) with spending of £318 per pupil, compared to local authorities such as Portsmouth at £158 (the lowest) and Hampshire at £176. However, this year there are more local authorities spending more than West Berkshire compared to last year. Nationally, the highest spending on high needs is Tower Hamlets at £566.
6. Our total schools budget at £4,734 per pupil is close to average when compared to our statistical neighbours (Appendix D), but below average when compared to unitary authorities (Appendix H). The national average is £4,943 and highest is £8,132 at Tower Hamlets.
7. When comparing individual school budgets with GCSE results (Appendix I), West Berkshire still falls in the top quartile (below average cost, above average results) compared to the average for all unitary authorities. Although Tower Hamlet's ISB is 63% more than for West Berkshire schools, their results for 5 GCSEs grade A* to C including English and Maths is only slightly better at 63.4% compared to 61.8%.

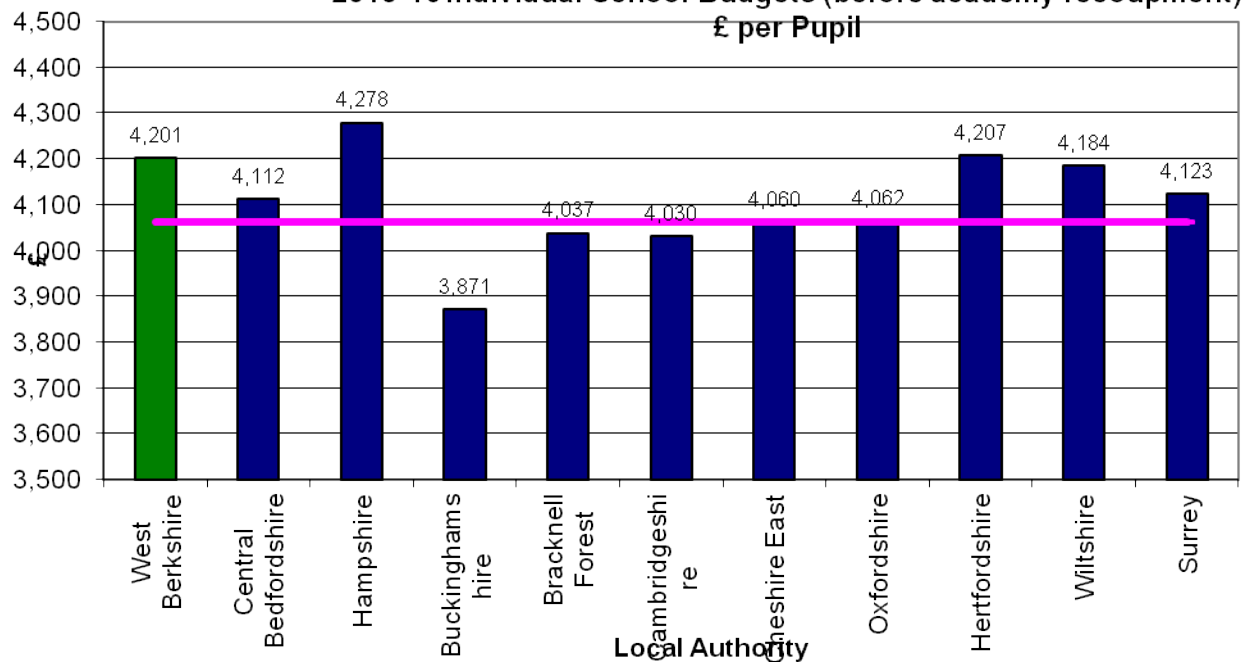
Appendices

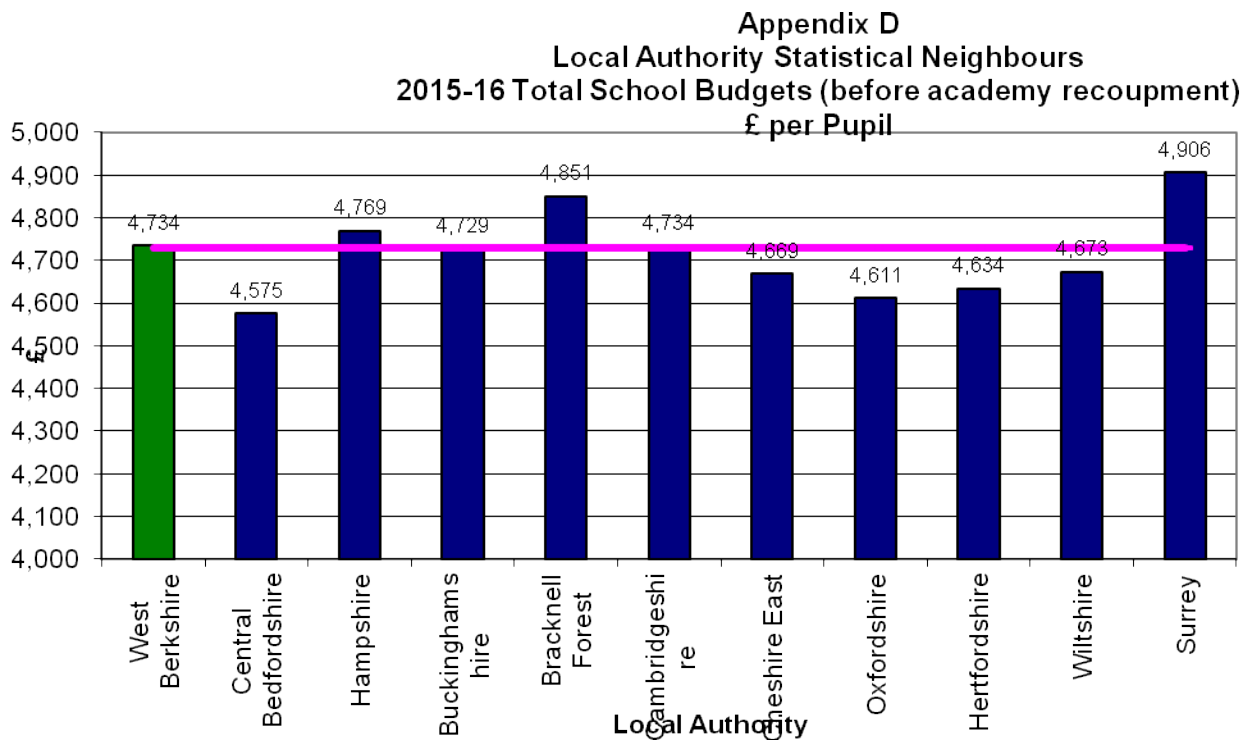
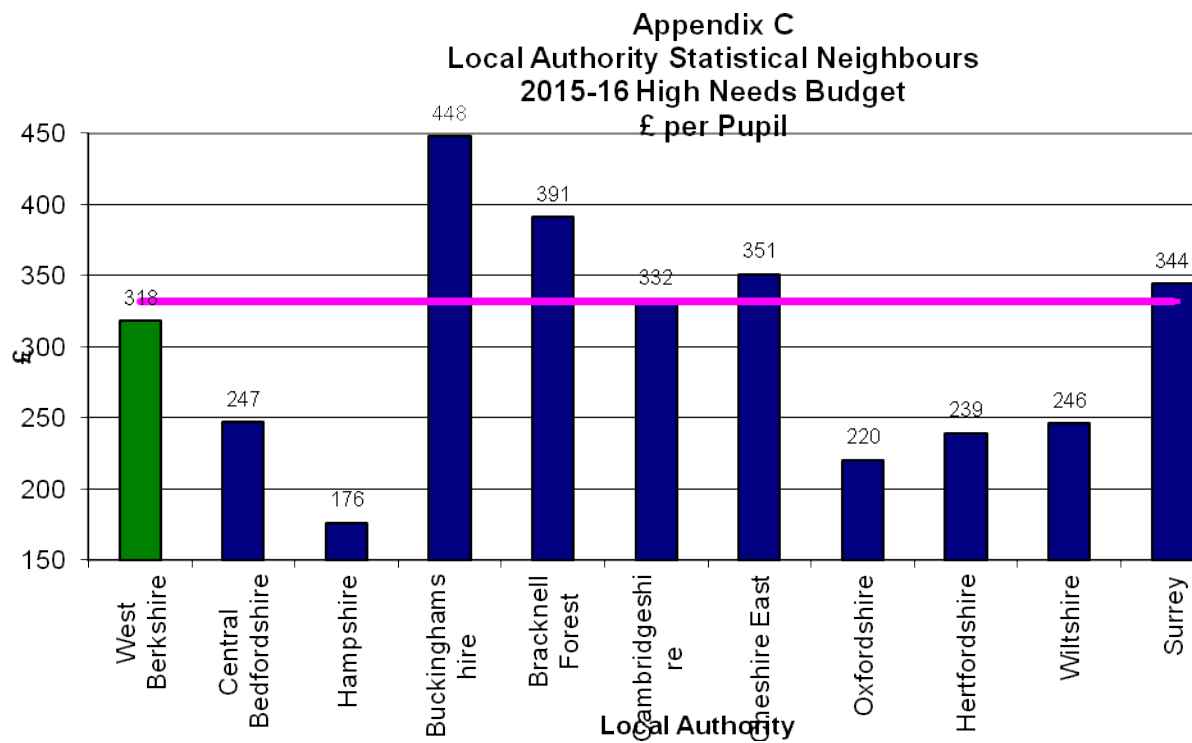
- Appendix A – DSG Schools Block Unit of Funding per Pupil (statistical neighbours)
- Appendix B – Individual School Budget per Pupil (statistical neighbours)
- Appendix C – High Needs Budget (statistical neighbours)
- Appendix D – Total School Budget per Pupil (statistical neighbours)
- Appendix E – DSG Schools Block Unit of Funding per Pupil (unitary authorities)
- Appendix F – Individual School Budgets per Pupil (unitary authorities)
- Appendix G – High Needs Budget (unitary authorities)
- Appendix H – Total School Budgets per Pupil (unitary authorities)
- Appendix I – Individual Schools Budget vs GCSE Results (unitary authorities)

Appendix A
Local Authority Statistical Neighbours
2015-16 DSG Schools Block Unit of Funding
£ per Pupil

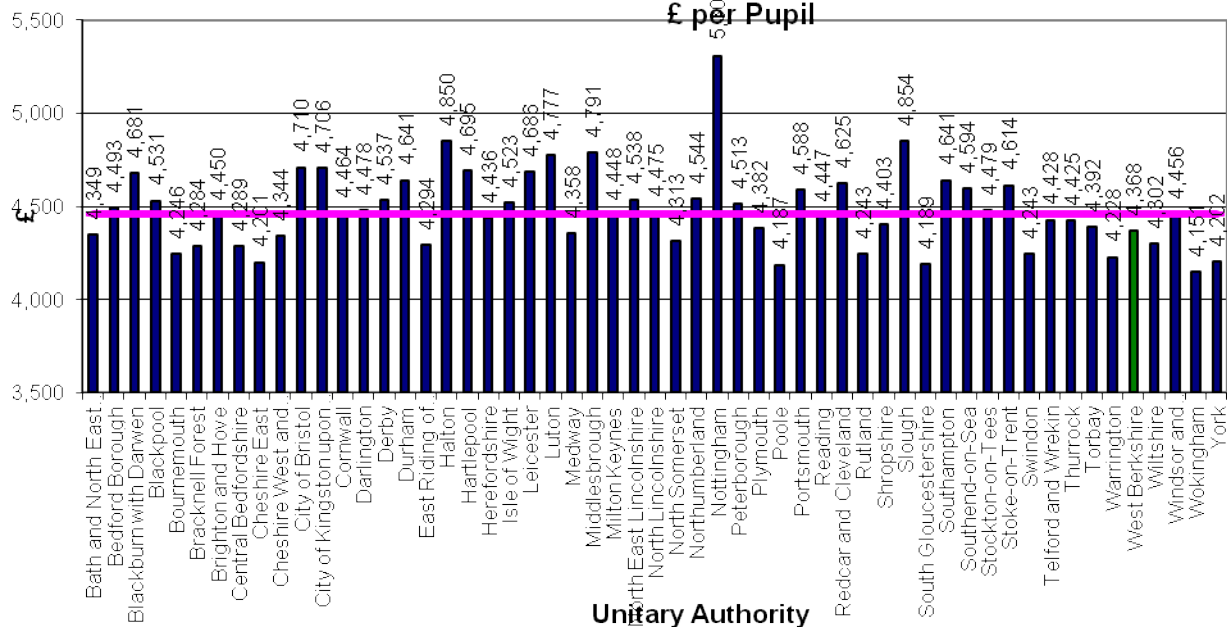


Appendix B
Local Authority Statistical Neighbours
2015-16 Individual School Budgets (before academy recoupment)
£ per Pupil

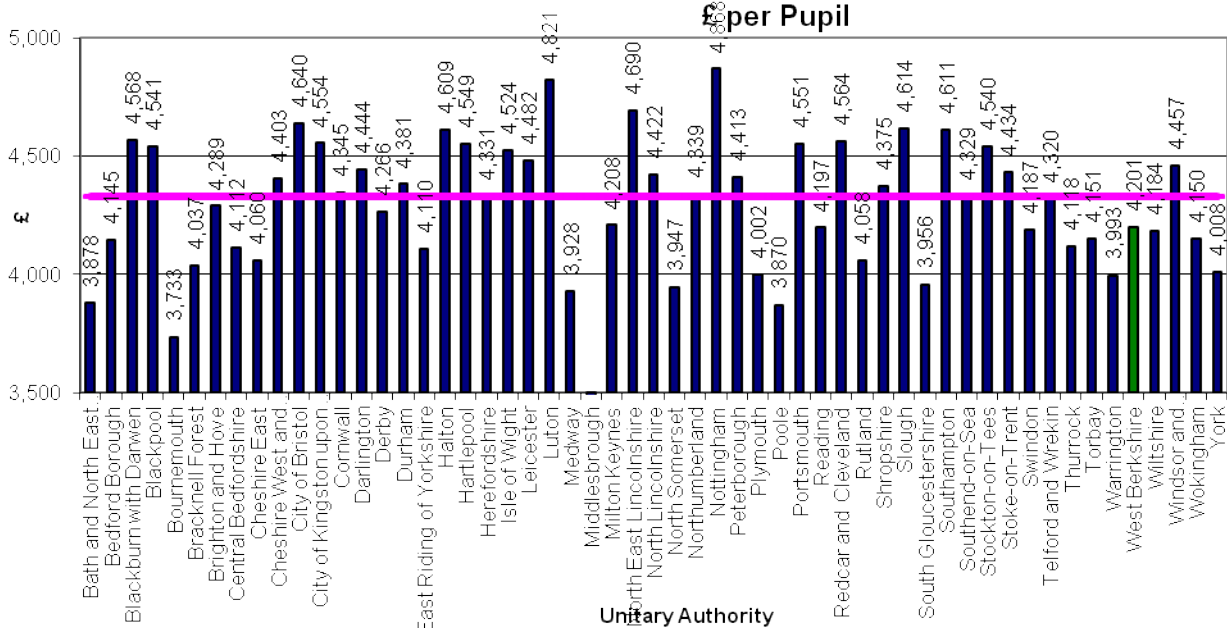




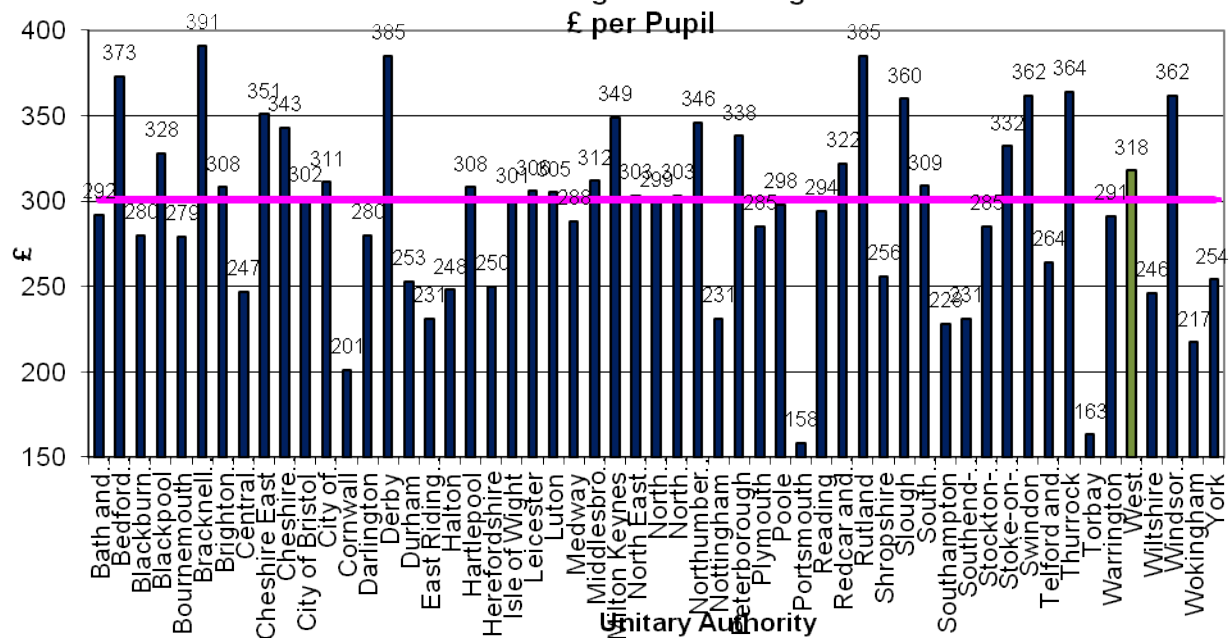
Appendix E
Unitary Authorities
2015-16 DSG Schools Block Unit of Funding
£ per Pupil



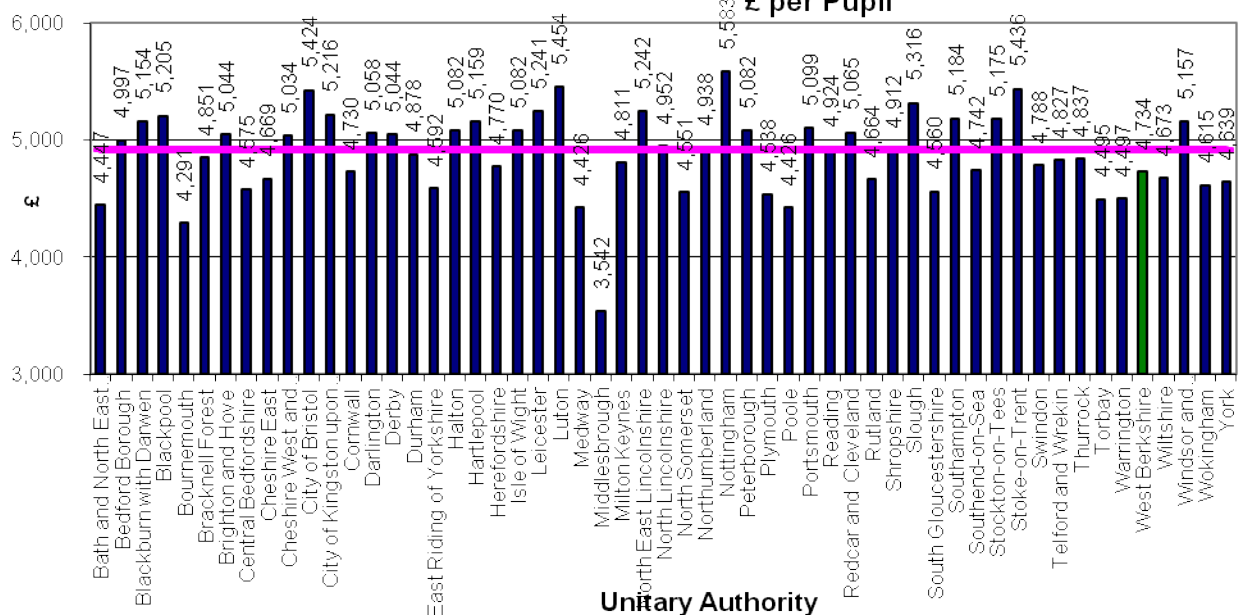
Appendix F
Unitary Authorities
2015-16 Individual School Budgets (before academy recoupment)
£ per Pupil

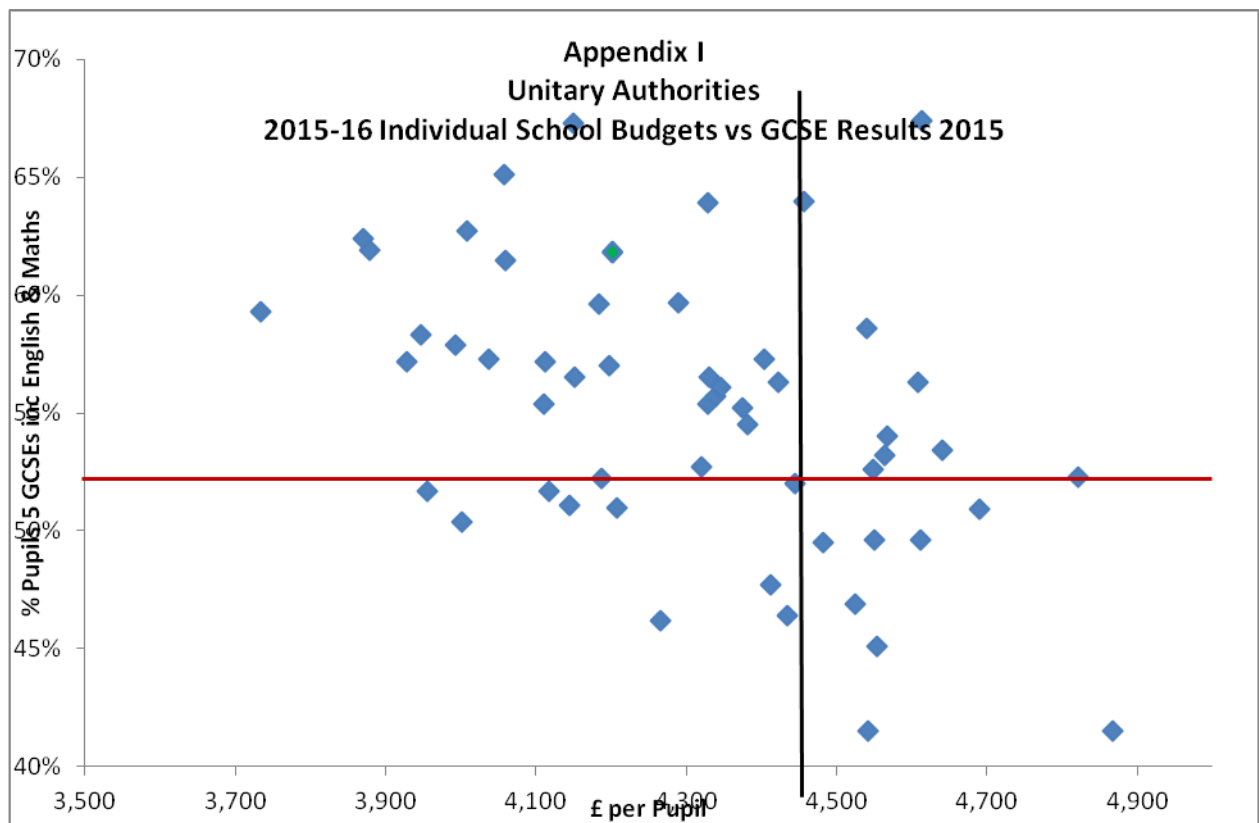


Appendix G
Unitary Authorities
2015-16 High Needs Budget
£ per Pupil



Appendix H
Unitary Authorities
2015-16 Total School Budgets (before academy recoupment)
£ per Pupil



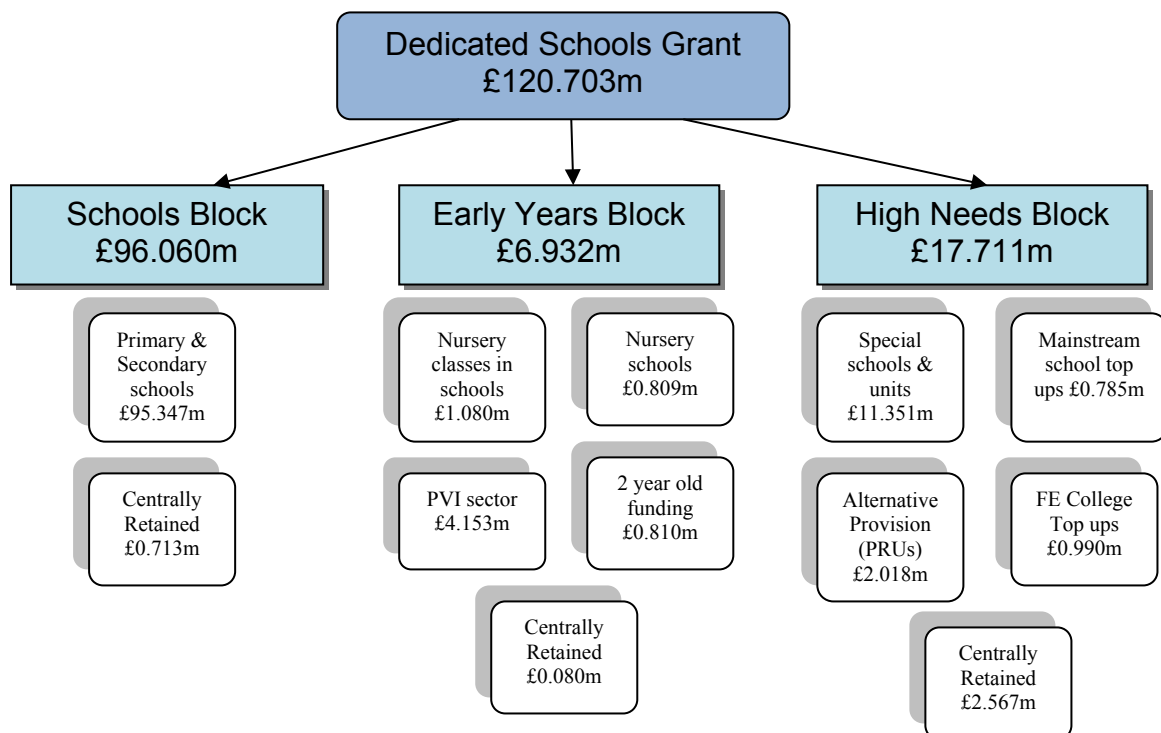


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West Berkshire Schools' Forum	
Title of Report:	DSG Monitoring 2015/16 Month 7
Date of Meeting:	7th December 2015
Contact Officer(s)	Ian Pearson
For Information	

1. Background

- 1.1 The main source of funding for schools is the Dedicated Schools Grant (DSG). It is a ring fenced specific grant and can only be used on school/pupil activity.
- 1.2 The grant is split into three funding blocks. Although separate allocations are received for each, the blocks themselves are not ring fenced.
- 1.3 The following diagram shows what is funded out of each of the three blocks in the 2015/16 budget (the figures include funding to Academies and post 16 high needs place funding which form part of our allocation but are paid direct by the EFA, and exclude carry forward of one off funding from the previous year):



The main centrally retained services are:

Schools Block – licences for all schools, growth fund for schools, school admissions service

Early Years Block – quality monitoring & compliance, eligibility checking, sufficiency & sustainability planning, early years IT system

High Needs Block – ASD advisory support, Home Tuition, Engaging Potential service, therapy services, sensory impairment support, inclusion support, applied behaviour support, vulnerable children support, early intervention

- 1.4 Overspends, unless funded from outside the DSG, are carried forward and top sliced from the following year's DSG allocation. Underspends must be carried forward to support the school's budget in future years.
- 1.5 The Authority and Schools' Forum are responsible for ensuring that the DSG is deployed correctly, and monitoring of spend against the DSG needs to take place regularly to enable decision making on overspends/underspends and to inform future year budget requirements.

2. Monitoring Position as at Month 7 (2015-16)

- 2.1 At the end of October 2015 the total DSG overspend position forecast for year end is £681k, compared to the month 5 forecast of £273k overspend, all in the high needs block, as shown in Figure 1 below:

Figure 1: Financial Position as at Month 7 (October 2015).

	Total Current Budget £m	Actual Spend Forecast Month 7 £m	Month 7 Forecast Outturn Variance £m
Schools Block (inc ISB)	65,464,140	65,,461,440	-2,700
Early Years Block	7,629,750	7,629,750	0
High Needs Block	16,141,010	16,824,280	682,270
Total Net Expenditure	89,234,900	89,507,780	680,570
Support Service Recharges	720,890	720,890	0
Total Expenditure	89,955,790	90,228,670	680,570
DSG Grant	-89,955,790	-89,955,790	0
Net Position	0	680,570	680,570

A further analysis per cost centre is shown in Appendix A.

- 2.2 The Schools Block is expected to be largely on-line. Any under spends in the growth fund contingency budget and primary schools in financial difficulty budget will be ring fenced and carried forward to 2016/17 and will not impact on the overall position of the DSG. There may be a small overspend on the delegated primary and secondary budgets due to rating revaluations. Admissions is showing a small under spend.
- 2.3 A detailed assessment of the forecast for the Early Years block budgets is being undertaken and will be complete once all the Autumn payments have been made to providers and a projection can be made for Spring payments. The current indication is that there will be an under spend in this block.

- 2.4 The High Needs Block is currently forecasting an overspend of £682k, the bulk of which is in relation to new placements in non West Berkshire Special schools, mainly Thames Valley Free School, and top ups at the PRUs. Other pressures include additional placements over and above allocated place numbers in our own special schools, and payments to private hospital tuition providers.

Appendices

Appendix A – DSG 2015-16 Budget Monitoring Report as at 31st October 2015

Appendix A

Dedicated School's Grant (DSG) 2015-16 Budget Monitoring Month 7								
Budget manager	Cost Centre	Description	Original Budget	Net Virements in year	Amended Budget	Forecast	Variance	Comments
Ian Pearson	90019	DSG Servicing of Schools' Forum	36,840		36,840	36,840	0	
Ian Pearson	90020	Primary Schools	47,457,760		47,457,760	47,457,760	0	
Ian Pearson	90025	Secondary Schools	16,650,490		16,650,490	16,650,490	0	
Maxine Slade	90035	LAC Pupil Premium	0		0	0	0	
Ian Pearson	90038	Pupil Premium -	0		0	0	0	
Ian Pearson	90112	Special Costs Primary	29,080		29,080	29,080	0	
Ian Pearson	90117	Special Costs Secondary	14,000		14,000	14,000	0	
Ian Pearson	90230	Schools in Financial Difficulty	115,110	118,850	233,960	233,960	0	
Ian Pearson	90235	School Delegated Contingency	290,000	32,160	322,160	322,160	0	
Ian Pearson	90236	Managed Moves/Exclusions Contingency	0		0	0	0	
Maxine Slade	90255	Virtual School Service	222,010		222,010	222,010	0	
Cathy Burnham	90349	Behaviour Support - DSG	192,540		192,540	192,540	0	
Caroline Corcoran	90583	CLA/MPA Licences	122,410		122,410	122,410	0	
Caroline Corcoran	90743	Admissions	182,890		182,890	180,190	-2,700	
Schools Block Total			65,313,130	151,010	65,464,140	65,461,440	-2,700	
Ian Pearson	90010	Nursery Schools	808,730		808,730	808,730	0	
Avril Allenby	90017	Early Years Support Team	47,680		47,680	47,680	0	
Avril Allenby	90018	Expenditure on 2 year olds	810,000		810,000	810,000	0	
Avril Allenby	90036	Early Years Funding for PVI	4,726,470	-52,820	4,673,650	4,673,650	0	
Ian Pearson	90037	Early Yrs Funding Maintained Sector	1,080,100		1,080,100	1,080,100	0	
Avril Allenby	90051	Early Years Funding - Contingency	0		0	0	0	
Avril Allenby	90052	Early Years PPG & Deprivation Funding	209,590		209,590	209,590	0	
Early Years Block Total			7,682,570	-52,820	7,629,750	7,629,750	0	
Nicola Ponton	90026	Academy Schools RU Top Ups	419,730		419,730	419,730	0	
Nicola Ponton	90539	Special Schools - Top Up Funding	2,730,940		2,730,940	2,793,280	62,340	Based on current demand
Nicola Ponton	90548	Non WBC Special Schools - Top Up Funding	735,240		735,240	1,090,210	354,970	Based on current demand
Nicola Ponton	90575	Non LEA Special School (OofA)	905,320		905,320	914,680	9,360	Based on current demand
Nicola Ponton	90579	Independent Special School Place & Top Up	1,583,850		1,583,850	1,565,720	-18,130	Based on current demand
Nicola Ponton	90580	Further Education Colleges Top Up	990,040		990,040	990,040	0	
Nicola Ponton	90617	Resourced Units top up Funding maintained	329,230		329,230	329,230	0	
Nicola Ponton	90618	Non WBC Resourced Units - Top Up Funding	27,860		27,860	41,270	13,410	Based on current demand including new placements
Nicola Ponton	90621	Mainstream - Top Up Funding maintained	509,980	-50,000	459,980	459,980	0	
Nicola Ponton	90622	Mainstream - Top Up Funding Academies	213,240		213,240	213,240	0	
Nicola Ponton	90624	Non WBC Mainstream - Top Up Funding	62,150		62,150	72,680	10,530	
Cathy Burnham	90625	Pupil Referral Units - Top Up Funding	1,061,000		1,061,000	1,261,000	200,000	
Nicola Ponton	90627	Disproportionate No: of HN Pupils NEW	0	50,000	50,000	50,000	0	
Jane Seymour	90237	Special Needs Delegated Contingency	0		0	0	0	
High Needs Block: Top Up Funding Total			9,568,580	0	9,568,580	10,201,060	632,480	
Cathy Burnham	90320	Pupil Referral Units	840,000		840,000	840,000	0	
Ian Pearson	90540	Special Schools	2,860,000		2,860,000	2,860,000	0	
Nicola Ponton	90584	Resourced Units - Place Funding (70)	500,000		500,000	500,000	0	
High Needs Block: Place Funding Total			4,200,000	0	4,200,000	4,200,000	0	
Rhian Ireland	90238	Sen Pre School Childrn	50,210		50,210	60,210	10,000	High number of complex children attending for more hours
Nicola Ponton	90240	Applied Behaviour Analysis	110,730		110,730	110,730	0	
Rhian Ireland	90280	Spec Needs Spprt Team	261,950		261,950	261,950	0	
Jane Seymour	90290	Sensory Impairment	227,440		227,440	238,800	11,360	Demand for visits from RBWM Sensory Consortium Service
Jane Seymour	90295	Therapy Services	315,430		315,430	324,430	9,000	Additional support for some children at Castle School.
Cathy Burnham	90315	Home Tuition	300,000		300,000	300,000	0	
Rhian Ireland	90555	LAL Funding	134,600		134,600	134,600	0	
Nicola Ponton	90565	Equipment For SEN Pupils	20,000		20,000	21,070	1,070	Based on need to date
Jane Seymour	90577	SEN Commissioned Provision	540,260		540,260	540,260	0	
Cathy Burnham	90582	PRU Outreach	117,000		117,000	117,000	0	
Jane Seymour	90585	HN Outreach Special Schools	70,000		70,000	70,000	0	
Nicola Ponton	90610	Hospital Tuition	0		0	19,360	19,360	Based on current demand
Rhian Ireland	90830	ASD Teachers	127,940	7,550	135,490	135,490	0	
Rhian Ireland	90957	Early Intervention	7,550	-7,550	0	0	0	
Cathy Burnham	90961	Vulnerable Children	60,000		60,000	60,000	0	
Rhian Ireland	90965	SEN Inclusion Programme	29,320		29,320	29,320	0	
High Needs Block: Non Top Up or Place Funding			2,372,430	0	2,372,430	2,423,220	50,790	
High Needs Block Total			16,141,010	0	16,141,010	16,824,280	683,270	
Total Expenditure across funding blocks			89,136,710	98,190	89,234,900	89,915,470	680,570	
SUPPORT SERVICE RECHARGES			720,890		720,890	720,890	0	
TOTAL DSG EXPENDITURE			89,857,600	98,190	89,955,790	90,636,360	680,570	
Ian Pearson	90030	DSG Grant Account	-89,857,600	-98,190	-89,955,790	-90,636,360	-680,570	
NET DSG EXPENDITURE			0	0	0	0	0	

Schools Forum and Heads Funding Group Forward Plan – January 2016 to March 2016

No.	Item	Purpose	Heads Funding Group deadline	Heads Funding Group meeting	Schools Forum reports deadline	Schools Forum meeting	Comments	Lead Officer(s)
Term 3								
1.	Joint Strategic Review of Pupil Referral Unit Provision	The report outlines the direction of travel of the Joint Strategic Review (JSR) and seeks approval to proceed to detailed proposals.			15 January 16	25 January 16	Part II	Caroline Corcoran
2.	DSG Monitoring 2015/16 Month 9				15 January 16	25 January 16		Claire White
3.	Growth Fund and Falling Rolls Fund 2015/16				15 January 16	25 January 16		Claire White
4.	Review Early Years budget proposals		06 January 16	13 January 16	15 January 16	25 January 16		Avril Allenby
5.	Review PRU budget proposals		06 January 16	13 January 16	15 January 16	25 January 16		Cathy Burnham
6.	Review High Needs Budget proposals		06 January 16	13 January 16	15 January 16	25 January 16		Jane Seymour
7.	School Formula Final Funding rates and School Budget		06 January 16	13 January 16	15 January 16	25 January 16		Claire White
8.	Overview of DSG funding for 2016/17 and draft budget for 2016/17		06 January 16	13 January 16	15 January 16	25 January 16		Claire White
Term 4								
9.	Agree Work Programme 2016/17				26 February 16	07 March 16		Claire White

Schools Forum and Heads Funding Group Forward Plan – January 2016 to March 2016

No.	Item	Purpose	Heads Funding Group deadline	Heads Funding Group meeting	Schools Forum reports deadline	Schools Forum meeting	Comments	Lead Officer(s)
10.	DSG Monitoring 2015/16 Month 10				26 February 16	07 March 16		Claire White
11.	Final arrangements for PRUs		17 February 16	24 February 16	26 February 16	07 March 16		Cathy Burnham
12.	Final arrangements for Early Years		17 February 16	24 February 16	26 February 16	07 March 16		Avril Allenby
13.	Final arrangements for High Needs		17 February 16	24 February 16	26 February 16	07 March 16		Jane Seymour
14.	Final DSG Budget for 2016/17		17 February 16	24 February 16	26 February 16	07 March 16		Claire White

Agenda Item 18

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