

Notice of Meeting

Schools Forum

Monday 18th June 2018 at 5.00pm
at Shaw House Church Road Newbury
RG14 2DR

Date of despatch of Agenda: Monday, 11 June 2018

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Jessica Bailiss on 503124
e-mail: jessica.bailiss@westberks.gov.uk

Further information and Minutes are also available on the Council's website at
www.westberks.gov.uk



Forum Members: Reverend Mark Bennet, Ben Broyd, Anthony Chadley, Jonathon Chishick, Catie Colston, Jacquie Davies, Chris Davis, Lynne Doherty, Antony Gallagher, Keith Harvey, Reverend Mary Harwood, Angela Hay, Alan Henderson, Jon Hewitt, Lucy Hillyard, Peter Hudson, Brian Jenkins, Mollie Lock, Patrick Mitchell, Helen Newman, Chris Prosser, David Ramsden, Graham Spellman (Vice-Chairman), Bruce Steiner (Chairman), Suzanne Taylor, Keith Watts and Charlotte Wilson

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Andy Day
Head of Strategic Support

If you require this information in a different format or translation, please contact
Moira Fraser on telephone (01635) 519045.

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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, 12 MARCH 2018

Present: Jonathon Chishick, Chris Davis, Lynne Doherty, Angela Hay, Jon Hewitt, Mollie Lock, Patrick Mitchell, Chris Prosser, David Ramsden, Graham Spellman (Vice-Chairman), Bruce Steiner (Chairman), Suzanne Taylor, Nicola Walters (Substitute) (In place of Brian Jenkins) and Keith Watts

Also Present: Avril Allenby (Early Years Service Manager), Gabrielle Esplin (Finance Manager (Capital and Treasury Management)), Wendy Howells (Finance Manager: Resources & Environment), Ian Pearson (Head of Education Service), Claire White (Finance Manager (Schools)), Annette Yellen (Accountant for Schools Funding and the DSG) and Jessica Bailiss (Policy Officer (Executive Support))

Apologies for inability to attend the meeting: Councillor Anthony Chadley, Catie Colston, Jackie Davies, Anthony Gallagher, Keith Harvey, Reverend Mary Harwood, Lucy Hillyard, Brian Jenkins and Helen Newman

PART I

74 Minutes of previous meeting dated 22nd January 2018

The minutes of the meeting held on the 22nd January 2018 were approved as a true and correct record and signed by the Chairman.

75 Actions arising from previous meetings

There were no actions arising from the previous meeting.

76 Declarations of Interest

There were no declarations of interest received.

77 Membership

The Chairman introduced Wendy Howells from West Berkshire Council's Finance Team, who would take on the role of Schools' Finance Manager from Claire White in May 2018.

78 Final High Needs Block Budget 2018/19 (Jane Seymour/Michelle Sancho)

The Chairman highlighted that a press officer from Newbury News would be recording the meeting.

Ian Pearson introduced the report which set out the current financial position of the high needs budget for 2017/18 and the proposals for setting the budget for 2018/19.

Ian Pearson explained that the High Needs Block Budget (HNBB) had been discussed over several meetings and the report included with the agenda was comprised of recommendations formed by the Heads Funding Group (HFG) at its meeting on the 27th February 2018.

Ian Pearson drew attention to paragraph 3.1 which highlighted that setting a budget for the HNBB continued to be a challenge. He felt that this was an understatement of the difficulties being faced. Since the implementation of the SEND reform, there had been a

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14% increase in the total number of children in West Berkshire with a Statement or EHC Plan. This was mainly as result of the eligible age range extending to 25, which had caused a significant impact on the budget, which had remained static.

The table on page 16 of the report showed the total place funding available for 2017/18. Funding had only been provided by the Education and Skills Funding Agency (ESFA) for 675 pupils when the actual number of pupils was 736. Due to the 2018/19 changes in high needs funding, only additional places in special schools were to be funded (compared to the current level), and only at £4k.

The net shortfall in the 2018/19 HNBB was estimated to be £1,009,200. This included a carried forward overspend of £564,640 in 2017/18. Table one of page 13 showed how the shortfall in the HNBB was forecast to increase up until 2019/20. This had meant that difficult decisions had been required in order to try and decrease the shortfall going forward. The Schools' Forum needed to take a decision on what savings could be made.

Section two of the report set out the recommendations for consideration by the Schools' Forum. At the last meeting of the Schools' Forum a table had been presented which contained a number of savings options. In February, the HFG had gone through each of these possible options again and made some changes. A revised set of options was now included under Table Two on page 14 of the agenda.

A review of the Home Education service for pupils who could not attend schools because of health needs and options for charging for this service was presented to the HFG and the group had recommended implementing option four from the 1st April 2018. As a result of a saving in this area the HFG determined that the savings relating to the Cognition and Learning Team (CALT) and to the Specialist Inclusion Support Service (SISS) should be removed until the strategic review was completed. The CALT had submitted evidence including support from Headteachers, setting out why the service should not be cut.

Ian Pearson reported that if all the savings proposed (Table Two, page 14) were made then the total saving in 2018/19 would be £306,300 and in 2019/20 £341,800. Table three on page 15, showed the impact on the overall budget if the revised proposals were taken. The amount for 2019/20 looked much lower (-£209,370) because it included a possible transfer of funds from the Schools Block for the maximum amount of 0.5% (£500k).

Ian Pearson invited questions from the Schools' Forum on the proposals. David Ramsden asked for assurance that that there would be a discussion on the option of transferring £500k from the School's Block and Ian Pearson confirmed that it would be brought to a future meeting of the Schools' Forum for discussion. The aim of the strategic review would be to 'invest to save' and meet the needs of children and young people whilst decreasing the deficit.

David Ramsden commented that he had raised concern in the past that cuts were not being made deep enough however, based on the comments made he was satisfied with the saving options.

Jonathan Chishick felt that the real focus needed to be put on dealing with the cumulative deficit and Ian Pearson reported that this would form part of the strategy going forward.

Keith Watts was concerned about cuts to the Language and Literacy Service (LALs) as there would be a move from a system where pupils with needs were able to access the service to a system whereby pupils could only access the service if their school was willing to pay for it. Ian Pearson reported that this recommendation had not been an easy one for the HFG however, teachers present had felt that if they had a child who required the service then they would do their utmost to ensure access however, Ian Pearson commented that unfortunately this could not be guaranteed.

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Keith Watts was concerned that savings were being made by charging schools however, schools were already short of money. If a school had a pupil with a particular need then they would face going further into deficit to ensure the pupil received the services they required. Ian Pearson sympathised with the point raised by Keith Watts and stated that those in worse financial position would have difficult decisions to make. Ian Pearson reported that by retaining the CALT, which was a core service it was hoped that the impact on schools would not be as extreme as children accessing LALs often also accessed CALT.

Keith Watts was aware that there was not enough money available due to methods being used by Central Government and he asked Councillor Lynne Doherty what was happening to raise awareness of this. Councillor Doherty stressed that essentially there were 61 pupils in West Berkshire not attracting the level of funding required to meet their needs. This had been raised with Central Government and the response from the Education Minister had not been satisfactory and therefore another letter would be sent. Councillor Doherty reassured the Schools' Forum that the issues being faced were a national problem and it was hoped therefore that Central Government would revisit the area. Claire White added that at a recent regional event she had attended, all local authorities had been facing deficit in their high needs budget apart from Hertfordshire, which had been a 'winner' under the new National Funding Formula for high needs.

The Chairman invited the Schools' Forum to vote on whether they agreed with the recommendations set out in section two of the report. David Ramsden proposed that the recommendations set out in section two of the report be agreed and this was seconded by Chris Davis. At the vote the motion was carried.

RESOLVED that the Schools' Forum agreed the following recommendations:

- Implement savings totalling £306,300 in 2018/19 and £341,800 in 2019/20 as set out in paragraph 4.11 of the report.
- Set a deficit budget of £702,900 for 2018/19, with a strategy to be worked on over the coming months in order to determine a longer term savings plan which will balance this budget in future years.
- Top up funding rates for special schools, resource units, and mainstream schools to remain the same as the 2017/18 rates.
- Special school place funding for additional "unfunded" places be increased from £5,000 to £7,500 from 1 September 2018.
- The top up rate for iCollege to be set at £106 per day from 1st April 2018 for all placements.

79 Early Years Block Budget 2018/19 and 2019/20 (Avril Allenby)

Avril Allenby introduced the report, which set out the proposal for the Early Years Budget, which was based upon the recommendations of the Early Years Funding Group.

The Early Years budget had always been difficult to set. It had been affected by changes to the funding formula and also by changes in what was being offered to parents from September 2017 (from 15 to 30 hours of free childcare for working parents of three and four year olds).

Gabrielle Esplin reported that the financial position for the Early Years Block was better than originally anticipated. This was because the take up by parents of the additional 15 hours had been slow. The budget for payments for the additional 15 hours was based on the Department of Education's estimate of take up of approximately 165,000 hours per term. Actual intake had only been 110,000 hours in the autumn term and was estimated

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to be 127,000 hours in the spring term. Forecast spend on provider payments was therefore expected to be £611,000 below budget. The final level of funding for 2017/18 was based on the January 2018 census, and the number of early years hours had been significantly higher in the spring term than the autumn term. For this reason the reduction in funding from the budgeted level was only £384,000 and this gave a forecast net underspend of £227,000, which would bring the deficit down to £33,000 by the end of the current financial year.

Gabrielle Esplin highlighted that the table under section 3.6 (page 42) showed estimated funding for 2018/19.

Taking all the factors into account it had been forecast that it would be possible to increase the basic provider base rate and quality rate by 1.2% in 2018/19 (£4.30 and £0.66 per hour respectively). Avril Allenby added that providers had not seen an increase in basic rates for five years.

Suzanne Taylor stressed that smaller providers had closed across the district due to the funding rates. Ensuring there were sufficient places to be able to offer the 30 hours to working parents was an ongoing challenge. Although only a small increase in basic rates was being proposed, Suzanne Taylor explained that it would serve as a gesture to providers and would help them support places to children who required them.

David Ramsden was confused as to why estimated figures were so inaccurate within the Early Years Block. Gabrielle Esplin explained that the budget had been set based on two terms however, the take up of the additional hours had been much lower than the DfE had estimated. Avril Allenby reported that the slow uptake had been partially caused due to the requirements for parents to assess their own eligibility and these issues had now been resolved. Suzanne Taylor added that the Early Years Budget had always been particularly difficult to predict. Claire White explained that this was because funding was based on the January census, assuming this was an average of actual take up throughout the year which was not usually the actual position. For 2017/18 the January census is *higher* than the annual average take up.

Claire White reported that she had been concerned that the DfE might not provide the funding for the additional hours based on seven twelfths of the January 2018 census due to the fact it was significantly greater, however, she had checked this and the DfE had verbally confirmed that they would be providing the full seven twelfths of funding.

Ian Pearson added that it was important to note that a number of provider budgets were supported by the Minimum Funding Guarantee, which would stop in 2019/20.

The Chairman invited the Schools' Forum to vote on whether they agreed with the recommendations set out in section two of the report. Patrick Mitchel proposed that the Schools' Forum agree the recommendations and this was seconded by Graham Spellman. At the vote this motion was carried.

RESOLVED that the Schools' Forum agreed the following recommendations:

- 1) To agree the two year budget model for the Early Years block, as set out in section 5 of this report.
- 2) To agree the following provider funding rates for 2018/19:
 - Increase the three and four year old base rate by 1.2% from £4.25 to £4.30 per hour.
 - Increase the three & four year old quality supplement by 1.2% from £0.65 to £0.66 per hour.
 - Three and four year old deprivation supplement to remain the same at £0.47 per hour.

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- Two year old rate to remain the same at £5.45 per hour.
- The maintained nursery school lump sum supplement to remain the same at £133,810 per school.
- A minimum funding guarantee of 10% (meaning no provider will see a reduction in their rate of more than 10% of their 2016/17 rate).
- A cap on increase in funding rate of 10% (meaning no provider will see an increase in their rate of more than 10% of their 2016/17 rate).

80 Final DSG Budget Overview 2018/19 (Claire White)

Claire White introduced the report, which set out the 2018/19 DSG settlement for each block. Claire White stated that the high needs and early years budgets had just been agreed and therefore the overall position as set out in section four of the report was accurate.

Claire White drew attention to paragraph 6.4 under the section on the Central Schools Services Block, which stated that although the Council's Executive had agreed to meeting the statutory and regulatory duties costs in 2018/19, this would only be a one year decision and there would be a requirement to find significant savings in 2019/20. In addition the funding for this block would reduce by about £25k in 2019/20.

Keith Watts asked if the matter of larger authorities being awarded higher levels of funding had been raised. Claire White reported that this had been included within the Local Authorities response to the consultation. Larger authorities were gaining more with regards to their Central Schools Services Block and as a result many were transferring some of this funding into their high needs budget. Claire White added that despite this these authorities were still setting a deficit budget.

Ian Pearson reported that there was a parallel issue with the Central Schools Services and High Needs Block Budgets, regarding the proxy measures that were used to calculate funding. It was possible that these measures were impacting upon authorities with a particular profile and Officers would continue to seek opportunities raise this issue with the DfE. Ian Pearson was of the view that as schools funding included a lump sum, perhaps the formula for these DSG blocks should also include a lump sum.

The Chairman invited the Schools' Forum to vote on whether to agree the recommendations set out in section two. David Ramsden proposed that the recommendations be agreed and this was seconded by Chris Davis. At the vote the motion was carried.

RESOLVED that the Schools' Forum agreed the following recommendations:

1. To agree the final DSG (schools) budget for each block as set out in each section of the report and in Appendix B to the report.
2. To agree the overall deficit budget in 2018/19 of £655,040.

81 Primary Schools in Financial Difficulty (Claire White)

Ian Pearson introduced the report, which summarised the bid that had been received from a school in deficit to access funding for the 'primary schools in financial difficulty' de-delegated fund.

Ian Pearson explained that only primary schools put funding into the pot and therefore only primary schools could vote on whether to approve applications for funding. Paragraph 3.3 of the report set out the size of the fund and the amount of expenditure to date. There had been two payments so far in 2017/18, totalling £29,421. The bid up for

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consideration was from Beenham School, who were asking for £25, 430 to cover the unforeseen closure costs of the After School Club, which were not accounted for in the original budget.

Ian Pearson reported at its meeting on the 27th February 2018, the HFG had interrogated the Headteacher from Beenham regarding their application to the fund and the bid for funding had met the criteria set out in section 3.4 of the report. Ian Pearson stated that if the bid was successful the money would not be used to help cover the Schools' main deficit.

The HFG had agreed unanimously to recommend that the bid be approved in full. The school were meeting all other school related redundancy cost from their budget and had limited their bid only to the particular unusual and exceptional circumstance, which had increased their deficit in 2017/18.

David Ramsden asked if the Headteacher presenting the bid was the same Headteacher that had received £72k funding from the Schools' Forum to repay a loan. Ian Pearson stated that this was correct and had been noted by members of the HFG. The school had a deficit recovery plan in place to help recover the schools main deficit and the bid for funding concerned only the costs associated with the closure of the After School Club. Chris Davis concurred that the loan to Beenham School had been picked up by the HFG in its discussions with the Headteacher on the 27th February 2018.

The Chairman invited the Schools' Forum on to vote on whether to approve the bid for funding by Beenham School. Jonathan Chishick proposed that the bid be approved in full and this was seconded by Chris Davis. At the vote the motion was carried.

RESOLVED that maintained primary school members of the Schools' Forum approved the bid from Beenham School for £25,430.

82 Work Programme 2018/19 (Jessica Bailiss)

The Chairman drew attention to the Schools' Forum's Work Programme for 2018/19 on page 59 of the agenda.

A typographical error was noted on the first line of the Work Programme in that the date of the Schools' Forum should be detailed as 18/06/18.

RESOLVED that the Schools' Forum approved the Work Programme for 2018/19, subject to the amendment highlighted above.

83 Any Other Business

The Chairman announced that it was Claire White's last meeting of the Schools' Forum. He thanked her for her continuous support over the last 12 years and wished her the very best for the future.

84 Date of the next meeting

The next meeting would take place on Monday 18th June 2018, 5pm at Shaw House.

(The meeting commenced at 5.00 pm and closed at 6.02 pm)

CHAIRMAN

Date of Signature



Scheme for Financing Schools (2018)



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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>

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>

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 as a guideline will 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 to the authority **by 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. This is required in the agreed format **by 1st May 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, 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. In this connection you are referred to the Guidelines on the Process for Intervention contained in the Strategy for Schools in Deficit – April 2018.

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 Controls on surplus balances

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

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

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

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 5% 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 20%.
- 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. **Loans must not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its recurrent income** 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:
 - Last three years end of year balances
 - 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 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 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.

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 **an Education and Health Care Plan (EHCP)** where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with high needs.
- 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.

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 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 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 local authority retains a central budget within the schools budget to fund the costs of new early retirements or redundancies by way of a deduction from maintained school budgets (excluding nursery schools) where the relevant members of the Schools Forum agree

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.

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

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 **which exercise the community facilities power** 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.

Comment [WH1]: Wording was just missed out previously

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:

(7) Where a local education authority incur costs—

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

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

(7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school 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 (7B) is met.

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

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

Annex 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

Little Heath School
 The Willink School

NURSERY SCHOOLS

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

PRUS

iCollege –

- The Oaks
- Badgers Hill
- Bridgeway
- The Porch

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DSG Outturn 2017/18 and Carry Forward to 2018/19

Report being considered by: Schools Forum on 18th June 2018

Report Author: Wendy Howells

Item for: Recommendation **By:** All Forum Members on

1. Purpose of the Report

- 1.1 To set out the actual deployment of the Dedicated Schools Grant (DSG) in 2017/18, explaining the main variances and to propose the amounts to be carried forward to 2018/19

2. Recommendation

- 2.1 To approve the overall carry forward, and the utilisation of the unspent DSG funds being carried forward from 2017/18 to 2018/19 as set out in section 8 of the report.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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3. Introduction

- 3.1 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. It is currently split between three funding blocks – schools, early years and high needs.
- 3.2 The majority of funding is delegated to schools, using national formula factors. The remainder is retained and spent centrally mainly on early years and specialist high needs provision, but also on some services for the benefit of all schools.
- 3.3 Centrally retained over spends, unless funded from outside the DSG, are carried forward and top sliced from the following year's DSG allocation. Under spends must be carried forward to support the schools' budget in future years.
- 3.4 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 over/under spends and to inform future year budget requirements.
- 3.5 The Schools' Forum has received monitoring reports at each meeting held in the autumn and spring term during 2017/18.

4. Year End Position - Summary

- 4.1 Table 1 summarises the overall year end position for each DSG block, also comparing to the Month Ten forecast which was used when setting the budget for 2018/19. The final position is an overall overspend of £14k. The final budget 2017/18 was set at an over spend of £844k so the final outturn is £787k better than

the planned over spend and £689k better than the forecast over spend of £702k at Month Ten . The breakdown for each cost centre within each block is detailed in Appendix A.

Table 1 - 2017/18 Year End Outturn - Breakdown by Funding Block							
Funding Block	Original Budget for Year	Virements	Final Budget for Year	Actual (period 13)	Variance	Planned b/f in budget 2018/19	Difference (to be adjusted in 2018/19 Budget)
Schools Block							
Expenditure	64,027,040	259,450	64,286,490	63,846,712	-439,778		
SSRs	333,800	0	333,800	333,800	0		
Total Expenditure	64,360,840	259,450	64,620,290	64,180,512	-439,778		
Grant	-64,360,840	-232,710	-64,593,550	-64,593,548	2		
Net Position (planned carry forward)	0	26,740	26,740	-413,036	-439,776	97,600	-510,636
Early Years Block							
Expenditure	8,982,690	0	8,982,690	8,452,978	-529,712		
SSRs	43,690	0	43,690	43,690	0		
Total Expenditure	9,026,380	0	9,026,380	8,496,668	-529,712		
Grant	-8,766,180	23,470	-8,742,710	-8,378,718	363,992		
Net Position (planned carry forward)	260,200	23,470	283,670	117,950	-165,720	33,016	84,934
High Needs Block							
Expenditure	17,493,810	23,980	17,517,790	17,336,212	-181,578		
SSRs	145,640	0	145,640	145,640	0		
Total Expenditure	17,639,450	23,980	17,663,430	17,481,852	-181,578		
Grant	-17,055,470	-117,750	-17,173,220	-17,173,217	3		
Net Position (planned carry forward)	583,980	-93,770	490,210	308,635	-181,575	564,640	-256,005
Total							
Expenditure	90,503,540	283,430	90,786,970	89,635,902	-1,151,068		
SSRs	523,130	0	523,130	523,130	0		
Total Expenditure	91,026,670	283,430	91,310,100	90,159,032	-1,151,068		
Grant	-90,182,490	-326,990	-90,509,480	-90,145,483	363,997		
Net Position (planned carry forward)	844,180	-43,560	800,620	13,549	-787,071	695,256	-681,707

- 4.2 Note that the final grant allocation for the Early Years Block is not notified by the Department for Education (DfE) until June/July as it is partly based on the January 2018 census. It is expected that there will be a further reduction in grant of approximately £364k; this adjustment has been accounted for in the 2017 outturn position for the Early Years Block.

5. Schools Block

- 5.1 A breakdown of the variances in the schools block is shown in Table 2:

TABLE 2	Final Budget £	Actual Spend £	Actual Variance £	Utilised for 2018/19 Budget	Unutilised Variance £
Primary schools in financial difficulty	314,650	55,551	-259,099	0	-259,099
Other de-delegated services	660,440	575,743	-84,697	50,990	-33,707
Growth fund/falling rolls fund	202,000	126,287	-75,713	0	-75,713
Maintained primary & Secondary school delegations	61,837,750	61,917,436	79,686	0	79,686
School improvement	223,240	149,830	-73,410	0	-73,410
Other centrally retained services	1,048,410	1,021,865	-26,545	0	-26,545
Support Service Recharges	333,800	333,800	0	0	0
Total Expenditure	64,620,290	64,180,512	-439,778	50,990	-388,788

Brought forward under spends from 2016/17 are included in the total actual variance. It has already been agreed by Schools Forum to utilise £38k and £13k of the 2016/17 brought forward variance in Ethnic and Minority Bilingual Learners and Behaviour Support respectively to reduce the cost to schools for these services in 2018/19. This reduces the overall amount of under spend available.

5.2 During 2017/18, five schools received funding from the primary schools in financial difficulty de-delegated fund as follows:

- Long Lane - £23,420
- St John the Evangelist - £6,000
- The Willows - £300
- John Rankin - £400
- Beenham - £25,430

5.3 The unspent budget of £259,099 may be added to the funding available in 2018/19 to help meet restructuring costs for schools in deficit – this would provide a total budget of £379,120.

5.4 For this and all other de-delegated services, (the un-utilised) funding can be carried forward to the following funding period as with any other centrally retained budget. There is an option to use the under spend specifically (as one off expenditure) in the current year's budget for each specific service, or use to reduce the cost of that de-delegated service to schools in the following year (in other words, to benefit only those schools that have pooled their budgets). Any carried forward over spends can be funded from the unspent budgets or carried forward to increase the charge to schools in 2019/20. The amounts in question to be utilised are:-

- Support to Ethnic and Minority and Bilingual Learners - £35,170
- Behaviour Support - £4,500
- Growth Fund - £75,710
- School improvement - £73,410

- Statutory and Regulatory Duties – (£5,960) over spend

School improvement is funded via a new school improvement grant and therefore the under spend of £73,410 relating to school improvement could be used to either fund additional school improvement services or increase the budget of any other de-delegated service or be carried forward to the next funding period to reduce the cost of de-delegations in 2019/20.

- 5.5 Any DSG underspend brought forward from the previous year can be used to support the growth fund in the schools block, the central school services block, the high needs block, or the early years block following consultation with the Schools' Forum.
- 5.6 The over spend on maintained school delegations is due to actual business rates being higher than originally budgeted for in the school formula. For maintained schools the adjustment is carried out in year, whereas for Academies the DSG is adjusted in the following year.

6. Early Years Block

Table 4 summarises the outturn of the Early Years Block.

TABLE 3	Final Budget £	Actual Spend £	Actual Variance £
3 & 4 year old funding	7,884,600	7,407,069	-477,531
2 year old funding	713,430	698,935	-14,495
PPG & deprivation funding	39,900	50,779	10,879
Pre School Teacher Counselling	45,000	45,000	0
Early years support team	206,310	192,000	-14,310
Early Years Inclusion Fund	75,000	51,200	-23,800
Disability Access Fund	18,450	7,995	-10,455
Support Service Recharges	43,690	43,690	0
Total Expenditure	9,026,380	8,496,668	-529,712
DSG Grant	-8,742,710	-8,378,718	363,992
Net Total	283,670	117,950	-165,720

- 6.1 Early years funding is demand led, with providers claiming funding for actual hours of provision (up to 15 hours per child) at the hourly rate that has been set for the year. Funding for 2017/18 is based five twelfths on the January 2017 census and seven twelfths on the January 2018 census. A new entitlement to an additional 15 hours of free provision for working parents of 3 and 4 year olds was also introduced from September 2017. For these reasons expenditure and funding is variable and difficult to predict, and can produce significant variances when compared to the budget set.
- 6.2 Take up of the additional 15 hours particularly in the autumn, and to a lesser extent the spring term, was lower than the amount originally budgeted for (which was

based on the DfE forecast of take up). This is the main reason why total payments to providers in 2017/18 were £481,000 below budget. In addition, a vacancy arose in the Early Years Support team in the spring term and demand for the Early Years Inclusion and Disability Access funds were lower than expected. Overall expenditure from the Early Years Block was, therefore, £529,000 below budget.

- 6.3 The final level of funding for early years in 2017/18 is based on the January 2018 census. As the take up of additional hours was higher in the spring term than in the autumn term, the estimated final level of funding for the Early Years Block is only £364,000 below the budgeted level, giving an estimated deficit for the Early Years Block at the end of 2017/18 of £118,000.
- 6.4 The final estimated deficit position is £85k higher than the level forecast at month 10 of £33k, because of adjustments to provider payments which were made in February and March 2018. This may mean that the deficit position at the end of 2018/19 will be higher than has been budgeted for. However the 2018/19 position will be affected by the final amount of grant for Early Years for 2017/18 which will be confirmed in June or July 2018. The 2018/19 Early Years budget also allows for further growth in the take up of the additional 15 hours entitlement which is difficult to estimate. The 2018/19 budget position will need to be reviewed in the autumn term, when we have a better indication of the level of take up of additional hours, and it may then be necessary to amend Early Years spending plans for 2019/20.

7. High Needs Block

- 7.1 Table 5 summarises the outturn of the high needs block, listing separately both the high cost and demand led/unpredictable services.

TABLE 4	Final Budget £	Actual Spend £	Actual Variance £
Place Funding	3,945,000	3,945,000	0
Top Up funding – WBC schools	4,933,690	4,994,350	60,660
Top up funding – non WBC schools	4,112,680	3,906,715	-205,965
Top up funding – Further Education	1,309,890	1,155,852	-154,038
Top up funding - PRUs	875,870	1,086,906	211,036
Disproportionate funding	100,000	100,972	972
Home Tuition	345,000	320,100	-24,900
Engaging Potential	455,160	456,177	1,017
Hospital Tuition	45,000	1,646	-43,354
Sensory Impairment	215,710	221,312	5,602
Therapy Services	267,460	266,257	-1,203
Vulnerable Children funding	63,980	63,980	0
Other centrally retained high needs budgets	848,350	816,945	-31,405
Support Service Recharges	145,640	145,640	0
Total Expenditure	17,663,430	17,481,852	-181,578
DSG Grant	-17,173,220	-17,173,217	3
Net Total to carry forward	490,210	308,635	-181,575

- 7.2 The main overspend in the high needs budget is the PRU top ups. This is due to the number and length of placements, the fact that there were SEN pupils from other specialist settings and the delayed increased contributions from schools.
- 7.3 The other main area of overspend is top up funding for WBC schools because of the increasing numbers of children moving from mainstream schools in to the Authority's two special schools, The Castle and Brookfields.
- 7.4 The High Needs budget was set at a £490k over spend position and achieved a £309k over spend at year end ie £182k better than planned, with the top up funding for Further Education being the largest contributor to the improved position. This is largely because of an overestimate of Newbury College costs in 2017-18.
- 7.5 The Home Tuition and Hospital Tuition budgets under spent by £25k and £43k respectively compared to their plan The Home Tuition under spend is in relation to reduced need for supply teachers. The Hospital Tuition budget pays for children who are in hospital on more than a short term basis due to physical or mental health needs and who require education during that time. This can include hospital stays in a range of areas depending on the type of medical need. The Local Authority has no involvement in decisions about hospital placements, so demand on this budget cannot be predicted and varies significantly from year to year. There have been no notifications of children in hospital who have received education in the 2017-18 financial year which is why this budget remains unspent.

- 7.6 The budget for non-West Berkshire special school placements was underspent due to pupil movements during the financial year, including the need to remove some students from a failing SEMH school in a neighbouring Local Authority and place them elsewhere.
- 7.7 The original 2017/18 budget set an over spend of £490k. At month 10 the forecast was for a net overspend of £565k, and this figure was assumed as needing to be met from the 2018/19 high needs block grant. The actual over spend position is £309k, which is £256k lower.

8. Summary of the Carry Forward Proposals

- 8.1 As the 2018/19 high needs budget has been set with a £565k overspend, but the actual position is £256k better off therefore it is proposed to use £156k of this to reduce the deficit in 2018/19 and to utilise £100k in invest to save proposal(s) to lower the ongoing cost of the high Needs Block.
- 8.2 Table 5 details the 2018/19 proposed budget virements to reflect the net reduction in DSG resources carried forward to 2018/19 as proposed in the detail of each block in the preceding paragraphs. This is a net total of £14k, compared to the reduction of £695k assumed when setting the 2018/19 budget.

TABLE 5	Original Budget 2018/19 £	Virement Agreed £	Virement Proposal £	Revised Budget 2018/19 £
Primary schools in financial difficulty	120,020	0	259,100	379,120
All other de-delegations	543,020	50,990	33,710	627,720
To be allocated - Growth Fund	205,000		75,710	280,710
To be allocated - School Improvement	0		73,410	73,410
Sub Total Specific Service Budgets		50,990	441,930	
DSG b/f grant (L990W)	695,256		-681,710	13,546
DSG assumed 18/19 year end c/f grant (L999W schools block)	0		44,260	44,260
Central Services Block	0		-26,550	-26,550
DSG assumed 18/19 year end c/f grant (L999W early years block)	47,860		-84,930	-37,070
DSG assumed 18/19 year end c/f grant (L999W high needs block)	-702,900		156,010	-546,890
To be allocated - High Needs			100,000	100,000
Sub Total General Budgets				
DSG to be received in year	-92,818,660			-92,818,660
Sub Total DSG grant	-91,026,670		-492,920	-91,310,100

- 8.3 Due to overestimating by £682k the over spend to be carried forward, the effect on the DSG budget if the proposals are agreed is an increase of £493k (including increases already agreed) in various service budgets as detailed above. If the proposal to invest to save a sum of £100k from the High Needs budget this will be held in a separate fund in order to monitor specific spend; if not agreed this will reduce the amount of the High Needs over spend forecast for 2018/19.

9. Conclusion

- 9.1 The final variance compared to the month 10 forecast is £682k which is approximately 0.8% of the whole DSG grant. This has had a substantial impact on the overall budget position for the High Needs Block, reducing the planned over spend position from £703k down to £447k and an overall reduction of £189k in the budgeted overspend of grant at the end of 2018/19.

10. Appendices

Appendix A – Dedicated Schools Grant 2017-18 Final Outturn

Dedicated School's Grant (DSG) 2017-18 Budget Monitoring Year End Position

Cost Centre	Description	Original Budget 2017-18	Net Virements in year	Amended Budget 2017-18	Outturn	Variance	Comments
90020	Primary Schools (excluding nursery funding)	47,293,060		47,293,060	47,372,755	79,695	Business rate revaluations, the largest ones being The Willows (£47k) and Theale Primary (£20k)
DSG top slice	Academy Schools Primary	0		0	0	0	
90025	Secondary Schools (excluding 6th form funding)	14,544,690		14,544,690	14,544,681	-9	
DSG top slice	Academy Schools Secondary	0		0	0	0	
90230	DD - Schools in Financial Difficulty (primary schools)	119,980	194,670	314,650	55,551	-259,099	Only 3 modest bids received and approved in year - balance to be c/f to 2018/19
90113	DD - Trade Union Costs	44,040		44,040	44,040	0	
90255	DD - Support to Ethnic minority & bilingual Learners	210,580	41,450	252,030	178,563	-73,467	£38.2k in relation to 2016/17 Carried Forward underspend. £25k vacancy underspend.
90349	DD - Behaviour Support Services	193,860	23,330	217,190	200,004	-17,186	2016-17 C/F underspend factored into 2018-19 de-delegation £12,690
90424	DD - CLEAPSS	2,980		2,980	2,941	-39	
90470	DD - School Improvement	223,240		223,240	149,830	-73,410	Savings relate to a Staffing Restructure
90423	DD - Statutory & Regulatory Duties	144,200		144,200	150,196	5,996	Contribution from Nurseries lower, due to an FTE of pupil numbers adjustment
90235	School Contingency - Growth Fund/Falling Rolls Fund	202,000		202,000	126,287	-75,713	5 schools qualified for funding. Unspent balance as reported to SF 22.01.2018
90583	National Copyright Licences	128,940		128,940	128,941	1	
90019	Servicing of Schools Forum	42,240		42,240	43,634	1,394	Employees
90743	School Admissions	236,460		236,460	235,861	-599	Employee savings
90354	ESG - Education Welfare	224,810		224,810	201,531	-23,279	Employee savings
90422	ESG - Asset Management	54,030		54,030	51,418	-2,612	Employee savings
90460	ESG - Statutory & Regulatory Duties	361,930		361,930	360,480	-1,450	Employee savings
	Schools Block Total	64,027,040	259,450	64,286,490	63,846,712	-439,778	
90010	Early Years Funding - Nursery Schools	807,540		807,540	857,712	50,172	
90037	Early Years Funding - Maintained Schools	1,148,970		1,148,970	1,186,880	37,910	
90036	Early Years Funding - PVI Sector	5,928,090		5,928,090	5,362,477	-565,613	
90052	Early Years PPG & Deprivation Funding	39,900		39,900	50,779	10,879	
90053	Disability Access Fund	18,450		18,450	7,995	-10,455	Lower need than expected.
90018	2 year old funding	713,430		713,430	698,935	-14,495	
90017	Central Expenditure on Children under 5	206,310		206,310	192,000	-14,310	Vacant post
90287	Pre School Teacher Counselling	45,000		45,000	45,000	0	
90238	Early Years Inclusion Fund	75,000		75,000	51,200	-23,800	Uptake lower than expected
	Early Years Block Total	8,982,690	0	8,982,690	8,452,978	-529,712	
90026	Academy Schools RU Top Ups	768,370		768,370	723,750	-44,620	Savings in region of £11k across each of four Units.
90539	Special Schools - Top Up Funding	3,237,280		3,237,280	3,262,595	25,315	Saving in Additional Place Funding (£5k) offset by an increase in the number of pupils on higher bandings (£30k)
90548	Non WBC Special Schools - Top Up Funding	1,086,890		1,086,890	1,050,611	-36,279	Two Pupils changed setting
90575	Non LEA Special School (OofA)	891,130		891,130	717,499	-173,631	Two pupils left one of which had a placement for £100k Clearing of historic invoice provisions for provider payments.
90579	Independent Special School Place & Top Up	2,012,700		2,012,700	1,954,571	-58,129	Pupil movement
90580	Further Education Colleges Top Up	1,309,980		1,309,980	1,155,852	-154,128	Pupils not choosing to return to College who were expected to
90617	Resourced Units top up Funding maintained	202,620		202,620	240,168	37,548	Increased number of pupils in two Maintained RU settings .
90618	Non WBC Resourced Units - Top Up Funding	55,000		55,000	105,340	50,340	Two Pupils changed setting
90621	Mainstream - Top Up Funding maintained	534,010		534,010	574,177	40,167	Increase in need : £14k additional funding paid to Nurseries , £26k to Maintained Schools
90622	Mainstream - Top Up Funding Acadamies	191,410		191,410	193,660	2,250	Demand led
90624	Non WBC Mainstream - Top Up Funding	66,960		66,960	78,694	11,734	Reading pupil moved into WB but maintained their mainstream placement

90625	Pupil Referral Units - Top Up Funding	875,870		875,870	1,086,906	211,036	Pupils placed from other SEN Specialist settings.		
90627	Disproportionate No: of HN Pupils NEW	100,000		100,000	100,972	972	Calculation based on actual numbers of SEN pupils.		
High Needs Block: Top Up Funding Total		11,332,220	0	11,332,220	11,244,795	-87,425			
90320	Pupil Referral Units	735,000		735,000	735,000	0			
90540	Special Schools	2,860,000		2,860,000	2,860,000	0			
90584	Resourced Units - Place Funding (70)	350,000		350,000	350,000	0			
High Needs Block: Place Funding Total		3,945,000	0	3,945,000	3,945,000	0			
90240	Applied Behaviour Analysis	76,000		76,000	52,850	-23,150	Changes to Service need.		
90280	Speci Needs Spprt Team	311,840		311,840	314,449	2,609	Employee pressures partially offset by Supplies and Services underspend		
90287	Pre School Teacher Counselling	40,000		40,000	40,000	0			
90288	Elective Home Education Monitoring	27,660		27,660	23,482	-4,178	Exam Grant uptake from parents lower than expected .		
90290	Sensory Impairment	215,710		215,710	221,312	5,602	Additional visits required due to need.		
90295	Therapy Services	267,460		267,460	266,257	-1,203			
90315	Home Tuition	345,000		345,000	320,100	-24,900	Reduced Employees costs		
90555	LAL Funding	116,200		116,200	116,200	0			
90565	Equipment For SEN Pupils	10,000		10,000	3,397	-6,603	Demand led		
90577	SEN Commissioned Provision	455,160		455,160	456,177	1,017	Building Maintenance costs		
90582	PRU Outreach	77,000		77,000	77,000	0			
90585	HN Outreach Special Schools	50,000		50,000	50,000	0			
90610	Hospital Tuition	45,000		45,000	1,646	-43,354	Low number of WBC Pupils requiring Specialist Hospital Tuition .		
90830	ASD Teachers	139,560		139,560	139,567	7			
90961	Vulnerable Children	40,000	23,980	63,980	63,980	0			
High Needs Block: Non Top Up or Place Funding		2,216,590	23,980	2,240,570	2,146,417	-94,153			
High Needs Block Total		17,493,810	23,980	17,517,790	17,336,212	-181,578			
Total Expenditure across funding bocks		90,503,540	283,430	90,786,970	89,635,902	-1,151,068			
SUPPORT SERVICE RECHARGES		523,130		523,130	523,130	0			
TOTAL DSG EXPENDITURE		91,026,670	283,430	91,310,100	90,159,032	-1,151,068			
90030	DSG Grant Account					1,164,617	Variance mainly due to Early Years additional 15 hours take up being lower than original DfE allocation, and underspends in year.		
		-91,026,670			-283,430			-91,310,100	-90,145,483
NET DSG EXPENDITURE		0	0	0	13,548	13,548			

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School Balances 2017/18

Report being considered by: Schools Forum on 18th June 2018

Report Author: Wendy Howells

Item for: Discussion **By:** All Maintained Schools Representatives

1. Purpose of the Report

- 1.1 This report sets out for information purposes the year end balances for all maintained schools, highlighting those schools with a deficit or significant surplus.
- 1.2 This information can also be used to identify if there are any schools whose financial management may be a cause for concern and require some support.

2. Recommendation(s)

- 2.1 To note the report and determine whether any further information needs to be requested from specific schools.

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>
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3. Introduction

- 3.1 The Scheme for Financing Schools was amended in 2015 in relation to school balances. The claw back of excess surplus balances was removed and has been replaced with a light touch review of all balances.
- 3.2 The scheme states: “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”.
- 3.3 This report provides an overview of school balances as at the end of 2018/19 and highlights those schools with a deficit or significant surplus.

4. Overview of School Balances as at 31st March 2018

- 4.1 The schools’ accounts for 2017/18 have now been closed and the closing balances for each school determined.
- 4.2 Table 1 summarises the overall closing balances (all funds) of West Berkshire Maintained schools compared to the previous year (adjusted for in year academy conversions whose opening balances have been removed). A detailed breakdown per school is shown in Appendix B.

TABLE 1	As at 31 st March 2017 £'000	As at 31 st March 2018 £'000	Increase/(Decrease)	
			£'000	%
Nursery Schools	224	246	22	9.82%
Primary Schools	2,133	2,198	65	3.05%
Secondary Schools	603	480	-123	-20.40%
Special Schools	616	496	-120	-19.48%
Pupil Referral Units	495	286	-209	-42.22%
Total	4,071	3,706	-365	-8.97%

4.3 School revenue balances have continued to decrease over the last year by £365k or 9%, the greatest reduction being in PRUs but this is mainly as a result of the amalgamation of the Alternative Curriculum and the Reintegration Service into the iCollege. The overall level of balances does however continue to remain high in special schools and the PRU.

4.4 A breakdown of the 2017/18 year end balances by type of fund is set out in Table 2.

TABLE 2	Main School Budget £'000	Pupil Premium £'000	Sports Fund £'000	After School Clubs £'000	Capital £'000	Total £'000
Nursery Schools	121	0	0	5	120	246
Primary Schools	1,055	183	314	247	400	2,199
Secondary Schools	479	0	0	0	1	480
Special Schools	366	110	5	0	14	495
Pupil Referral Units	253	0	0	0	33	286
Total Balance	2,274	293	319	252	568	3,706
2016/17 Balance	2,724	324	193	227	603	4,071
Increase / (Decrease)	-450	-31	126	25	-35	-365
%	-19.90%	-31.50%	14.90%	34.30%	-43.40%	-22.80%

- 4.5 In addition to £2.9m being held in revenue balances, £252k is held in before and after school club funds and £568k in capital balances. Of the revenue balances, £293k is unspent pupil premium grant (though note that not all schools account for this separately and include within the main school budget).

5. Schools Closing in Deficit

- 5.1 Table 3 shows the financial position of schools opening and/or closing the year in deficit or who set a deficit budget for the year but closed in surplus (main school revenue budget only – most schools account for their resource units, pupil premium grant and sports fund separately). The eleven schools with a planned “licensed” deficit for the year are those shaded.

TABLE 3	Opening Balance 2017/18 £'000	Budgeted Closing Balance 2017/18 £'000	Actual Closing Balance 2017/18 £'000	Actual Variance 2017/18 £'000
Beenham	-37	-62	-65	-3
Enborne	-1	2	15	13
Hampstead Norreys	2	-2	6	8
The Ilsleys	-2	-10	-6	4
John Rankin Federation	-109	-106	-190	-84
Kintbury St Mary's	25	-22	-12	10
Lambourn	-39	9	-30	-39
Long Lane	-2	-51	-17	34
Parson's Down	16	-47	-22	25
Spurcroft	-8	-28	53	81
St Finians	-8	0	-32	-32
St Johns	-23	-50	-38	12
Stockcross	-6	6	1	-5
Sulhamstead & Ufton Nervet	-4	0	-6	-6
Welford & Wickham	-11	1	3	2
Westwood Farm Federation	-67	-99	-83	16
The Willows	-18	1	-213	-214
The Willink	-3	-147	-99	48

- 5.2 The thirteen schools closing the year in deficit have been asked to provide an explanation for the deficit and what actions they are taking; the responses received are provided in Appendix A. Eleven schools budgeted to close with a deficit and of these two schools actually closed the year with a surplus, and seven schools closed with a better deficit than planned. It is however, disappointing that seven schools closed with either a worse deficit than planned or in fact had an unplanned deficit at year end, most notably John Rankin with a closing deficit of £190k against a plan of £106k and The Willows with a closing deficit of £213k against a budgeted surplus of £1k.

- 5.3 Many of the schools with an unplanned deficit had set a budget with little or no contingency. This suggests that more in year scrutiny should be carried out on such schools.
- 5.4 Appendix B also shows the month nine forecast provided by each school and for many schools there was a significant swing between this forecast and the actual. In response to strengthening the quality of budget forecasting in schools, the Local authority is looking into a new software package as part of the accountancy buy back service. This software needs to include all the functionality required by schools before it can be rolled out and we are working with the software company to ensure that the functionality is available and tested within the next few months.

6. Schools with Significant Surpluses

- 6.1 Although the Schools' Forum has agreed to remove the claw back scheme for schools with excess surplus balances, it was agreed that information on high surplus balances would still be looked at. Appendix A also shows each school's revenue balance as a percentage of actual funding received in the year. Table 4 shows those schools with a surplus of greater than 10% of their funding in 2017/18 and shows the 2016/17 excess surplus balances for comparison.

TABLE 4	2016/17 Actual Surplus £	2017/18 Budget Surplus £	2017/18 Actual Surplus £	Percentage of Funding %	Balance in Excess of 10%
Victoria Park Nursery	64,894	15,110	86,172	16.24%	33,113
Beedon	17,380	19,410	33,762	10.44%	1,433
Cold Ash	114,161	60,010	117,621	14.84%	38,367
Garland	118,816	59,440	91,182	10.02%	183
Purley	51,302	20,570	68,166	12.25%	12,508
Chaddleworth	33,542	34,660	55,893	10.81%	4,187
Streatley	84,779	54,730	104,187	22.04%	56,908
The Castle	327,978	18,360	393,926	10.61%	22,633
iCollege Alternative Provision	393,311	106,066	253,758	13.49%	65,629

- 6.2 Nine schools have closed the year with a surplus of greater than 10% of their funding for the year compared to six schools in the previous year. It is understandable for the nursery school and PRU to operate with a larger surplus due to the volatility of their funding.
- 6.3 Table 5

Table 5 : Historic Breakdown of Schools Surplus Balances					2017/18 Year End Revenue Balance				Breakdown of 2017/18 Year End Balances			
	Closing Balance	Closing Balance	Closing Balance	Closing Balance	Closing Balance	Actual Funding	Closing Balance as Percentage of Funding	Excess Balance over 10%	Main School Budget (MSB)	Pupil Premium Grant	Sports Grant	TOTAL Revenue
	31/03/2014	31/03/2015	31/03/2016	31/03/2017	31/03/2018	2017/18						
NURSERY SCHOOLS												
Victoria Park Nursery School	50,788	52,372	63,047	64,894	86,172	530,588	16.24%	33,113	85,766	405		86,172
TOTAL NURSERY SCHOOLS	50,788	52,372	63,047	64,894	86,172	530,588	16.24%	33,113	85,766	405	0	86,172
PRIMARY SCHOOLS												
Beeton Church of England (Controlled) Primary School	2,795	14,646	18,530	17,380	33,762	323,281	10.44%	1,433	26,861	601	6,300	33,762
Cold Ash St Mark's Church of England Primary School	52,459	50,549	71,387	114,161	117,621	792,545	14.84%	38,367	100,210	10,666	6,746	117,621
Garland Junior School	27,071	53,174	132,349	118,816	91,182	909,993	10.02%	183	52,629	25,425	13,128	91,182
Purley Church of England Infant School	10,642	23,912	53,046	51,302	68,166	556,584	12.25%	12,508	38,203	11,443	18,520	68,166
Chaddleworth Shefford Federation C of E Primary School	36,993	52,521	19,077	33,542	55,893	517,061	10.81%	4,187	47,448	4,217	4,229	55,893
Streatley Church of England Voluntary Controlled School	28,884	31,866	62,691	84,779	104,187	472,791	22.04%	56,908	105,998	-815	-997	104,187
TOTAL PRIMARY SCHOOLS	158,844	226,667	357,080	419,981	470,811	3,572,255	13.18%	113,585	371,349	51,536	47,925	470,811
SPECIAL SCHOOLS												
The Castle School	185,945	288,799	445,542	327,978	393,926	3,712,932	10.61%	22,633	346,254	45,261	2,411	393,926
TOTAL SPECIAL SCHOOLS	185,945	288,799	445,542	327,978	393,926	3,712,932	10.61%	22,633	346,254	45,261	2,411	393,926
PUPIL REFERRAL UNITS												
iCollege Alternative Provision	138,762	308,908	425,361	393,311	253,758	1,881,293	13.49%	65,629	253,382		376	253,758
TOTAL PRUs	138,762	308,908	425,361	393,311	253,758	1,881,293	13.49%	65,629	253,382	0	376	253,758
TOTAL FOR ALL SCHOOLS	534,339	876,747	1,291,030	1,206,164	1,204,666	9,697,068	12.42%	234,960	1,056,751	97,203	50,713	1,204,666

7. Conclusion

7.1 Overall, balances are reducing, though not at the rate that may have been expected given that funding has not increased in line with inflation, and this suggests that schools generally are being very cautious in their use of balances. Four additional schools closed the year with unplanned deficits, which is of concern.

7.2 It should be noted that Schools' Forum may request information from any school whose balance is of concern and does not have an adequate explanation.

8. Appendices

Appendix A – Explanations from Schools with a Deficit Balance

Explanations from Schools with a Deficit Balance

Beenham

Budget: deficit of £61,870, Actual: deficit of £64,783

Reasons

- Historically the school had to set a deficit budget primarily because of a drastic fall in pupil numbers which occurred for a range of reasons.
- In addition the independent after school club had to close and because it was based on an old model, staff were paid through the school budget. The school had to meet the redundancy costs.
- In the year 2017/2018, the budget deficit target was not met because the school is awaiting a payment from the Parish Council for costs incurred as part of their responsibility for the community facilities element of the school. However this payment will be made in 2018/2019.

Actions taken to reduce the deficit in year

To address the deficit we have undertaken the following actions:

- Office restructure in 2016. Redundancy costs £6,780
- There was a re-structure of the Teaching Assistant Workforce (167 hours reduced to 83.75 hours) in 2017. Redundancy costs £22,260
- During the period from September 2015 to the end of academic year 2016/2017, the Headteacher taught on a full time basis for 4 terms out of the 6 hence reducing the overall cost of the teaching staff workforce.
- The PPA teacher resigned and was not replaced. PPA cover is now mostly provided by the Headteacher. From January 2018, all supply cover will also be provided by the headteacher.
- There was also a re-structure of 4 to 3 classes at the outset of 2017/2018
- In addition the school received a payment of £25,430 from the Schools in Financial difficulty fund which enabled them to meet the after school club redundancy costs.

Future actions to reduce the deficit

- From September 2018, further staff restructuring will take place.
- There will be a further reduction of Teaching Assistant hours. This will leave the school with just enough TA hours to support SEN pupils, deliver intervention to PP pupils and provide the legal cover required in the Foundation Stage.
- We are also undertaking a good deal of fundraising which is being used to supplement the stationery budget, school trips, repairs to the building and other smallish and ongoing housekeeping costs.
- It is important to note that pupil numbers are rising again.

The Ilsleys

Budget: deficit of £10,000 Actual: deficit of £6,496

Reasons

Actions taken in year to reduce the deficit

- The Ilsleys Primary School has now Federated with Hampstead Norreys Primary School.
- One teacher left at the end of the Autumn term, the school then took the opportunity to restructure the staffing levels between Hampstead Norreys by having one member of teaching staff working across both schools and also utilising the opportunity of having a member of staff working as an HLTA and an NQT resulted in a reduction of headcount in staff support.

- Existing contracts were reviewed and more cost effective suppliers were sourced wherever possible.
- Reductions were made in operational costs, fewer purchases for classroom materials and the new heating system installed in 2016 has resulted in increased efficiency in energy costs.
- The school also utilised funding from Friends of The Ilsleys Primary School.

Future action to reduce the deficit

- Hampstead Norreys and The Ilsleys Primary School Federation have submitted a single budget for the federation, this has a surplus for 2018/19.

John Rankin Schools

Budget: deficit of £114,960, Actual: deficit of £189,992 (federated school budget)

Reasons

Although the reported deficit is £189,992, there is a surplus of £26,903 in Fund 99 which should have been transferred before the end of the financial year, but wasn't due to change in personnel. Had this been done, the 17/18 deficit would have been £163,089.

The difference between budgeted and actual deficit is due to following overspends in 17/18:

Code/CFR	Description	Overspend/Fund	Reason
A2106	Supply Cover for teachers	£22K in Fund 22 £5K in Fund 09	Although supply cover has reduced over the last three years, we were unable to stay within our budgeted figure this year due to covering ad hoc and long term staff absences which were not coverable by insurance or our TA cover plan.
E0621 E0628	Curriculum Resources	£4K in Fund 22	Insufficient financial control.
E0672	Licences	£8K in Fund 22	Unanticipated one off licence cost.
A9410	Recruitment/Advertising	£3K in Fund 22	Higher than anticipated staff turnover.
E03	Education Support Staff	£20K in Fund 22	Pupils with additional needs joining the school.
E07	Other Staff	£6K in Fund 22	Insufficient allocation in budget
M0332	Maternity insurance	£2.5K in Fund 22	Unanticipated surplus charge from West Berkshire Council.
E0618 E0211	Photocopying	£6K in Fund 22	Lack of controls resulted in spiralling photocopying/printing use.

Actions taken in year to reduce the deficit

The financial controls that were put in place were not robust enough and did not have the desired impact. However the following cost saving exercises were implemented:

- Reduced admin costs following the admin team restructure and implementation of a single office.
- Reduced supply cover costs by Introducing TAs as first line of cover.
- Increased income from the Executive Headteacher (EHT) undertaking Ofsted and Local Authority Advisory work.

Knowing that we were not meeting our budgetary targets, further actions were taken throughout the year to reduce the deficit but these won't start to have an impact until 2018/19. Please see future actions for details.

Future action to reduce the deficit

Rather than managing the 2018/19 budget and the reducing the existing deficit as a single item, these will be treated as two discreet entities. Both will be managed, but in different ways.

Managing the 2018/19 budget

- Reduction of staff costs
 - a streamlined leadership structure
 - a reduction in Teaching Assistants (TAs)
 - cessation of additional hours claims
- Reduction of spending
 - review and renegotiation of all external suppliers and contractors
- Implementation of robust financial controls
 - set a realistic budget
 - utilise the new School Business Team (SBT) to enforce stricter financial controls
 - have protected monthly SBT meetings to monitor the financial position
 - allow justified unexpected spends, but only after re-allocating the money from somewhere else
 - share monthly summary with Resources Committee

Reducing the deficit

2018/19	-£163,089	Aim : Achieve a 20% reduction of the £163,089 deficit in 2018/19 (£33K)		-£130,089
		Cap Fund 22 income from Breakfast Club at £19K, and use the remainder to reduce the deficit	£8,000	
		Use anticipated additional Fund 99 income from running an after school club (2 terms at £10K) to reduce the deficit	£20,000	
		Use EHT's Ofsted income to reduce the deficit	£5,000	
2019/20	-£130,089	Aim : Achieve a 50% reduction of the £130,089 deficit in 2019/20 (£65K)		-£65,089
		Cap Fund 22 income from Breakfast Club at £7K, and use the remainder to reduce the deficit	£20,000	
		Use anticipated additional Fund 99 income from running an after school club (1 term at £10K and 2 terms at £15K) to reduce the deficit	£40,000	
		Use EHT's Ofsted income to reduce the deficit	£5,000	
2020/21	-£65,089	Aim : Eliminate the deficit in 2020/21 (£65K)		£911
		Cap Fund 22 income from Breakfast Club at £14K, and use the remainder to reduce the deficit	£13,000	
		Use anticipated additional Fund 99 income from running an after school club (3 terms at £15K) to reduce the deficit	£45,000	
		Use EHT's Ofsted income to reduce the deficit	£8,000	

Kintbury St Mary's

Budget: deficit of £22,240 Actual: deficit of £12,317

Reasons.

The main reason for the reduced deficit is due to staffing costs.

Actions taken to reduce the deficit in year.

- Actions taken in year was the Head Teacher working four days a week.
- UPS teacher paid an allowance for acting deputy head one day a week.
- UPS teacher left in August 2017 and was replaced with an NQT in September 2017.
- UPS 3 teacher left in December 2017 and was replaced with UPS2

Future actions to reduce the deficit

- Tendering out for contracts
- Rebalance the teacher workforce to reduce average cost
- Look at the possibility of introducing early close Friday from 19/20
- Further class mergers if practical and sensible to do so.

Lambourn

Budget: surplus of £5,887, Actual: deficit of £38,734

Reasons

The reason Lambourn CofE Primary School ended the financial year 2017/2018 in deficit was due to long term sick leave of teaching non-teaching staff.

Actions taken to reduce the deficit in year

To alleviate budget pressures during the course of the academic year we also restructured Teaching and Admin staff as well as changing the school week.

The school now closes at 1.30pm on a Friday, this alleviates the need for PPA Teachers.

Despite all of the above the school managed to reduce the closing balance by approximately £8000 from 2016/2017.

We will continue to reduce this deficit by closely monitoring our spending throughout the year.

Long Lane

Budget: surplus of £9,510, Actual: deficit of £2,341

Reasons:

We had to set a deficit budget for 2017/2018 due to our pupil numbers reducing gradually over the last 4 years because Purley Infant School became a primary school – our pupil numbers have been lower by 15 each year and are now 210 instead of 270. Although most costs were predicted during this phase of change not all higher costs and reduced funding were predicted. Our budget included high redundancy costs due to teaching assistant staff reductions/redundancies and our teaching staff are all very experienced and expensive.

Actions taken to reduce the deficit in year:

We have changed our staffing structure to remove the Deputy Headteacher non-teaching role and have replaced it with two team leaders who will be class based. We have used HLTAs for PPA cover to keep costs down. We have reduced costs by ending some contracts and buy-backs. We now have a long term let of our spare classrooms to a local pre-school group in order to generate lettings income. We also let our school to a holiday club during the school holidays to generate more income. We have also reduced costs across most budget lines including training and curriculum.

Future actions to reduce the deficit:

We have made further reductions in support staff in 2018/2019 to enable the school to submit a balanced budget. We would look at taking on an NQT if one of our teaching staff resigned.

Parson's Down

Budget: deficit of £47,450 Actual: deficit of £22,432

Reasons

A reduction in pupil numbers since 2016. The school had not forecasted what the impact of this would be from 2012 when a new top heavy leadership structure was put in place. This was not reviewed in line with pupil forecasts.

Actions taken to reduce the deficit in year

From April 2017 – all variable hours from support staff were cut. We did not replace an admin team member. The ExHT PA was reduced to 15 hours pw term time only from 25 hours full-time. Consultation to be 2FE from 2019 has taken place.

Future actions to reduce the deficit

From 2018 we will have 6 classes at the Infant school. We will work with numbers of 60 per year group. This gives us greater planning certainty. PPA from September 2018 will be covered by HLTAs. The leadership structure will consist of an ExHT and one Head of School. We will lose 2.0 fte teachers. We have planned a 4 year budget that reflects the school being housed in one building from 2021

St Finians

Budget: £0, Actual: deficit of £31,909

Reasons:

- Long-term absence required supply cover;
- Low intake in Reception year for current Year 4 (intake of 18 children, currently 15 in class);
- Increase in TA working hours to cope with a high needs class.

Actions:

- Various staff reductions
- Caretaker has taken on grounds maintenance to remove requirement for grounds maintenance company;
- Removal of IT curriculum teaching support hours;
- Increase in lettings to include Sunday Football Club.

Future:

- The 2021/22 budget is balanced;
- Possible group service contracts with Diocese (catering);
- Teacher redundancy

St John the Evangelist

Budget: surplus of £8,810, Actual: deficit of £22,724

Reasons

St Johns have been negatively impacted by long term sickness of Teaching Staff. Supply insurance covers a lot but not all of the costs of long term sickness.

We have been suffering a lower uptake of Nursery places over the last couple of years which has decreased EY funding significantly. We took the decision in 2017/18 to open our doors to 30 hours funding for the nursery to give working parents an option to leave their children with us for longer periods. This was unsuccessful, severely reducing our actual funding against budget (Budget £75,970 against Actual £54,498).

We continue, as in previous years to struggle to encourage parents to sign up for pupil premium funding, despite our Inclusions Manager's best efforts. This may be just an overall reduction in eligible families; however the decrease could also be due to the introduction of UIFSM.

Various pupil additional needs costs.

Actions to reduce the deficit in year

We ended the 2017/18 further ahead on deficit recovery than we had budgeted (Budget £50,110 deficit against actual of £37,759), despite the unsuccessful introduction of 30 hours Nursery Provision severely reducing our actual funding income against budget (Budget £75,970 against Actual £54,498). The decision has been taken quickly to stop this offering for future years and so the 30 hours is stopping at the end of the Summer Term 2018.

In order to achieve this level of recovery during 2017/18 we have reduced the use of Supply teachers; covering where possible with HLTAs and through using the SLT. Where Supply teaching has had to be used we have capped the amount chargeable to TMS6 and where possible used Supply teaching staff that command a lower rate of pay.

We have changed our suppliers for catering supplies and made huge savings in order to reduce the catering deficit in year and ensure that we keep our catering function going forward. We have not fully replaced the kitchen assistant that left during the Spring Term 2018 (10 hours employed instead of the previous 15 hours).

We have reduced spend on premises staff through employing only 2 new cleaners to replace 3 that left, also during the Spring Term 2018. Premises expenditure has been reduced to what is absolutely necessary during the year.

Educational supplies have been reduced to what is absolutely necessary to ensure core teaching is still achieved and we have been topped up by the Friends of the school providing classroom donations of £100 per class per term.

Unfortunately we have set the 2018/19 budget with an in year deficit of £8,250, despite our efforts (Cumulative Deficit at end of 2018/19 £46,010). This would not have been the case had we not lost the West Berkshire Council Supply Insurance Scheme that closed 31/3/18. Whilst we have received confirmation from Insurance that ongoing claims will be met, this is '**subject to funds being available**'. Due to this uncertainty we have budgeted to suffer the full cost of the long term sickness until its expected conclusion in December 2018. As previously noted, this member of staff is being managed through a HR and Head led Sickness Absence procedure.

Future actions to reduce the deficit

Further to the actions put in place during 2017/18 to reduce the deficit; during 2018/19 the SLT will be taking on further teaching responsibility. In the short term this allows us to cover the long term sick without using supply teachers. The Head will absorb the SENCO role and the school will employ a 0.44 FTE fixed term TMS6 (maximum) teacher to cover maternity leave. Teaching assistants are reduced to Core Hours from September 2018. HLTAs will take on 2/3 of Supply Teaching responsibility.

Nursery places are assumed to be at least at a minimum to breakeven against the costs of Teacher and Nursery Nurse. The decision will be made at Finance Committee May 2018 to close the nursery if minimum numbers are not reached and reviewed again in May 2019 if we remain open for 2018/19 academic year.

During 2019/20 it is expected that there will be reduced leadership costs. The governors have a working party to discover the school's options.

It has been suggested that by taking a catering supplier on and replacing our in house catering function that we would save money. At this moment the catering costs against the funding we expect to receive leaves us with a small deficit, however the costs that push us into deficit for this

function are Equipment Maintenance costs which we would suffer anyhow and thus the decision has been made for the time being that we will keep our Catering function and continue to monitor it closely and find further cost savings where we can.

Sulhamstead & Ufton Nervet

Budget: surplus £340, Actual: deficit of £5,514

Reasons

- A new Headteacher was recruited to start in September 2017. There was no provision in the budget to employ a SENCo as this role had been previously undertaken by the Head teacher role.
- Our teaching FTE did not reduce by 0.2 (budgeted to change in September).
- Long-term teacher sickness absence and SENCo support cover resulted in an overspend in the supply budget.
- The SEN funding application anticipated in the budget was turned down.
- Additional fundraising/donations received were below the budget forecast.

Actions taken to reduce the deficit in year

- The Headteacher covered part of the long-term sickness absence to reduce supply costs.
- Non-essential building maintenance and repairs not undertaken.
- Curriculum equipment purchased from school association fundraising.

Future actions to reduce the deficit

- We reported the projected deficit to the LA and a deficit support meeting took place with West Berkshire's Schools Accountancy team took place on 29th January 2018.
- Action has been taken by the Senior Leadership Team and Governing Board to explore additional funding streams as discussed at the Schools Accountancy support meeting. A Strategy group has been formed, meeting regularly to consider the school's future options.
- Headteacher to take on SENCo role.
- Staffing structure is reviewed regularly and costs are considered when recruiting new staff.

Westwood Farm Schools

Budget: deficit of £99,370 Actual: deficit of £82,753 (federated school budget)

Reasons

The deficit arose as a result of unplanned compromise agreements paid to two senior leaders at the schools in 2016.

A deficit budget plan was set in 2016/7 and the schools continue their progress as set out in that plan towards recovery.

Actions taken in year to reduce the deficit

- Reduction of one Head of School post;
- PPA teachers have left or moved to class teaching positions;
- Continued use of HLTA and SLT to provide cover to avoid supply costs;
- Administrative and support staff restructure with 4 voluntary redundancies and reduction in admin hours
- A number of support staff moving core and flexible contracts (fixed-term contracts ended and control over any future fixed contracts);
- Review and rationalisation of service contracts.

Future actions to reduce the deficit

- Continued review of service contracts with review of meals and photocopying contracts ongoing;
- Service level agreements review resulting in savings in 2018/19 and 2019/20;

- Nursery staffing re-structure proposal ongoing, deletion of Nursery teacher post with effect from 31st August 2018.

The school remains on target to recover from deficit within the agreed 5 year plan and the Junior School moved from 'Requires Improvement' to 'Good' Ofsted rating in March 2017.

The Willows

Budget: surplus of £620, Actual: deficit of £17,826

Reasons

The school had a change of leadership and when the Interim Executive Head requested a finance breakdown, it was discovered that we had a predicted £250,000 deficit, from a predicted £53,000 deficit from Period 9 monitoring. It became apparent that there had been a lack of financial monitoring at the school. The budget set was very tight and made assumptions about generated income from the previous EHT that did not materialise.

The school also had to cover costs for the change in leadership. This also included paying for Executive Support that was required after the school received a Formal Warning from the LA.

In year actions to reduce the deficit

When the deficit became evident, we reduced expenditure as much as we could and offered support staff the option to not attend on INSET days. This led to a deficit that was first shared to the Interim Executive Head being smaller at year end.

Future actions to reduce the deficit

A budget has been created to request a licenced deficit. Staffing has been scrutinised and redundancies planned. We have also reviewed many practices at the school and have made significant savings by doing so, although many of these are only able to be implemented in the new academic year.

The school will also be requesting assistance from the Schools in Financial Difficulty Fund as it meets the set criteria.

The school has potential to return to surplus in 3 years, with assistance from the fund or 4 years without the support.

The Willink

Budget: deficit of £147,488, Actual: deficit of £98,684

Reasons

The school has been impacted by a reduction of income of £145,583 due to the following factors:

- Sixth form funding is based on the number of year 12 and year 13 students recorded in the October census of the previous academic year. The October 2016 census data showed 157 students, a drop of 17 students compared to the census in 2015. Therefore, there was a reduction (lagged funding) in sixth form income in 2017/18 by £94,583. (As Sixth Form funding is academic year based there will be a further reduction by £23,183 in 2018/19.)
- MoD grant (£51k) previously available in 2015/16 and 2016/17 stopped in 2017/18
- Staff costs have also risen due to increase in on-costs and pay rises; government funding has not kept in line. However, this is not unique to the Willink.

Actions taken in year to reduce the deficit

As part of the planning process for the 2017/18 budget the new chair of finance, new chair of governors together with senior leaders identified that the budget significantly worsened beyond 2017/18 without significant structural savings. So, from Dec 2016 to date, governors have worked closely with the HT to understand how the school has reached this financial position and to identify required savings. The work looked at four areas: teaching and leadership costs; non-teaching staff, other costs and income.

1. Teaching staff costs: Savings £118k better than budget due to:
 - A re-structure of SLT.

- Savings realised by middle leaders on maternity leave
 - A proportion of staff costs transferred to the Teaching School budget.
 - Reduction in PPA time to 10%.
 - External benchmarking and use of curriculum planning tools show the teaching staff structure is at optimum level.
 - The school continues to recruit teachers who can work flexibly, can offer more than one subject, and where possible and practical are NQTs to replace staff high up the pay scale. It also considers alternative arrangements e.g. the employment of a music technician replaced the budgeted post of 2nd music teacher.
2. Non-teaching staff costs – this was identified as an area for reduction in submission of 2017/18 budget plan by £37k PA by 2021/22 however progress has been too slow to address this. Two redundancies occurred in Jan 2018 however there was no significant savings in 2017/18. External support has been used to help the school move from plans to implementation and savings will begin to be realised in 2018/19.
 3. Other costs: Redundancy costs are an exceptional payment (line A9610). £42k Leisure centre costs (£27k for arrangement plus £15k on utilities) is the biggest cost and work is underway to negotiate a more cost- effective way forward. Most significant savings were found in resources (£9k) careers advice (£10k) and a deferral of buildings work until 2018/19 reduced the year end position by £13k.
 4. Income: there has been an increase in pupil numbers in lower school however the school did not qualify for a growth fund as expected in 2017/18. There will be an increased income for 2018/19. The school has seen a slight increase in income from lettings but the leisure centre uses the gym and main hall for activities so opportunity is limited. Fundraising is an area which requires capacity and investment and the school has limited amounts of both.

As a result of the focus on finances, and feedback from WB finance, senior leaders and governors have concluded that there have been weaknesses in the past management of school finances and resources, which urgently need to be addressed, including:

- The lack of robust and reliable information provided to governors on budget forecasts and monitoring.
- The school use of reserves to balance the budget for the previous 2 years to going into deficit. The use of private fund transfers as a balancing item to the main school budget – stopped in 2017/18
- The lack of planning to reduce structural costs e.g. support staff re-structure

Changes are already underway to address the above including actions as outlined in part 3.

Future plans to reduce the deficit

1. Implementation of staff re-structure (Phase 1) to ensure key support functions are managed appropriately and weaknesses addressed. Including:
 - Purchase of strategic financial planning expertise when required
 - Develop and manage finance team to ensure information is accurate and reliable for monitoring and forecasting, both for governors and WB
 - Deficit plans are reviewed and monitored to ensure savings are achieved in 2018/19 and beyond
 - Use of private funds is appropriate and in line with WB audit team recommendations

2. Support staff re-structure and redundancy programme produces savings from September 2018 (offset by redundancy costs £153k)

NB Annual increases due to increments and pay rise (as currently known) are included

Savings 2018/19	Savings 2019/20	Savings 2020/21	Savings 2021/22	Savings 2022/23
53	110	106	106	109

3. Scoping of staff re-structure (Phase 2), including the identification of further savings and ensuring the school is running in the most cost-effective way. The school has identified it needs to implement the further planned staff rationalisation in order to make the appropriate savings of £65k from 31/3/19 if all teachers receive 2%. School will continue approach of recruiting

teachers as described above and undertake an establishment review as part of the curriculum planning for 2018/19.

4. Discussions with WBC regarding the Leisure Centre are likely to reduce costs slightly in the short term; and there are plans to re-consider usage of the Leisure Centre and installation of solar panels for sustainable and cheaper energy longer term
5. Review of contracts – it has not been possible to do this on information made available to governors for 2018/19 but there is potential for savings.
6. Ensure the school has an increase of student numbers in main school intake to 203 from Sept 2018 and the Sixth Form is able to sustain 200 on roll by 2021/22
7. Plan for development of accommodation and facilities to absorb growth in student roll.
8. Remain Good or become Outstanding for Ofsted inspection.

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1	5	6	7	9	10	11	12	14	15	16	18	19	20	21	22	24	26	28
West Berkshire Maintained Schools	School Revenue Balance History			2017/18 Year End Revenue Balance				2017/18 Main School Budget (MSB) Year End Balance Comparisons			Breakdown of 2017/18 Year End Balances							
	Closing Balance 31/03/15	Closing Balance 31/03/16	Closing Balance 31/03/17	Closing Balance 31/03/18	Actual Funding 2017/18	Closing Balance as Percentage of Funding	Excess Balance over 10%	Original Budget 2017/18	Year End Forecast at Month 9	Actual Balance 31/03/18	Main School Budget (MSB)	Pupil Premium Grant	Sports Grant	Resource Units	TOTAL Revenue	TOTAL Community	TOTAL Capital	ALL FUNDS TOTAL
NURSERY SCHOOLS																		
Hungerford Nursery School Centre for Children and Families	21,723	16,325	43,185	35,172	461,337	7.62%	0	15,300	16,865	35,172	35,172				35,172	0	4,229	39,401
Victoria Park Nursery School	52,372	63,047	64,894	86,172	530,588	16.24%	33,113	15,110	26,002	85,766	85,766	405			86,172	4,998	115,526	206,696
TOTAL NURSERY SCHOOLS	74,095	79,372	108,079	121,344	991,924	12.23%	33,113	30,410	42,867	120,939	120,939	405	0	0	121,344	4,998	119,755	246,097
PRIMARY SCHOOLS																		
Aldermaston Church of England Primary School	63,473	38,391	24,952	63,716	825,351	7.72%	0	7,480	43,021	45,363	45,363	11,954	6,399		63,716	0	16,344	80,059
Basildon Church of England Primary School	22,725	22,502	13,202	18,244	628,095	2.90%	0	5,800	2,235	2,952	2,952	7,217	8,075		18,244	2,018	0	20,262
Beedon Church of England (Controlled) Primary School	14,646	18,530	17,380	33,762	323,281	10.44%	1,433	19,410	13,323	26,861	26,861	601	6,300		33,762	0	5,550	39,312
Beenham Primary School	3,590	5,178	-34,347	-60,567	457,781	-13.23%	0	-61,870	-96,760	-64,783	-64,783	0	4,215		-60,567	0	5,267	-55,301
Birch Copse Primary School	29,561	7,116	881	26,663	1,594,648	1.67%	0	260	17,451	25,169	25,169	602	892		26,663	264	0	26,927
Bradfield Church of England Primary School	46,306	73,115	2,719	8,938	643,912	1.39%	0	1,710	-21,410	4,077	4,077	2,197	2,664		8,938	0	0	8,938
Brightwalton Church of England Aided Primary School	28,745	29,047	23,858	11,349	474,857	2.39%	0	6,320	9,050	9,232	9,232	2,193	-77		11,349	0	0	11,349
Brimpton Church of England Primary School	18,170	20,490	7,190	7,669	331,422	2.31%	0	960	3,447	3,506	3,506	1,245	2,919		7,669	0	645	8,315
Bucklebury Church of England Primary School	4,136	5,051	14,560	34,794	569,188	6.11%	0	13,140	18,449	25,631	25,631	2,202	6,961		34,794	0	6,984	41,778
Burghfield St Mary's Church of England Primary School	-848	12,401	6,641	22,363	857,362	2.61%	0	8,020	1,402	16,310	16,310	1,506	4,547		22,363	0	24	22,387
Calcot Schools Federation	189,329	197,277	137,397	124,895	2,355,882	5.30%	0	47,700	72,867	129,103	129,103		-4,207		124,895	37,860	7,226	169,981
Chieveley Primary School	693	27,589	33,859	38,695	836,651	4.62%	0	16,370	22,408	36,876	36,876	1,819			38,695	0	21,766	60,461
Cold Ash St Mark's Church of England Primary School	50,549	71,387	114,161	117,621	792,545	14.84%	38,367	60,010	70,363	100,210	100,210	10,666	6,746		117,621	1,354	5,555	124,530
Compton Church of England Primary School	18,908	35,129	48,011	34,629	770,629	4.49%	0	24,822	29,636	34,629	34,629				34,629	0	0	34,629
Curridge Primary School	11,451	19,464	17,908	28,415	491,599	5.78%	0	10,090	19,997	26,022	26,022	0	2,393		28,415	-827	527	28,115
Downsway Primary School	60,893	56,844	47,398	61,206	870,357	7.03%	0	0	49,114	48,100	48,100	979	12,127		61,206	0	13,736	74,941
Enborne Church of England Primary School	5,216	14,256	10,336	16,459	362,226	4.54%	0	1,800	10,428	14,962	14,962	0	1,496		16,459	0	0	16,459
Englefield Church of England Primary School	40,942	44,229	46,392	39,316	472,047	8.33%	0	11,890	27,764	35,110	35,110		4,206		39,316	0	0	39,317
Falkland Primary School	127,017	136,793	157,706	144,949	1,626,334	8.91%	0	52,470	110,556	133,531	133,531	5,537	5,881		144,949	0	9,155	154,104
Francis Baily Primary School	104,578	71,923	54,110	38,684	2,052,088	1.89%	0	27,720	-9,540	38,684	38,684	0	0		38,684	7,689	6	46,379
Garland Junior School	53,174	132,349	118,816	91,182	909,993	10.02%	183	59,440	54,380	52,629	52,629	25,425	13,128		91,182	15,279	96,940	203,401
Hampstead Norreys Church of England Primary School	49,420	33,277	24,586	24,519	436,172	5.62%	0	-1,620	-2,670	5,766	5,766	11,584	7,169		24,519	8,553	8,192	41,265
Hermitage Primary School	51,514	37,379	48,122	18,698	811,355	2.30%	0	8,710	718	11,226	11,226	1,729	5,743		18,698	4,284	19,780	42,762
Hungerford Primary School	62,457	76,194	43,985	65,304	1,586,534	4.12%	0	6,800	25,664	52,054	52,054	8,268	4,982		65,304	0	15,615	80,919
The Ilsleys' Primary School	19,073	2,425	-1,975	-6,143	348,607	-1.76%	0	-10,000	-14,315	-6,496	-6,496	660	-308		-6,143	1,308	4,754	-81
Inkpen Primary School	46,375	22,212	19,689	21,308	401,442	5.31%	0	5,750	17,036	22,427	22,427		-1,119		21,308	0	3,098	24,407
John Rankin Schools Federation	-21,154	-169,724	-104,085	-160,378	2,294,069	-6.99%	0	-114,960	-216,520	-189,992	-189,992		29,615		-160,378	26,903	3,054	-130,421
Kennet Valley Primary School	59,956	37,989	48,873	35,561	889,582	4.00%	0	10,010	23,213	27,068	27,068	4,241	4,253		35,561	0	9,682	45,243
Kintbury St Mary's Church of England Primary School	35,898	61,699	31,814	1,323	656,034	0.20%	0	-22,240	-21,300	-12,317	-12,317	5,226	8,413		1,323	0	23,420	24,743
Lambourn Church of England Primary School	121,846	97,167	-24,915	-27,804	983,543	-2.83%	0	8,880	-46,870	-30,171	-30,171	0	2,367		-27,804	7,500	191	-20,113
Long Lane Primary School	35,095	23,885	6,464	-5,060	859,602	-0.59%	0	-51,200	-21,884	-17,060	-17,060	0	12,000		-5,060	240	6,408	1,588
Mortimer St John's Church of England School	-21,354	-307	5,125	23,097	788,712	2.93%	0	0	50	15,839	15,839		7,258		23,097	0	23,558	46,655
Mortimer St Mary's CofE Junior School	57,488	43,589	50,002	47,941	842,919	5.69%	0	25,750	29,040	44,169	44,169	2,585	1,186		47,941	0	0	47,941
Mrs Bland's Infant School	5,988	21,888	6,152	13,192	900,107	1.47%	0	0	82	9,150	9,150	0	4,042		13,192	2,044	0	15,236
Pangbourne Primary School	52,082	19,834	7,352	27,033	915,241	2.95%	0	9,470	3,409	26,901	26,901	1,071	-938		27,033	0	11,761	38,793
Parsons Down Schools Federation	155,018	117,697	65,292	23,128	2,119,588	1.09%	0	-47,450	-74,190	-22,432	-22,432	12,399	33,161		23,128	5,832	4,373	33,333
Purley Church of England Infant School	23,912	53,046	51,302	68,166	556,584	12.25%	12,508	20,570	26,523	38,203	38,203	11,443	18,520		68,166	4,988	8,325	81,480
Robert Sandilands Primary School and Nursery	89,405	44,165	31,526	64,594	1,138,661	5.67%	0	31,370	32,440	53,018	53,018	7,655	3,920		64,594	0	285	64,878
Shaw-cum-Donnington Church of England Primary School	22,265	31,457	31,678	35,655	527,677	6.76%	0	23,770	29,550	32,043	32,043	0	3,612		35,655	4,467	3,356	43,478
Chaddleworth Shefford Federation Cof E Primary School	52,521	19,077	33,542	55,893	517,061	10.81%	4,187	34,660	39,540	47,448	47,448	4,217	4,229		55,893	0	403	56,297
Springfield Primary School	34,611	39,620	35,572	54,299	1,264,877	4.29%	0	41,610	54,613	47,541	47,541	1,370	5,387		54,299	22,340	14,342	90,981
Spurcroft Primary School	25,383	-78,930	-4,551	57,530	1,859,128	3.09%	0	-27,710	14,691	52,785	52,785	0	4,745		57,530	12,149	8,933	78,612
St Finian's Catholic Primary School	48,052	19,659	-7,449	-31,741	788,185	-4.03%	0	0	-25,080	-31,909	-31,909		168		-31,741	0	0	-31,741
St John the Evangelist Cof E Infant and Nursery School	-17,758	32,494	-22,318	-31,409	831,531	-3.78%	0	-50,110	-50,543	-37,759	-37,759	0	6,350		-31,409	877	0	-30,532

West Berkshire Maintained Schools				School Revenue Balance History			2017/18 Year End Revenue Balance			2017/18 Main School Budget (MSB) Year End Balance Comparisons			Breakdown of 2017/18 Year End Balances								
				Closing Balance 31/03/15	Closing Balance 31/03/16	Closing Balance 31/03/17	Closing Balance 31/03/18	Actual Funding 2017/18	Closing Balance as Percentage of Funding	Excess Balance over 10%	Original Budget 2017/18	Year End Forecast at Month 9	Actual Balance 31/03/18	Main School Budget (MSB)	Pupil Premium Grant	Sports Grant	Resource Units	TOTAL Revenue	TOTAL Community	TOTAL Capital	ALL FUNDS TOTAL
St Joseph's Catholic Primary School				42,802	53,789	54,785	52,665	870,981	6.05%	0	8,920	22,917	49,633	49,633	0	3,032		52,665	24,003	0	76,668
St Nicolas Church of England Junior School				20,380	1,085	11,716	35,737	973,738	3.67%	0	14,300	31,190	35,737	35,737		0		35,737	12,079	8,447	56,262
St Paul's Catholic Primary School				116,866	58,682	50,175	86,572	1,213,208	7.14%	0	6,860	16,705	47,990	47,990	11,029	27,553		86,572	0	5,133	91,704
Stockcross Church of England School				34,304	1,398	-5,490	1,078	463,357	0.23%	0	5,860	-3,650	1,155	1,155	210	-288		1,078	0	0	1,078
Streatley Church of England Voluntary Controlled School				31,866	62,691	84,779	104,187	472,791	22.04%	56,908	54,730	88,870	105,998	105,998	-815	-997		104,187	0	0	104,187
Sulhamstead and Ufton Nervet CofE VA Primary School				42,673	-844	-3,141	-310	492,324	-0.06%	0	340	-10,132	-5,514	-5,514	541	4,664		-310	0	0	-310
Thatcham Park Church of England Primary School				51,606	29,335	63,657	92,637	1,602,453	5.78%	0	0	60,604	76,275	76,275	11,827	4,535		92,637	0	92	92,729
Theale Church of England Primary School				81,806	35,995	1,383	6,037	1,513,546	0.40%	0	0	-15,981	7,723	7,723		1,374	-3,060	6,037	0	4,875	10,912
Welford and Wickham Church of England Primary School				-1,914	1,970	-11,134	3,185	478,180	0.67%	0	1,070	-820	3,471	3,471	50	-336		3,185	994	448	4,627
Westwood Farm Schools Federation				123,740	7,810	-50,426	-72,491	1,876,212	-3.86%	0	-99,370	-96,595	-82,753	-82,753	4,220	8,850	-2,808	-72,491	0	20,362	-52,129
The Willows Primary School				41,720	73,790	-8,308	-224,442	1,741,806	-12.89%	0	1,230	-219,187	-212,694	-212,694	-11,775	27		-224,442	12,930	395	-211,116
The Winchcombe School				140,523	84,008	63,494	137,693	2,061,273	6.68%	0	7,480	75,790	96,787	96,787	13,340	2,191	25,375	137,693	31,640	597	169,930
Woolhampton Church of England Primary School				16,980	35,740	28,080	34,014	440,856	7.72%	0	4,440	10,990	17,985	17,985	6,767	9,261		34,014	0	0	34,014
Yattendon Church of England Primary School				32,070	12,948	6,355	14,094	391,455	3.60%	0	7,050	5,010	11,832	11,832	824	1,438		14,094	0	0	14,094
TOTAL PRIMARY SCHOOLS				2,656,768	2,083,255	1,524,839	1,548,341	55,155,638	2.81%	113,585	228,512	237,089	1,035,304	1,035,304	182,809	310,721	19,508	1,548,341	246,769	399,604	2,194,714
SECONDARY SCHOOLS																					
The Downs School				260,971	364,309	353,723	290,539	5,769,837	5.04%	0	166,540	257,546	290,539	290,539				290,539	0	0	290,539
Little Heath School				23,911	103,383	187,470	287,347	8,180,261	3.51%	0	25,750	235,977	287,347	287,347				287,347	0	84	287,430
The Willink School				31,603	118,444	13,513	-98,684	5,076,161	-1.94%	0	-147,088	-126,664	-98,684	-98,684				-98,684	0	602	-98,082
TOTAL SECONDARY SCHOOLS				316,485	586,136	554,706	479,201	19,026,259	2.52%	0	45,202	366,859	479,201	479,201	0	0	0	479,201	0	686	479,887
SPECIAL SCHOOLS																					
Brookfields Special School				346,214	230,911	256,707	86,996	5,237,809	1.66%	0	2,510	160,494	19,738	19,738	64,751	2,507		86,996	244	0	87,240
The Castle School				288,799	445,542	327,978	393,926	3,712,932	10.61%	22,633	18,360	312,710	346,254	346,254	45,261	2,411		393,926	0	14,545	408,471
TOTAL SPECIAL SCHOOLS				635,013	676,453	584,685	480,922	8,950,741	5.37%	22,633	20,870	473,204	365,992	365,992	110,012	4,918	0	480,922	244	14,545	495,711
PUPIL REFERRAL UNITS																					
iCollege Alternative Provision				308,908	425,361	393,311	253,758	1,881,293	13.49%	65,629	106,066	0	253,382	253,382		376		253,758	0	32,549	286,307
Reintegration Service				419,879	190,322	76,097	0	293,186	0.00%	0	34,750	0	0					0	0	0	0
TOTAL PRUs				728,787	615,683	469,408	253,758	2,174,479	11.67%	65,629	140,816	0	253,382	253,382	0	376	0	253,758	0	32,549	286,307
TOTAL FOR ALL SCHOOLS				4,411,148	4,040,899	3,241,717	2,883,567	86,299,041	3.34%	234,960	465,810	1,120,019	2,254,818	2,254,818	293,226	316,015	19,508	2,883,567	252,010	567,139	3,702,716
Schools with Excess Surplus Revenue Balance				8	8	6	9					2016/17 Balances:		2,714,230	324,651	192,789	10,047	3,241,717	227,320	602,433	4,071,470
Schools with Deficit Revenue Balance				5	4	12	11					Change:		-459,412	-31,425	123,226	9,461	-358,150	24,690	-35,294	-368,754

Vulnerable Children's Fund 2017-18

Report being considered by:	Schools Forum on 18 th June 2018		
Report Author:	Michelle Sancho		
Item for:	Vulnerable Children's Fund	By:	Ian Pearson

1. Purpose of the Report

1.1 Review of Vulnerable Children's Fund 2017/18

2. Introduction/Background

- 2.1 The Vulnerable Children's Fund (VCF) is a highly appreciated, relatively small fund, for small schools who have unexpected additional financial pressures due to in-year admissions of children with challenging behaviour. It is specifically devised to promote social inclusion, reduce exclusions and reduce the pressure on SEN budgets by providing temporary funding.

3. Supporting Information

3.1 Budget

The VCF budget for 2017-18 was £60,000. This is inclusive of the 2016/17 under spend. The budget for next year has been reduced by £10,000 in order to contribute to savings in the High Needs Budget.

3.2 Allocation of Fund

The table overleaf shows an overview of the allocation of funding over the past 3 years. The number of requests for the Vulnerable Children's Grant (VCG) has reduced slightly although the number of pupils supported has remained similar. The number of schools accessing the support has increased from 31 last year to 36 this year.

The number of requests refused increased this year. This was mainly due to repeat requests for this short term time limited funding.

Primary schools accessed the majority of the fund (94%) in 2017/18. 53 primary aged pupils and 2 secondary aged pupils were supported. Only one request was extended beyond the initial term in 2017/18. In keeping with previous years the majority of the schools used their VCG to fund additional teaching assistant support.

Table 1 - Allocation of VCF 2014-2017

	2015/16	2016/17	2017/18
Requests Agreed	82	67	48
Requests Refused	4 (2 x SEN/health needs, 1 early years, 1 LAC)	4 (2 EHCs and 2 repeats)	10
Schools Accessing Fund	46	31	36
Primary	41(89%)	29 (94%)	34 (94%)
Secondary	4 (9%)	2 (6%)	2 (6%)
PRUs	1 (2%)	0	0
Students Supported	69	53	55
Primary	57 £53,487	51 £69,980	53 £62,230
Secondary	10 £6,327	2 £5,300	2 £1,750
PRUs	2	0	0
Requests Extended Beyond Initial Term	8 (10% of total)	14 (21% of total)	1 (2% of total)
Type of Support:			
Additional TA	90%	79%	90%
External Package	5%	5%	6%
Holiday Support	5%	0	4%
Medical Support	0	16%	0
Total spend	£59,811	£75,280	£63,980

3.3 Feedback

Feedback was sought from schools using a brief online survey. Schools were asked how the grant was used, whether any exclusions had taken place and whether the pupil in receipt of the grant had made progress. Excerpts from feedback from schools are below:

"The VCG funding enabled the school to put in additional adult support for 3 children in receipt of it. In all 3 cases the impact has been amazing. All 3 pupils have made accelerated progress in all Reading, Writing and Maths. One pupil has reduced the number of exclusions since being in receipt of additional support. The funding has allowed us to use the PPG to support in other areas...thank you. Long may this funding continue"

"With the money we were able to fund support which reduced the risk of the children being excluded from mainstream education...the money has helped them make a positive start"

"Both children came to us for a fresh start....they both came having had a traumatic time leaving their previous setting and needed a tremendous amount of support to add nurture opportunities to ensure they were ready to learn"

4. Conclusion

- 4.1 The VCG aims to be fair, equitable and simple to request. Feedback from schools indicates that it is valued and has significant impact. If schools, particularly smaller primary schools, cannot access this support in the future it could lead to increased movement between schools, higher exclusion figures and increased pressure on the capacity of specialist support services.

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Education Trade Unions Report

Report being considered by: Schools Forum on 18th June 2018

Report Author: Keith Watts

Item for: Information **By:** All Forum Members

1. Purpose of the Report

1.1 To inform members of the activities of the teacher trade unions

2. Recommendation

2.1 None

Will the recommendation require the matter to be referred to the Council or the Executive for final determination?

Yes: ☐

No: ☒

3. Introduction/Background

3.1 Introduction

Schools employing union officers receive payments to compensate them for releasing union officers to work with members experiencing professional pressures and difficulties (casework) and to support groups of members either in individual schools or through negotiation and consultation with the local authority acting on behalf of its schools (collective work).

The time that the officers are released is known as union facilities time.

This arrangement means that every school does not need to release members of their own staff to be trained and to undertake casework. This would be a legal requirement but disproportionately expensive.

3.2 Individual Issues

The union officers spend most of the facilities time dealing with member teachers and headteachers. Teachers in West Berkshire schools are able to contact their union representative directly by email or telephone. Issues raised by members in this way are known as casework. Casework with individuals can be divided into capability; disciplinary; grievance; and contracts, pay and conditions including redundancy.

Whenever possible we give advice on how the member can try to resolve the matter for themselves. This is often successful, as local officers know individual schools well and are often able to advise teacher members how they can deal with a problem informally. However, there are a number of cases where the union officer has to make contact with school management, human resources provider or an LA officer directly. This may involve a face-to-face meeting. School policies confer a right for employees to be accompanied at most meetings by a union representative. Human resource providers seek to encourage this.

3.2.1 Capability

In its broader sense, this now includes support through performance management as well as the formal capability procedure. The capability procedure may be invoked when the employer deems that an employee's performance is below that expected. An employee is entitled to be accompanied by a union representative at all stages.

The appraisal system provides for support for teachers who are experiencing difficulties and schools usually use this well. Teachers are entitled to be supported by a trade union representative throughout this 'support through appraisal' process. It sometimes falls to us to get our members to face some hard facts. Accepting that there is a problem moves someone a lot closer to working to fix it.

Questions of capability also include incapability through illness. Usually an employee is referred for a consultation with an occupational health medical professional and advice to management is produced. This advice is discussed with the employee, who is entitled to be accompanied by a union representative. We have noted a continuing small increase in the number of ill health capability cases. These cases can be very complex. Schools have for some years carried the cost of replacing absent staff and are very cost aware. School managements are, in our experience, keen to do the right thing by their staff while seeking also to safeguard the interests of their pupils. The public sector equality duty has placed additional responsibilities on school management in dealing with staff whose incapacity may be regarded as a disability and we seek to find the best solution for all concerned in some very complex cases.

3.2.2 Appraisal

We have noted this year an increase in contact from members concerned about their experience of appraisal e.g. changes of appraiser, changes to targets, targets the member believes are unachievable, requests for evidence of achieving every teacher standard, being classified as 'Requires Improvement', 'Good' or 'Outstanding'.as well as failure to be recommended for a pay increase.

3.2.3 Disciplinary

This includes investigations of complaints and allegations as well as any formal hearings. An employee is entitled to be accompanied by a union representative at an investigative interview and at any hearing.

3.2.4 Grievance

This is where the employee lodges a grievance against their employer. Formal grievances are quite rare, but very time consuming for all concerned. The Model Grievance Procedure encourages that attempts should be made for issues that might lead to a grievance to be resolved through informal discussion between school management and the member, supported by their union officer either in person (or, more frequently, through prior discussion between the member and the union officer). An employee is entitled to be accompanied at meetings.

Grievances can also be collective (a group of employees who are affected by the same issue) rarely reach the formal stage.

Grievances are difficult to classify as they are often related to interpersonal relationship but we note an increase in the advice we are giving to do with workload and contractual obligation.

3.2.5 Contracts, Pay and Conditions

Contracts, Pay and Conditions issues such as pay determination, questions of what teachers can be directed to do are becoming increasingly common but are often straightforward to resolve.

3.3 Collective issues

These include consultation on changes to working conditions such as pay policies, sickness absence policies, codes of conduct restructuring and redundancy.

This school year has seen just a few restructurings accompanied by the risk of redundancy even though budgets are under further pressure. The redundancy procedure is complex and often involves multiple meetings. The threat of redundancy can quickly undermine morale in a school and often the role of union officers is to reassure and support employees as well as ensuring that correct procedures are followed. Calls and emails from members when a school consults on restructuring are high.

The author is unaware of any one losing their job through redundancy in the past year. The fact of a school being overstaffed is often enough to trigger some staff to leave for pastures new.

When schools elect, or are compelled, to become academies the ACAS guide to Transfer of Undertakings (Protection of Employment) regulations known as TUPE requires consultation with staff and union representatives through the process. There is always at least one meeting with staff and unions and often one or more change in employment practice that is consulted on.

3.4 LA Policies and guidance

In addition to the above, time has been spent on formally meeting with councillors, discussion of policy and guidance documentation that the LA issue to schools (saving schools the need to consult/negotiate at a school level) and research, planning, inter-union and internal union consultation.

4 Funding 2017-8

Union	Members	Flat Rate Element	Additional funding distributed in proportion to membership numbers
NASUWT	574	£1,129.23	£13,615.98
NUT	572	£1,129.23	£13,568.53
ATL	485	£1,129.23	£11,504.79
NAHT	90	£1,129.23	£2,134.91
ASCL	47	£1,129.23	£1,114.90
Totals	1768	£5,646.15	£41,939.11

5 Consultation and Engagement

Secretaries of the recognised teacher trade unions (Association of Teachers and Lecturers, Association of School and College Leaders, National Association of Headteachers, National Association of Schoolmasters Union of Women Teachers, National Union of Teachers)

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Agenda Item 12

Schools Forum Work Programme 2018/19

	Item	HFG Deadline	Heads Funding Group	SF Deadline	Schools Forum	Action required	Author
Term 6	Schools Funding Arrangements for 2019/20	26/06/18	03/07/18	10/07/18	16/07/18	Decision	Wendy Howells
	School Budgets 2018/19 and Schools in Financial Difficulty	26/06/18	03/07/18	10/07/18	16/07/18	Discussion	Wendy Howells
	DSG Monitoring Month 3			10/07/18	16/07/18	Discussion	Ian Pearson
	Schools' Forum Membership and Constitution from September 2018			10/07/18	16/07/18	Decision	Jessica Bailiss
	West Berkshire Council School Funding Transfers for Mainstream Exclusions and Fresh Starts	26/06/18	03/07/18	10/07/18	16/07/18	Discussion	TBC
	Schools: deficit recovery (<i>standing item</i>)	26/06/18	03/07/18	10/07/18	16/07/18	Discussion	Wendy Howells
Term 1	Schools Funding Formula 2019/20	25/09/18	02/10/18	09/10/18	15/10/18	Decision	Wendy Howells
	Additional Funding Criteria 2019/20	25/09/18	02/10/18	09/10/18	15/10/18	Decision	Wendy Howells
	De-delegations 2019/20	25/09/18	02/10/18	09/10/18	15/10/18	Decision	Wendy Howells/TBC
	High Needs Places and Arrangements 2019/20	25/09/18	02/10/18	09/10/18	15/10/18	Discussion	Jane Seymour
	DSG Monitoring 2018/19 Month 5			09/10/18	15/10/18	Information	Ian Pearson
	Schools: deficit recovery (<i>standing item</i>)	25/09/18	02/10/18	09/10/18	15/10/18	Discussion	Wendy Howells
Term 2	Draft DSG Funding & Budget 2019/20	21/11/18	28/11/18	04/12/18	10/12/18	Discussion	Wendy Howells
	Final School Funding Formula Proposal 2019/20	21/11/18	28/11/18	04/12/18	10/12/18	Decision	Wendy Howells
	Final Additional Funding Criteria 2019/20	21/11/18	28/11/18	04/12/18	10/12/18	Decision	Wendy Howells
	Final De-delegations 2019/20	21/11/18	28/11/18	04/12/18	10/12/18	Decision	Wendy Howells/TBC
	Draft Central Schools Block Budget	21/11/18	28/11/18	04/12/18	10/12/18	Discussion	TBC/Ian Pearson
	Draft High Needs Budget 2019/20	21/11/18	28/11/18	04/12/18	10/12/18	Discussion	Jane Seymour & Michelle Sancho
	Draft Early Years Budget 2019/20	21/11/18	28/11/18	04/12/18	10/12/18	Discussion	Avril Allenby
	Update on Schools in Financial Difficulty	21/11/18	28/11/18	04/12/18	10/12/18	Information	Wendy Howells
	Schools Funding Benchmarking Information	21/11/18	28/11/18	04/12/18	10/12/18	Information	Wendy Howells
	DSG Monitoring 2018/19 Month 7			04/12/18	10/12/18	Information	Ian Pearson
Term 3	Schools: deficit recovery (<i>standing item</i>)	21/11/18	28/11/18	04/12/18	10/12/18	Discussion	Wendy Howells
	Dedicated Schools Grant (DSG) Funding Settlement and Budget Overview 2019/20	02/01/19	08/01/19	15/01/19	21/01/19	Discussion	Wendy Howells
	Final Schools Funding Formula 2019/20	02/01/19	08/01/19	15/01/19	21/01/19	Decision	Wendy Howells
	Central Schools Block Budget Proposals 2019/20	02/01/19	08/01/19	15/01/19	21/01/19	Decision	TBC/Ian Pearson
	High Needs Block Budget Proposals 2019/20	02/01/19	08/01/19	15/01/19	21/01/19	Decision	Jane Seymour & Michelle Sancho
	Early Years Block Budget Proposals 2019/20	02/01/19	08/01/19	15/01/19	21/01/19	Decision	Avril Allenby
	Growth Fund and Falling Rolls Fund 2018/19	02/01/19	08/01/19	15/01/19	21/01/19	Information	Wendy Howells
	DSG Monitoring 2018/19 Month 9			15/01/19	21/01/19	Information	Ian Pearson
	Schools: deficit recovery (<i>standing item</i>)	02/01/19	08/01/19	15/01/19	21/01/19	Discussion	Wendy Howells
	Work Programme 2019/20	20/02/19	27/02/19	05/03/19	11/03/19	Decision	Jessica Bailiss
Term 4	Final DSG Budget 2019/20 - Overview	20/02/19	27/02/19	05/03/19	11/03/19	Decision	Wendy Howells
	Final Central Schools Block Budget 2019/20	20/02/19	27/02/19	05/03/19	11/03/19	Decision	TBC/Ian Pearson
	Final High Needs Block Budget 2019/20	20/02/19	27/02/19	05/03/19	11/03/19	Decision	Jane Seymour & Michelle Sancho
	Final Early Years Block Budget 2019/20	20/02/19	27/02/19	05/03/19	11/03/19	Decision	Avril Allenby
	DSG Monitoring 2018/19 Month 10			05/03/19	11/03/19	Information	Ian Pearson
	Schools: deficit recovery (<i>standing item</i>)	20/02/19	27/02/19	05/03/19	11/03/19	Discussion	Wendy Howells

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