

Notice of Meeting

Schools Forum

Monday 16th June 2025 at 5.00pm
Via Zoom

The meeting can be watched live here: www.westberks.gov.uk/schoolsforumlive

Date of despatch of Agenda: Tuesday 10 June 2025

For further information about this Agenda, or to inspect any background documents referred to in Part I reports, please contact Jessica Bailiss on (01635) 503124
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Further information and Minutes are also available on the Council's website at www.westberks.gov.uk



Agenda - Schools Forum to be held on Monday 16 June 2025 (continued)

Forum Members: Kavash Bamfield, Reverend Mark Bennet, Catherine Bernie, Nicolle Browning, Heather Codling, Iain Cottingham, Paul Davey, Jacquie Davies, David Fitter, Mel Godliman, Richard Hand, Michelle Harrison, Keith Harvey, Jon Hewitt, Trevor Keable, Jo Lagares, Julie Lewry, Jo MacArthur, Jamie Morton, Chris Prosser, David Ramsden, Graham Spellman (Chair), Phil Spray, Chloe Summerville, Edwin Towill and Charlotte Wilson

Agenda

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Agenda - Schools Forum to be held on Monday 16 June 2025 *(continued)*

Sarah Clarke
Interim Executive Director - Resources

If you require this information in a different format or translation, please contact
Jessica Bailiss on telephone (01635) 503124.



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SCHOOLS FORUM

MINUTES OF THE MEETING HELD ON MONDAY 20 JANUARY 2025

Present: Jay Armstrong (Maintained Primary School Governor), Reverend Mark Bennet (Church of England Diocese), Nicolle Browning (Maintained Secondary School Headteacher), Councillor Heather Codling (Executive Portfolio Holder: Children and Family Services), Councillor Iain Cottingham (Executive Portfolio Holder: Finance and Resources), Paul Davey (Maintained Primary School Governor), Jackie Davies (Pupil Referral Unit Headteacher), David Fitter (Academy School Headteacher), Richard Hand (Trade Union), Michelle Harrison (Maintained Primary Schools), Keith Harvey (Maintained Primary School Headteacher), Jon Hewitt (Maintained Special School Headteacher), Trevor Keable (Academy School Governor), Jo MacArthur (Maintained Primary Headteacher), Jamie Morton (Non School - Post 16 Providers), Chris Prosser (Maintained Secondary School Headteacher), Lesley Roberts (Maintained Primary School Headteacher), Graham Spellman - Chair (Roman Catholic Diocese), Phil Spray (Maintained Primary School Governor), Chloe Summerville (Maintained Nursery School Headteacher) and Edwin Towill (Academy School Headteacher)

Also Present: Neil Goddard (Service Director - Education and SEND), Nicola Ponton (SEN Manager), Lisa Potts (Finance Manager), Jessica Bailiss (Democratic Services Officer) and Beth Kelly (Head of Early Years)

Apologies for inability to attend the meeting: Rose Carberry (Principal Adviser for School Improvement), AnnMarie Dodds (Executive Director - Children's Services), Jo Lagares (Maintained Primary School Headteacher), Julie Lewry (Academy School Headteacher), David Ramsden (Maintained Secondary School Headteacher) and Charlotte Wilson (Academy School Headteacher)

The Chair began the meeting by reflecting on the very sad news that Melanie Ellis, the West Berkshire Council lead for Finance, had passed away. He expressed that he felt it would be appropriate for the group to take a minute in silence to reflect upon their thoughts and prayers for Melanie and her family. He thanked everyone for their participation.

PART I

1 Minutes of previous meeting dated 2nd December 2024

The Minutes of the meeting held on 2nd December 2024 were approved.

2 Actions arising from previous meetings

The Chair addressed the actions from the previous meeting, noting that there was only one action item. A report addressing this was included under Agenda Item 13.

3 Declarations of Interest

No declarations of interest were received.

4 Membership

Jess Bailiss reported that there was only one membership update regarding Michelle Harrison's term of office, which was due to end in February 2025. Following consultation

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with the School Business Manager group, Michelle Harrison had confirmed her willingness to continue for a further term.

5 **Additional Funds Budget Requirement 2025/26 (Lisa Potts)**

Lisa Potts introduced the report (Agenda Item 6), which set out the proposed 2025/26 budgets for the Growth Fund and Additional High Needs fund. Lisa Potts explained that the report set out the proposed budgets for the growth fund and additional high needs fund for 2025-2026. Lisa Potts drew attention to the Growth Fund Criteria included within Appendix A to the report.

Lisa Potts highlighted that the recommendation was to distribute growth funding across all schools via the school formula. She noted that the value of the growth fund for 2025-2026 was £307,452.

Lisa Potts drew attention to the recommendation to set the high needs budget at £200k. This was for schools that had a disproportionate number of children with Special Educational Needs (SEN) needs. Lisa Potts invited questions on the report, noting that it was a regular report brought to the Forum on an annual basis.

Trevor Keable raised a question regarding whether the funding was just for West Berkshire children or if it included children from other authorities, such as Reading. Lisa Potts responded that the funding aimed to include children from other authorities, but there were challenges in updating the data for children not in their authority. She mentioned that if schools felt they had more children than what the average calculation included, they could review it on a case-by-case basis. Lesley Roberts added that schools could challenge the numbers and potentially have the funding backdated if it did not pick up children from across borders.

The Chair invited the Forum to consider the recommendations set out in section 2.1 and 2.2 of the report. It was proposed and seconded that recommendation 2.1, to agree that the DfE funding allocation for growth be distributed to all schools via the school formula, be approved. At the vote with all school representatives the motion was carried.

It was proposed and seconded that recommendation 2.2, to set the additional high needs fund at £200k, be approved. At the vote with all Forum members the motion was carried.

RESOLVED that recommendations 2.1 and 2.2 were approved as set out above.

6 **Final Central School Block Budget Proposals 2025/26 (Lisa Potts)**

Lisa Potts introduced the report (Agenda Item 7), which set out the budget proposal for services funded from the Central Schools' Services Block (CSSB) of the Dedicated Schools' Grant (DSG).

Lisa Potts explained that the CSSB covered a number of services, which were listed in the table in section 5.1 of the report. She highlighted a couple of areas that had seen increasing costs, including the school admissions team, which had additional work due to the influx of refugees and changes in school places, and the education welfare team, which was supporting more children. Lisa Potts reported that there had been a significant increase in the cost of the Capita system, which had moved to the cloud, resulting in a deficit in the current year. The Heads' Funding Group (HFG) had requested a value for money review on the CSSB, which would be included in the CSSB report for 2026-2027. Lisa Potts invited questions on the report and no questions were raised.

The Chair invited the Forum to consider the recommendations set out in section two of the report and suggested that recommendation 2.1 and 2.2 be voted on together. It was proposed and seconded that the recommendation to agree the CSSB for 2025/26 be

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agreed, and a review be undertaken on the value for money of the services of the CSSB, in line with the recommendation from the HFG. At the vote with all Forum members the recommendations were approved.

RESOLVED that recommendations 2.1 and 2.2 were approved as set out above.

7 Final DSG Funding Settlement Overview 2025/26 (Lisa Potts)

Lisa Potts introduced the report (Agenda Item 8), which set out the final Dedicated Schools' Grant (DSG) allocation for 2025/26.

Lisa Potts explained that the DSG allocations were based on the national funding formula used by the Department for Education (DfE) and were calculated using the October 2024 pupil numbers. She highlighted that the table in section 4.1 of the report showed the allocations for the different blocks, including the early years block, which had seen a significant increase due to the funding of additional hours for children aged nine months and above. Lisa Potts also drew attention to the increase in the Central Schools Services Block (CSSB) which had helped cover some of the areas discussed earlier in the meeting. No questions were raised in relation to the report.

RESOLVED that the Schools' Forum noted the report.

8 Final School Funding 2025/26 (Lisa Potts)

Lisa Potts introduced the report (Agenda Item 9), which set out the final school funding formula allocations for 2025/26. She mentioned that the tables in the appendices provided detailed information on the final formula rates and the allocations for individual schools. These figures were based on the consultation with schools and the items listed in section 3.3 of the report.

RESOLVED that the Schools' Forum noted the report.

9 Growth Fund Application 24/25 (Lisa Potts)

Lisa Potts introduced the report (Agenda Item 10), which provided information on payments made to schools from the Growth Fund budget in 2024/25. Lisa Potts explained that growth funding was allocated by the Department for Education (DfE) and could either be distributed through the school formula, as previously agreed, or from a separate Growth Fund. She highlighted that the table in section 5.4 of the report showed the forecast of the Growth Fund at the end of the next financial year. Lisa Potts mentioned that for the current year, there had only been one application from Trinity School as set out in section five of the report.

RESOLVED that the Schools' Forum noted the report.

10 High Needs Block Budget Proposals 2025/26 (Neil Goddard/Nicola Ponton)

Nicola Ponton introduced the report (Agenda Item 11), which provided information on the proposed 2025-26 High Needs Block (HNB) budget.

Nicola Ponton explained that the report had been updated from the one presented in December, with most of the details remaining unchanged. It was highlighted that the numbers had been adjusted to reflect placements made during that time. Also, following feedback from the Heads Funding Group, they had been looking at increasing places at some of the specialist provision in the area. Nicola Ponton had met with Jon Hewitt, the Headteacher at the Castle at Theale, who had agreed to extend the provision and provide an additional six places. She highlighted that this extension had a cost impact, which was reflected in the report.

RESOLVED that the Schools' Forum noted the report.

11 Early Years Funding Rates to Providers (Lisa Potts/Beth Kelly)

Lisa Potts introduced the report (Agenda Item 12), which set out the proposed funding rates for early years providers.

Lisa Potts explained that the Department for Education (DfE) had requested the publication of the rates by 28th February 2025, necessitating an earlier discussion of the rates ahead of the full budget for 2025-2026. She highlighted the rates for various funding streams, including uplifts for three and four-year-olds, two-year-olds, and under two-year-olds, as shown in table 5.2 of the report. Lisa Potts reported that the quality rate and the early years pupil premium would remain unchanged, while the Disability Access Fund was set by the DfE.

Lisa Potts reported that the Early Years Funding Group had discussed the rates and felt they were fair. She explained that the local authority was required to pass through 96% of the grant received to providers, with the remaining 4% retained for costs such as systems and quality checks. Lisa Potts acknowledged that there was still a deficit on the early years block and that the proposed rates aimed to address this while meeting the DfE's requirements. She asked if there were any questions on the report.

Keith Harvey raised a question about why the quality rate had not increased, given the teacher pay rise and other cost pressures. Lisa Potts responded that the decision was influenced by the existing deficit on the early years block and that a review of the criteria for the quality rate was planned. It was possible the quality rate might change in future years following this review.

Chris Prosser asked if the rates were lower than the local authority rates due to the aim of reducing the deficit. Lisa Potts confirmed that the rates were set to match the 96% pass-through requirement stipulated by the DfE, and the remaining 4% was retained to cover costs such as systems and quality checks. Lisa Potts reported that the impact on the deficit would be reviewed in the next meeting when discussing the 2025-2026 budget.

RESOLVED that the Schools' Forum noted the report and that the rates would be published as required.

12 Report setting out response to Trevor Keable's questions on LA Legal Responsibilities (Melissa Perry/Neil Goddard)

Neil Goddard introduced the report (Agenda Item 13), which set out a response to questions raised by Trevor Keable at the previous meeting in December.

Neil Goddard began by summarising the detailed written response provided in the report which provided an oversight of the work taking place in the areas requested by Trevor Keable. Neil Goddard acknowledged concerns regarding ensuring all children had access to suitable education and that there were sufficient places and services to support children to access provision.

Neil Goddard reported that he had received some further questions and comments from Trevor Keable and he moved on to address these.

Regarding 4.13 (2) of the report, where an Appendix 2 was referred to but not provided, Neil Goddard confirmed that this was because the piece of work related to Delivering Better Value (DBV) would be circulated after the meeting.

Regarding actions being taken and all of these being pre-exclusion, Neil Goddard confirmed that the preference was to avoid exclusions in the first instance and much work was required to support schools to meet the needs of pupils within school and work with

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the Local Authority (LA) as proactively as possible regarding the joint responsibility to ensure exclusions were minimised. Regarding expanding alternative provision, Neil Goddard reported that he had discussed this matter with a number of headteachers since joining the LA and this was also within the context of developing the commissioning function, which had been identified as part of DBV. The development of alternative provision and offering a broader breadth of this service was something the commissioning function would be doing. Neil Goddard referred to iCollege, which was an outstanding provision that provided a wide range of services, and acknowledged the need for there to be clarity about funding and services that could be provided and expanded.

Regarding the Fair Access Protocol, Neil Goodard reported that there was a Pupil Placement Panel (PPP) and fair access arrangements for children deemed difficult to place. The fair access protocol and PPP arrangements were currently under review by Education and Children's Services, in consultation with schools, to ensure they were fit for purpose. This work was underway and ongoing.

Trevor Keable queried if schools could have students imposed upon them through the fair access protocol and if a school had the right to say no. Neil Goddard explained that the intention of the fair access protocol and pupil placement process was to bring schools together and mutually agree a way forward. Locally this process had worked well over a period of time however, he acknowledged that sometimes challenges were faced that might complicate conversations, particularly if there was not a feeling of equity across schools. The current proposal had not been formed because the current arrangements were failing but it was about ensuring the process was fit for purpose moving forward and all involved were clear about how it worked. Neil Goddard explained that fair access provided the LA with the opportunity to direct a school to take a pupil if necessary however, Neil Goddard emphasised that this was not something the LA was keen to do and the focus was on mutual agreement and collaboration.

Chris Prosser commented that his understanding was that the fair access protocol was being reviewed because it was not working effectively. He noted that there were concerns about the process and the need for clearer procedures. Neil Goddard acknowledged the points raised and agreed that there were areas for improvement. He commented on the secondary headteacher group and that this was a particularly positive arrangement that not all LA areas benefitted from. The review was not a response to the process being inoperative however, concerns had been raised and these were likely to become more regular due to the pressure faced by schools and the High Needs Block.

Chris Prosser commented that the purpose of iCollege had changed over time, and they needed to think carefully about the provision and what it should be used for moving forward. Chris Prosser felt that capacity at iCollege needed to be increased. Neil Goddard agreed and commented that it was important to ensure iCollege had the opportunity to continue successfully and this could only be delivered through ensuring there was clarity about its purpose and function. It had been very beneficial to the system that iCollege had provided flexibility in terms of adapting and growing its offer but to provide security, its role and how it was funded needed to be defined.

Trevor Keable asked for clarification on the term "enhanced service offerings" for pupil referral units mentioned on page 72 of the report. Neil Goddard explained that this was similar to the point he had made about alternative provision in that they were very fortunate to have iCollege in place however, the needs of children were so diverse they needed to be able to respond to all of these in an appropriate way. The offer available needed to be made as broad as possible and reflect the current need of children in the system. The commissioning resource received would support work with providers to help

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them understand what was required in West Berkshire so that they could look to how this could be delivered.

The Chair thanked Neil Goddard for his detailed response. Trevor Keable expressed his appreciation for the thorough answers and the time taken to address his questions.

RESOLVED that:

- Appendix 2 referred to in the report would be circulated following the meeting.

13 Forward Plans

The Schools Forum noted the forward plans.

14 Date of the next meeting

The next meeting would take place on Monday 10th of March 2025 at 5pm, in person at Shaw House.

(The meeting commenced at 5.00 pm and closed at 5.45 pm)

CHAIRMAN

Date of Signature

Actions from previous meetings

Ref No.	Date of meeting(s) raised	Item	Action	Responsible Officer	Update
Jan25-Ac1	20th January 2025	Report setting out response to Trevor Keable's questions on LA Legal Responsibilities	Appendix 2 referred to in the report would be circulated following the meeting.	Neil Goddard	Completed. Information circulated.

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Agenda Item 7

Schools Forum Work Programme 2025/26

	Item	HFG Deadline	Heads Funding Group	SF Deadline	Schools Forum	Action required	Author
Term 5	<i>Election of Chair and Vice-Chair 2025/26</i>			10/06/2025	16/06/2025	Decision	
	Work programme 2025/26			10/06/2025	16/06/2025	Decision	Jessica Bailiss
	School Balances 2024/25	14/05/2025	21/05/2025	10/06/2025	16/06/2025	Discussion	Lisa Potts
	Scheme for Financing Schools Consultation 2025/26	14/05/2025	21/05/2025	10/06/2025	16/06/2025	Decision	Lisa Potts
	DSG Outturn 2024/25	14/05/2025	21/05/2025	10/06/2025	16/06/2025	Information	Lisa Potts
	Trade Union Facilities Time - Annual Report for 2024/25			10/06/2025	16/06/2025	Information	Richard Hand
Term 6	Schools' Forum Membership and Constitution from September 2025			08/07/2025	14/07/2025	Decision	Jessica Bailiss
	Scheme for Financing Schools 2025/26	24/06/2025	01/07/2025	08/07/2025	14/07/2025	Decision	Lisa Potts
	Surplus Balances and School Balance Statements	24/06/2025	01/07/2025	08/07/2025	14/07/2025	Decision	Lisa Potts
	DSG Monitoring 2025/26 Month 3			08/07/2025	14/07/2025	Information	Lisa Potts/Neil Goddard
	Update on the the DfE's Delivering Better Value Programme	24/06/2025	01/07/2025	08/07/2025	14/07/2025	Discussion / Decision	Neil Goddard/Hannah Geddert
	Deficit Schools	24/06/2025	01/07/2025	08/07/2025	14/07/2025	Information	Lisa Potts
Term 1	Schools Funding Formula Consultation 2026/27	24/09/2025	01/10/2025	07/10/2025	13/10/2025	Decision	Lisa Potts
	Draft De-delegations 2026/27	24/09/2025	01/10/2025	07/10/2025	13/10/2025	Decision	Lisa Potts
	Early Years Budget 2025/26 - In Year Position	24/09/2025	01/10/2025	07/10/2025	13/10/2025	Discussion	Lisa Potts
	DSG Monitoring 2025/26 Month 6	24/09/2025		07/10/2025	13/10/2025	Information	Lisa Potts/Neil Goddard
	Vulnerable Children's Fund - Annual Report for 2024/25	24/09/2025	01/10/2025	07/10/2025	13/10/2025	Information	Vanessa Grizzle
	Update on the the DfE's Delivering Better Value Programme	24/09/2025	01/10/2025	07/10/2025	13/10/2025	Discussion / Decision	Neil Goddard
Term 2	Deficit Schools	24/09/2025	01/10/2025	07/10/2025	13/10/2025	Decision	Lisa Potts
	Provisional DSG Funding Settlement Overview 2026/27	11/11/2025	18/11/2025	25/11/2025	01/12/2025	Discussion	Lisa Potts
	Final De-delegations 2026/27	11/11/2025	18/11/2025	25/11/2025	01/12/2025	Decision	Lisa Potts
	Update on HNB Invest to Save Projects	11/11/2025	18/11/2025	25/11/2025	01/12/2025	Discussion	Neil Goddard
	School Funding Formula 2026/27	11/11/2025	18/11/2025	25/11/2025	01/12/2025	Decision	Lisa Potts
	Budgets for Additional Funds 2026/27	11/11/2025	18/11/2025	25/11/2025	01/12/2025	Decision	Lisa Potts
	Draft Central Schools Block Budget 2026/27	11/11/2025	18/11/2025	25/11/2025	01/12/2025	Discussion	Lisa Potts
	Draft High Needs Budget Proposals 2026/27	11/11/2025	18/11/2025	25/11/2025	01/12/2025	Discussion	Neil Goddard/Kirsty Jinks
	Update on the DfE's Delivering Better Value Programme	11/11/2025	18/11/2025	25/11/2025	01/12/2025	Discussion / Decision	Neil Goddard
	Deficit Schools	11/11/2025	18/11/2025	25/11/2025	01/12/2025	Information	Lisa Potts
Term 3	Final DSG Funding Settlement Overview 2026/27	17/12/2025	07/01/2026	13/01/2026	19/01/2026	Discussion	Lisa Potts
	Final School Funding 2026/27	17/12/2025	07/01/2026	13/01/2026	19/01/2026	Decision	Lisa Potts
	Growth Fund Applications 2025/26	17/12/2025	07/01/2026	13/01/2026	19/01/2026	Discussion	Lisa Potts
	Additional Funds Budget Requirement 2026/27	17/12/2025	07/01/2026	13/01/2026	19/01/2026	Discussion	Lisa Potts
	High Needs Block Budget Proposals 2025/26	17/12/2025	07/01/2026	13/01/2026	19/01/2026	Discussion	Neil Goddard/Kirsty Jinks
	Central School Block Budget Proposals 2025/26	17/12/2025	07/01/2026	13/01/2026	19/01/2026	Decision	Lisa Potts
	Early Years Funding Rates to Providers and 2026/27 Early Years Budget	17/12/2025	07/01/2026	13/01/2026	19/01/2026	Discussion	Lisa Potts/Beth Kelly
	DSG Monitoring 2025/26 Month 9	17/12/2025	07/01/2026	13/01/2026	19/01/2026	Information	Lisa Potts/Neil Goddard
	Update on the DfE's Delivering Better Value Programme	17/12/2025	07/01/2026	13/01/2026	19/01/2026	Discussion	Neil Goddard
	Deficit Schools	17/12/2025	07/01/2026	13/01/2026	19/01/2026	Information	Lisa Potts
Term 4	Work Programme 2026/27	24/02/2026	03/03/2026	09/03/2026	16/03/2026	Decision	Jessica Bailiss
	Final High Needs Block Budget 2026/27	24/02/2026	03/03/2026	09/03/2026	16/03/2026	Discussion	Neil Goddard/Kirsty Jinks
	DSG Monitoring 2025/26 Month 10	24/02/2026		09/03/2026	16/03/2026	Information	Lisa Potts/Neil Goddard
	Update on the DfE's Delivering Better Value Programme	24/02/2026	03/03/2026	09/03/2026	16/03/2026	Discussion	Neil Goddard
	Deficit Schools	24/02/2026	03/03/2026	09/03/2026	16/03/2026	Information	Lisa Potts

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Scheme for Financing Schools

Report being considered by: Schools Forum on 16th June 2025

Report Author: Lisa Potts

Item for: Decision **By:** All Maintained Schools

1. Purpose of the Report

- 1.1 To approve the proposed consultation on the updated Scheme for Financing Schools to go to Schools Forum.

2. Recommendation

- 2.1 That the updated Scheme for Financing Schools goes out to consultation from 17th to 26th June 2025 and that the updated scheme is adopted after Schools Forum approval.

Is the Schools' Forum required to make a decision as part of this report or subsequent versions due to be considered later in the meeting cycle?	
Yes: <input checked="" type="checkbox"/>	No: <input type="checkbox"/>

3. Implications and Impact Assessment

Equalities Impact:	Positive	No Impact	Negative	Commentary
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		x		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		x		
Data Impact:		x		

Consultation and Engagement:	It is proposed that a consultation take place with maintained schools between 17 th and 26 th June 2025.
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4. Introduction/Background

- 4.1 Local authorities are required to publish schemes for financing schools which set out the financial relationship between the local authority and the schools they maintain.
- 4.2 The Department for Education (DfE) issues statutory guidance for local authorities on schemes for financing schools. The DfE guidance lists the provisions which a local authority must, should or may include. Local schemes need not follow the exact format used in the DfE guidance, except for the text of directed revisions. The DfE guidance is updated annually.
- 4.3 Issue 16 was published on 27 March 2025 and can be found at:
[Schemes for financing local authority maintained schools 2025 to 2026 - GOV.UK](#)
- 4.4 In making any changes to the scheme, a local authority must consult all maintained schools in their area and receive the approval of the members of their schools forum representing maintained schools.
- 4.5 The local authority has reviewed the current scheme to ensure that all sections are still appropriate. The proposed Scheme for Financing Schools (2025 update) and Appendix B highlighting the proposed updates are attached.

5. Supporting Information

- 5.1 The proposed Scheme for Financing Schools is attached to this document, along with a guide to changes that have been made.

6. Proposals

- 6.1 A consultation with maintained schools be undertaken between 17th and 26th June 2025.

7. Appendices

- 7.1 Appendix A – Proposed Scheme for Financing Schools
- 7.2 Appendix B – Changes from previous version
- 7.3 Appendix C – Consultation cover document

West Berkshire Council Scheme For Financing Schools 2025/26

Reference: SFS2025
Version No: 1.5
Issue Date:

Document Control

Document Ref:	SFS2025	Date Created:	23.05.24
Version:	1.5	Date Modified:	19.05.25
Revision due	Following publication by DfE of Issue 16, published 27.03.25 and consultation with schools 17.06.25 – 26.06.25		
Author:	Lisa Potts/Sarah Reynard	Sign & Date:	
Head of Service:	Elizabeth Griffiths (interim)	Sign & Date:	
Equality Impact Assessment: (EIA)	Date undertaken:	N/A	
	Issues (if any):	N/A	

Change History

Version	Date	Description	Change ID
1.0	12.09.23	Updated for issue 14	
		Paragraph 8.4 income from sale of assets. Further guidance added on retention of funds from the sale of land assets.	
1.1	10.01.24	Updated for claw back mechanism.	
1.4	09.07.24	Updated for issue 15 and consultation with schools 18.06-27.06.24.	
1.5	14.05.25	Updated for Issue 16 and consultation with schools 17.06.25 – 26.06.25	

Related Documents

Reference	Title	Tier
	Statutory guidance Schemes for financing local authority maintained schools 2025 to 2026 Updated 27 March 2025 (https://www.gov.uk/government/publications/schemes-for-financing-schools/schemes-for-financing-local-authority-maintained-schools)	



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1. Purpose

- 1.1. 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, binding on both the authority and on the schools.

2. Applicability

- 2.1. The scheme applies to all community, nursery, special, voluntary, foundation schools (including trust), foundation special schools and pupil referral units (PRUs) 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.

3. Roles and Responsibilities

- 3.1. The Chief Finance Officer has overall responsibility for ensuring that this scheme is managed appropriately in accordance with these agreed standards.

- 3.2. The Schools Forum is responsible for:

- Directing and reviewing this scheme.
- Ensuring that there is effective consultation and communication on scheme related matters in terms of changes and updates issued by the Department for Education (DfE).
- Ensuring compliance with the DfE's directions in relation to the scheme.

Any proposed revisions to the scheme will be the subject of consultation with the governing body and the headteacher of every school maintained by the authority before they are submitted to the schools forum for approval.

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

It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of the direction.

- 3.3. The West Berkshire Council (WBC) Finance and Audit Teams are responsible for the day-to-day management of the scheme including ensuring implementation of this standard.

- 3.4. All WBC staff who have financial dealings with and the relevant staff and governors of all schools listed in Annex A are responsible for familiarizing themselves with and ensuring that they comply with this scheme.

4. Introduction

4.1. The funding framework: main features

The funding framework, which replaces Local Management of Schools, is set out in the legislative provisions in sections 45 to 53 of the School Standards and Framework Act 1998 (the act).

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 (DSG) to its schools budget.

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

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

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

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

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

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

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

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

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

Section 50 has been amended to provide that the amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (section 50 (3A) of the act).

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

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

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

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

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

As required by regulations the authority will publish its scheme and any revisions to it on the WBC website, <https://www.westberks.gov.uk/> which is accessible to the general public, by the date the revisions come into force, together with a statement that the revised scheme comes into force on that date.

4.2. Delegation of powers to the headteacher

Each governing body should consider the extent to which it wishes to delegate its financial powers to the headteacher and 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 school business manager/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.

4.3. Maintenance of schools

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

5. Financial Controls

5.1. General Procedures

5.1.1 Application of financial controls to schools

In managing their delegated budgets schools are required to 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 Constitution Parts 9 Financial Rules and 8 Contract Rules of Procedure. Copies of these can be found on the following web page:

[Council Constitution - West Berkshire Council](#)

The authority's requirements can differ for schools with their own bank accounts.

5.1.2 Provision of financial information and reports

Schools are required to provide the authority 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 authority 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 authority (Agresso). However, these schools are required to submit their month nine budget monitoring forecasts by the 10th working day of January each year unless

- the authority has notified the school in writing that in its view the school's financial position requires more frequent submission or;
- the school has applied for or is operating with a licensed deficit budget or;
- the school ended the previous financial with an unlicensed deficit budget.

This is in addition to the requirement for annual budget plans.

5.1.3 Payment of salaries and payment of bills

The procedures for these will vary according to the choices schools make about the holding of bank accounts and any buyback of services from the authority.

5.1.3.1 Payment of salaries

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

Schools buying back 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, HM Revenues and Customs (HMRC), Teachers' Pension Agency etc. will be made from the authority's bank accounts either direct to the school's ledger accounts if on the council's financial system, or by the issue of an invoice to the school.

All Pay as You Earn (PAYE) matters will be dealt with under the authority's PAYE registration number, except where the school's annual salaries exceed £3million in which case the school's own PAYE registration number will be used.

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 buyback services and charges will be notified to schools ahead of each financial year.

Schools making alternative payroll arrangements

The school, as payroll provider, would need to ensure separate registration with the HMRC, Teachers' Pension Agency and Local Government Pension Scheme and would need upon request to satisfy the authority that all payments of deductions and contributions were being made in an

appropriate and timely manner and all statutory reporting requirements can be met for HMRC, Teachers Pensions and Berkshire Pensions.

5.1.3.2. Payment of bills

All schools are required to abide by the authority's financial regulations covering payments to creditors.

5.1.4. 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 should keep a register, but this may be in a form as determined by the school. Schools are encouraged to register anything that is portable and attractive, such as a camera.

5.1.5. 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 authority determined de-minimus will apply currently £5,000 or £2,000 for VA schools.

Year-end guidance will be issued annually to schools on the practical arrangements e.g. accruals and other end of year financial procedures.

5.1.6. 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 Chief Finance Officer (or nominated officer) and the Executive Director (People – Children's Services) after the consideration of a report by the headteacher. All other debts may only be written off by the above 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 headteacher.

5.2. 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 (CFR) 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.

5.3. 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 31st March.

The format of the budget submission must be as specified by the authority, consistent with the CFR framework, and must be approved by the governing body or a committee of the governing body.

Where the authority deems it necessary it may also require the submission of revised plans throughout the year. Such revised plans shall not be required at intervals of less than three months.

The authority will supply schools with their monthly income and expenditure data, which it holds, and which is necessary to efficient planning by schools.

5.3.1. Submission of financial forecasts

From the 2021 to 2022 funding year each school is required to submit to the authority a three-year budget forecast (five if in deficit) each year. If the school is in deficit this forecast should show the deficit being recovered within the period. This is required in the agreed format **by 1st May each year**.

This is to provide evidence of

- schools undertaking effective strategic financial planning,
- adhering to best financial management practice,
- to alert the authority of any schools having difficulty in balancing future year budgets and
- may be used as evidence to support the authority's assessment of schools financial value standards or in support of the authority's balance control mechanism.

5.4. School resource management

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

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

There are significant variations in the effective management of resources 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.

5.5. Budget virement

Schools may vire budgets between ledger codes in the expenditure of their budgets within the criteria determined by the authority. Governors are advised to establish financial limits above which the approval of the governors is required. Schools are also advised to refer to paragraph 4.2 when considering virement between cost centres.

5.6. Audit General

Schools are required to co-operate with the audit regimes determined by the authority as regards internal audit, and the authority's external audit as determined by the Local Audit and Accountability Act 2014.

Schools must provide access to the school's records for both internal and external auditors.

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.

Schools operating outside the authority's financial system (non imprest schools) and producing their own accounts are required to commission an external audit if the local authority requests it.

Different audit arrangements may also be applied to schools having their own bank account, compared with non-bank account schools.

5.7. Separate external audits

There is no expectation by the Secretary of State that routine annual external audit at school level should take place but 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 authority internal or external audit process.

5.8. Audit of voluntary and private funds

Schools are required to provide audit certificates in respect of voluntary and private funds held by the school and of the accounts of any trading organisations controlled by the school.

The purpose of such a provision is to allow the authority to satisfy itself that public funds are not being misused.

A school refusing to provide audit certificates to the authority as required by the scheme is in breach of the scheme and the authority can take action on that basis. Access to the accounts of such funds by other agencies is a matter for them. Any other requirement as to audit of such funds is a matter for those making the funds available, and any Charity Commission requirements.

5.9. Register of business interests

The governing body of each school is required to maintain a register which lists for each member of the governing body and the headteacher:

- a) any business interests they or any member of their immediate family have
- b) details of any other educational establishments that they govern
- c) any relationship between school staff and members of the governing body

And 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.

5.10. Purchasing, tendering and contracting requirements

Schools are required to abide by the authority's financial rules and standing orders in purchasing, tendering and contracting matters. This includes a requirement to assess in advance the professional competence of any contractors in areas such as compliance with health and safety regulations, safeguarding practices etc., taking account of the authority's policies and procedures.

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

- a) to do anything incompatible with any of the provisions of this scheme, any statutory provision, or anything which did not comply with The Public Contracts Regulations;
- b) to seek local authority 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) or would permit schools to seek fewer than three tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year, subject to specific listed exceptions.

The fact that an authority contract has been let in accordance with Public Contracts Regulations procedures does not in itself make it possible to bind a school into being part of that contract. For the purposes of the procurement directives schools are viewed as discrete contracting authorities.

The countersignature requirement should be applied sensibly by authorities and schools alike, avoiding attempts to artificially aggregate or disaggregate orders to avoid or impose the requirement.

Schools may seek advice on a range of compliant deals via [Buying for schools](#).

5.11. Application of contracts to schools

Schools are free to opt out of 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 authority as the maintainer of the school and owner of the funds in the budget share (this is the main reason for allowing authorities to require authority countersignature of contracts exceeding a certain value).

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.

5.12. Central funds and earmarking

The 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 should be subject to conditions setting out the purpose or purposes for which the funds may be used; and while these conditions need not preclude virement (except where the funding is supported by a specific grant which the authority itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share.

Such allocations might, for example, be sums for SEN or other initiatives funded from the central expenditure of the authority's schools budget or other authority budget.

Such earmarked funding from centrally retained funds is to be spent only on the purposes for which it is given, or on other cost centres for which earmarked funding 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 Executive Director (People – Children's Services), schools are required to return to the authority any earmarked funds if not spent within the period over which schools are allowed to use the funding as stipulated by the authority.

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

5.13. 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.

From 1 April 2011, under section 50(3a) amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as spent for the purposes of the school.

Under section 50(3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. Such regulations are prescribed in the School Budget Shares (Prescribed Purposes) (England) Regulations 2002 (SI 2002/378) which have been amended by the School Budget Shares (Prescribed Purposes) (England) Amendment Regulations 2010 (SI 2010/190).

These allow schools to spend their budgets on pupils who are on the roll of other maintained schools or academies.

5.14. Capital spending from budget shares (Transfer of Revenue to Capital)

Governing bodies are permitted to use their Budget Share 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 act.

Schools must notify the authority of **all** proposed capital spending from their budget share. It is recommended that schools discuss their proposals with the authority (both an education and a finance expert) 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.

Governing bodies are permitted to use up to £20,000 of their revenue budget shares per annum to meet the cost of capital projects without any additional authorisation from the Authority.

If the expected capital expenditure from the revenue budget share in any one year is expected to exceed £20,000, the governing body **must** complete a Request to Transfer Revenue to Capital form (available on SLA Online) and following the accompanying instructions.

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

The reason for these requirements is to help ensure compliance with the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010.

These provisions would not affect expenditure from any capital allocation made available by the authority outside the delegated budget share.

5.15. Notice of concern

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

The purpose of this provision is to enable the authority to set out formally any concerns it has regarding the financial management of a school it maintains and require a governing body to comply with any requirements the authority deems necessary.

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.

A notice may be issued in the following circumstances:

1. When a school fails to comply with the conditions of a licensed deficit.
2. When a school does not have a robust plan to repay the deficit within a maximum of five years.
3. When monitoring meetings identify an unrealistic deficit recovery plan without any contingency plans, and failure to take on board the recommendations made by the local authority.
4. When a school's deficit is budgeted to exceed 5% of its budget share*.
5. When a school's deficit continues to grow and the repayment period increases.

*Budget Share is the budget allocation determined through the local funding formula.

The notice requires the following:

- 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 – this includes the provision of monthly accounts to the authority, with detailed explanations to variances both to budget and to the previous month.

- An expectation to attend regular financial monitoring meetings when requested by local authority officers.
- Requiring the governing body to buy into the authority's financial management systems (currently FMS) and the Schools Accountancy buy back service if it hasn't already done so. This buy back service may include additional chargeable hours to reflect the additional work necessary in the school's financial situation.
- Requiring a school to submit monthly income projections and/or financial monitoring reports on any out of hours provision. If there are financial concerns, this may lead to the local authority imposing restrictions or limitations on the manner in which the provision is run.

These requirements must be complied from the date of issue of the notice.

Any notice of concern issued by the authority will be withdrawn once the authority agrees the governing body has:

- Complied with the requirements of the notice,
- Implemented a robust and realistic deficit recovery plan to repay any deficit within five years,
- Reduced any deficit to below 5% of budget share.

The powers of intervention if the school does not comply with the notice are set out in Sections 63 to 66 of the Education and Inspection Act 2006. This enables the local authority to:

1. Require the governing body to enter into a particular arrangement for specified services of an advisory nature with a specified person.
2. Appoint additional governors.
3. Appoint an Interim Executive Board (subject to consent from the Secretary of State).
4. Suspend the governing body's right to a delegated budget.

Other options may include LA authorisation required for all purchase orders and/or LA authorisation for all staffing appointments.

It shall not be used in place of withdrawal of financial delegation where that is the appropriate action to take; however, it may provide a way of making a governing body aware of the authority's concerns short of withdrawing delegation and identifying the actions a governing body should take in order to improve their financial management to avoid withdrawal.

5.16.Schools Financial Value Standard (SFVS)

All local authority maintained schools (including nursery schools and PRUs that have a delegated budget) must demonstrate compliance with the SFVS and complete the assessment form on an annual basis. It is for the school to determine at what time of the year they wish to complete the form.

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has

a specified deadline and an agreed owner. Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.

All maintained schools with a delegated budget must submit the form to the authority before the end of the financial year (31st March).

5.17.Fraud

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

The governing body and 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 all new school staff and governors.

6. Instalments of Budget Share: Banking Arrangements

The authority has adopted the “CIPFA Code of Practice for Treasury Management in Local Authorities”.

For the purposes of this section, budget share includes place-led funding for special schools, resource units and PRUs.

6.1. 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 will be made on a termly basis unless alternative arrangements have been agreed with the relevant provider.

6.2. Proportion of budget share payable at each instalment

Budget share payments to schools with their own external bank account will be made in accordance with the schedule of payment agreed with individual schools and the Service Lead, Finance, Property and Procurement; normally 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 Education Funding Agency (EFA) grants such as pupil premium will be paid according to the schedule and receipt of the grant from the EFA.

6.3. 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 by the authority.

The calculation basis will be at a rate up to 2 per cent above the bank base rate at the time of the advance.

6.4. Interest on late budget share payments

The authority will add interest to budget share payments which are late as a result of authority error.

The interest rate used will be that used for clawback calculations in 6.3 above or if no such clawback mechanism is in place, at least the current Bank of England base rate.

6.5. Budget share 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.

6.6. Bank and building society accounts

Bank accounts as referred to here do not include imprest bank accounts.

All maintained 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 authority must, if the school desires, transfer immediately to the account an amount agreed by both school and authority as the estimated surplus balance held by the 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.

Any school in deficit requesting an external bank account shall not be able to have one until any deficit is cleared.

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

6.7. Restriction of 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 authority's 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 bank accounts for budget share purposes which are in the name of the school rather than the authority. The account mandate should provide that the authority is;

- the owner of the funds in the account,
- entitled to receive statements on request, and
- can take control of the account if the school's right to a delegated budget is suspended by the authority.

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

Signatories for external bank accounts are restricted to authority and school employees only. No account should be restricted to authority employees only, because this is not practicable for foundation or aided schools. Governors who are not members of staff are barred from being signatories.

6.8. Borrowing by schools

With the exception of loan schemes run by the authority (7.10) and the financial instruments outlined in the scheme (section 5.10), governing bodies may borrow money (which includes the use of finance leases) only with the written permission of the Secretary of State. The introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools for accounting purposes. Under the Education Act 2002, all leases will be classed as borrowing and will require the Secretary of State for Education's consent.

Details of all such requests and subsequent approvals or otherwise should be supplied in writing to the authority's Chief Finance Officer.

The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities, as set out in the [Leasing for maintained schools - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/publications/leasing-for-maintained-schools). Leases not included in this Order will still require the written consent of the Secretary of State, and it remains the general position that schools will only be granted permission for other types of borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes to meet broader policy objectives. 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.

Schools are barred from using interest bearing credit cards and overdrafts (external bank accounts) 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 authority protocol on the use of procurement cards. No interest charges should be incurred by the school, with balances fully cleared on a monthly basis.

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.

This provision does not apply to loan schemes run by the authority.

7. The Treatment of Surplus and Deficit Balances in Relation to Budget Shares

7.1. Right to carry forward surplus balances

Schools must carry forward from one financial year to the next any surplus 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 external 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 overspend will be agreed between the authority and the school. When the school's final outturn position for the previous financial year is known and agreed between the authority 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.

The amount of a surplus balance would be shown in the relevant outturn statement published in accordance with directions given by the Secretary of State under section 251 of the Apprenticeships, Skills, Children and Learning Act 2009; although there may be commitments against any figure shown in such a statement.

7.2. Controls on surplus budgets

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 budget share for the financial year or £50,000, whichever sum is the greatest.

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.

Individual schools with excessive balances should provide further information on a School Balance Statement, to be reviewed by the Heads Funding Group to ensure information surrounding commitments is justified and reasonable. Any uncommitted balance and anything in the statement that it is deemed should be covered by future budgets rather than balances, could be subject to clawback.

The maximum that could be clawed back each year is the amount of school balance in excess of 10% of their budget share, subject to leaving the schools with a minimum balance of £50,000. The actual amount of clawback will be recommended by the Heads Funding Group to the Schools Forum.

7.3. 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.

7.4. 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.

The deficit balance would be shown on the outturn statement published in accordance with directions given by the Secretary of State under section 251 of the Apprenticeships, Skills, Children and Learning Act 2009; although this might be shown gross of committed expenditure and therefore appear lower than would otherwise be the case.

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 7.9) and will be notified accordingly.

7.5. Planning for deficit budgets

Schools must submit a recovery plan to the authority when they have a revenue deficit at 31 March of any year.

Schools may only plan for a deficit budget in accordance with the terms of paragraph 7.9 below.

7.6. Charging 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 Chief Finance Officer,

in consultation with the Service Director (Education & SEND), will determine whether interest will be payable and will advise the school accordingly when the deficit is approved.

7.7. Writing off deficits

The authority has no power to write off the deficit balance of any school.

7.8. Balances of closing and replacement schools

Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, the 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.

7.9. Licensed deficits

The authority 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 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 recommended 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, is three years. The maximum length of repayment is 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 Service Director (Education & SEND), 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 authority, 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 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 (both draft and signed) where the budget is discussed (a member of the authority may also attend such meetings).
- The school must take part in
 - any review the authority commissions on the school's budget deficit position and recovery plan, including a Schools Resource Management Advisor deployment paid for by the DfE and
 - the introduction and use of any additional analysis and data tools deemed appropriate including Integrated curriculum and financial planning (ICFP).
 - at its own cost any financial training identified by the authority as being of possible benefit to the school's financial management and deficit recovery.
- The Service Director (Education & Send), jointly with the Chief Finance Officer will be responsible for approving any deficit.

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

7.10.Loan Schemes

There is no loan scheme available.

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 authority will require audit certification of the running of the scheme.

8. Income

The basic principle is that schools should be able to retain income except in certain specified circumstances.

8.1. Income from lettings

Schools may retain income from lettings of the school premises which would otherwise accrue to the authority, subject to alternative provisions arising from any joint use or private finance initiative (PFI) or purchasing power parity (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.

Schools are required to have regard to directions issued by the authority as to the use of school premises as permitted under the act 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. However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.

8.2. Income from fees and charges

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

8.3. Income from fund-raising activities

Schools may retain income from fund-raising activities.

8.4. Income from 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 authority 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 authority. Any retention of funds from the sale of land assets is subject to the consent of the Secretary of State, and any conditions the Secretary of State may attach to that consent relating to use of proceeds.

The retention of proceeds of sale for premises not owned by the authority will not be a matter for the scheme.

8.5. Administrative procedures for the collection of income

Schools shall, where possible, process income that accrues to the Authority (e.g. where a school has contracted with the Council meal service) in accordance with the authorities financial regulations see Constitution Part 9 – Financial Rules, Appendix F - Income

8.6. 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.

9. The Charging of School Budgets

9.1. General provision

The budget share of a school may be charged by the authority without the consent of the governing body only in circumstances set out in 9.3 below. The authority shall consult a school as to the intention to so charge and shall notify a school when it has been done.

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

For each of the circumstances in 9.3 below the authority would have to be able to demonstrate that the authority had necessarily incurred the expenditure now charged to the budget share. This means that where the authority cannot incur a liability because the statutory responsibility rests elsewhere, no charging is possible. Therefore, the position on charging will vary between categories of school.

In some cases, the ability to charge budget shares depends on the authority having given prior advice to the governing body.

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.

9.2. Charging of salaries at cost

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

9.3. Circumstances in which charges may be made

- Where premature retirement costs have been incurred without the prior written agreement of the authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the authority).
- Other expenditure incurred to secure resignations where there is good reason to charge this to the school.
- Awards by courts and industrial tribunals against the authority or out of court settlements, arising from action or inaction by the governing body contrary to the authority's advice. Awards may sometimes be against the governing body directly and would fall to be met from the budget share. Where the authority is joined with the governing body in the action and has expenditure as a result of the governing body not taking authority advice, the charging of the budget share with the authority expenditure protects the authority's position. Authorities should ensure in framing any such advice that they have taken proper account of the role of aided school governing bodies.

- Expenditure by the authority in carrying out health and safety work or capital expenditure for which the authority is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work.
- Expenditure by the authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the authority, or the school has voluntary controlled status.
- Expenditure by the authority 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. The authority itself needs to consider whether it has an insurable interest in any particular case.
- Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement and the result is that monies are owed by the school to the authority.
- Recovery of penalties imposed on the authority by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs (HMRC), Teachers' Pensions, the Environment Agency or other regulatory authorities as a result of school negligence.
- Correction of authority errors in calculating charges to a budget share (e.g. pension deductions). Before applying any such provision, the authority should consider whether it is reasonable to do so. If the error dates back several years it may be questionable whether such charging is reasonable.
- Additional transport costs incurred by the authority arising from decisions by the governing body on the length of the school day, and/or failure to notify the authority of non-pupil days resulting in unnecessary transport costs.
- Legal costs which are incurred by the authority because the governing body did not accept the advice of the authority.
- Costs of necessary health and safety training for staff employed by the authority, where funding for training had 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-authority 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 authority in securing provision specified in an Education and Health Care Plan (EHCP) where the governing body of a

school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with high needs.

- Costs incurred by the authority due to submission by the school of incorrect data.
- Recovery of amounts spent from specific grants on ineligible purposes.
- Costs incurred by the authority as a result of the governing body being in breach of the terms of a contract.
- Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- Costs incurred by the authority in administering admission appeals, where the authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.
- Costs incurred by the authority in relation to the conversion of a school to an academy
- The cost of an undisputed invoice for energy where a school has entered into an agreement with the Secretary of State for the supply of energy and failed to pay such an invoice (Regulation 23 of the regulations).

10. Taxation

10.1. Value Added Tax (VAT)

VAT amounts reclaimed through the appropriate procedure below will be passed back to the school.

- a) Schools with an Imprest bank account should reclaim the net of VAT paid and VAT charged by submitting (at least monthly except for August) an Imprest Claim to the authority, once checked the reimbursement is paid by the authority to school's Imprest bank account. More detailed guidance on how to claim and timescales is available electronically at SLA Online.

or

- b) Non imprest schools should claim the net of VAT paid and VAT charged by submitting (at least monthly except for August) an appropriately authorised VAT Submittal form generated by the school's accounting system. Correctly completed VAT submittals received by 12 noon on a Tuesday will normally be included on that week's weekly payment sheet, so the school's bank account will be reimbursed the following Tuesday.

HMRC has agreed that VAT incurred by schools when spending any funding made available by the authority is treated as being incurred by the authority and qualifies for reclaim by the authority.

This does not include expenditure by the governors of a voluntary aided school when carrying out their statutory responsibilities to maintain the external fabric of their buildings. See section 15 below.

Maintained schools should seek advice of the WBC Schools Accountancy team in relation to VAT if there is any doubt as to how a particular transaction should be treated.

10.2. Construction Industry Taxation Scheme (CIS)

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

11. The Provision of Services and Facilities by the Authority

11.1. Provision of services from centrally retained budgets

The authority 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.

The authority is barred from discriminating in its provision of services on the basis of categories of schools, except in cases where this would be allowable under the School and Early Years Finance Regulations or the dedicated schools grant (DSG) conditions of grant.

11.2. Provision of services bought back from authority using delegated budgets

The term of any arrangement with a school to buy services or facilities from the authority 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 shall be limited to a maximum of 5 years, which may be extended for a maximum of 7 years.

Services provided to schools, for which funding is not retained centrally by the authority (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.

11.3. Packaging

The authority may provide any services for which funding has been delegated. But where the authority 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.

This provision will not prevent the authority offering packages of services which

offer a discount for schools taking up a wider range of services.

11.4. Service level agreements

Service level agreements for services to be provided by the authority 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 authority will aim to make available any new service level agreements for the coming financial year by at least 1 January each year.

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.

Services, if offered at all by the authority, 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.

Centrally-arranged provision for premises and liability insurance are excluded from the requirements as to service supply, as the limitations envisaged may be impracticable for insurance purposes.

11.5. Teachers' pensions

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

These 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 monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

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 monthly 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 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.

12. Private finance initiative (PFI) / Public private partnerships (PPP)

12.1. PF/PPP

It may be necessary to vary the terms of this scheme in the event of contracts being let under the framework for PF/PPP, in such cases the authority will undertake appropriate prior consultation.

13. Insurance

13.1. Insurance cover

If funds for insurance are delegated to any school, the authority may require the school to demonstrate that cover relevant to the authority's insurable interests, under a policy arranged by the governing body, is at least as good as the relevant minimum cover arranged by the authority if the authority makes such arrangements, either paid for from central funds or from contributions from schools' delegated budgets.

The evidence required to demonstrate the parity of cover will be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier.

The authority will have regard to the actual risks which might reasonably be expected to arise at the school in question in operating such a requirement, rather than applying an arbitrary minimum level of cover for all schools.

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

14. Miscellaneous

14.1. Right of access to information

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

14.2. Liability of governors

Because the governing body is a corporate body, and because of the terms of section 50(7) of the act, governors of maintained schools will not incur personal

liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

An example of behaviour which is not in good faith is the carrying out of fraudulent acts. Breaches of the scheme are not in themselves failures to act in good faith; neither is rejection of authority advice as to financial management.

14.3. Governors' allowances

Schools without delegated budgets

The authority may delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses.

Governing bodies would not normally have discretion in the amounts of such allowances which would be set by the authority.

Schools with delegated budgets

Under section 50(5) of the act, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share.

Schools are 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.

14.4. Responsibility for legal costs

Legal costs incurred by the governing body may be charged to the school's budget share, unless the governing body acts in accordance with the advice of the authority; although this is the responsibility of the authority, as part of the cost of maintaining the school unless they relate to the statutory responsibility of voluntary aided school governors for buildings.

The effect of this is that a school cannot expect to be reimbursed for the cost of legal action against the authority itself; although there is nothing to stop an authority making such reimbursement if it believes this to be desirable or necessary in the circumstances.

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

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

14.5. Health and Safety

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

14.6.Right of attendance for Chief Finance Officer

Governing bodies are required to permit the Chief Finance Officer (Section 151 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 their responsibilities.

The Chief Finance Officer's 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.

14.7.Special Education Needs

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

If the authority is advised that this is not being achieved, it may suspend delegation where a situation is serious enough to warrant it; this would not normally relate to an individual pupil.

14.8.Interest on late payments

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

14.9.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 Finance Officer at the authority.

All complaints will be treated confidentially.

14.10. Child protection

Schools should be prepared to release staff to attend child protection case conferences and other related events. Costs in this regard should be met from school delegated budgets.

14.11. Redundancy / Early retirement costs

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded.

The responsibility and procedure for the payment of redundancy/early retirement costs is set out in the West Berkshire Council School Severance Funding Policy, which can be accessed by schools on WBC SLA Online.

15. Responsibility for repairs and maintenance

15.1. Responsibility for repairs and maintenance

The authority delegates funding for repairs and maintenance to schools. Only capital expenditure is retained by the authority.

For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the authority for financial accounting purposes in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on local authority accounting.

The authority uses a de-minimis limit of £10,000 for defining capital in its own financial accounts, this sum applies to the total cost of the scheme and not individual items.

The same de minimus limit is used in defining what is delegated.

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, so no separate list of responsibilities is necessary for such schools.

However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the *de-minimis* limit applied by DfE to categorise such work, not the *de-minimis* limit used by the authority.

16. 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.

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

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

Under section 28(1), the main limitations and restrictions on the power will be those contained in the maintaining authority's scheme for financing schools made under section 48 of the Schools Standards and Framework Act 1998 as amended by Paragraph 2 of Schedule 3 to the Education Act 2002 which extends the coverage of schemes to include the exercise of the powers of governing bodies to provide community facilities.

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

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

16.1.Consultation with the authority: financial aspects

Changes made by the Children and Families Act 2014 mean that schools no longer need to consult the authority when establishing community facilities under Section 27 of the Education Act 2002. Nor do they have to have regard to advice given to them by their authority.

However, as public bodies, schools are expected to act reasonably, and this includes consulting those affected by decisions that they make.

16.2.Funding agreements: authority powers

The provision of community facilities in many schools may be dependent on the conclusion of a funding agreement with a third party which will either be supplying funding or supplying funding and taking part in the provision. A very wide range of bodies and organisations are potentially involved.

Before concluding any such third party funding agreements, the Governing Body is required to submit detailed proposals to the Section 151 Officer for consideration by the authority at least eight weeks prior to signing any agreement.

The Secretary of State does not consider that it is appropriate for authorities to have a general power of veto for these agreements.

However, if a third party funding agreement has been or is to be concluded against the wishes of the authority, or has been concluded without informing the authority, which in the view of the authority is seriously prejudicial to the interests of the school or the authority, that may constitute grounds for suspension of the right to a delegated budget.

16.3.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 formed for the purpose or by obtaining indemnity insurance for risks associated with the project in question, as specified by the authority.

16.4.Supply of financial information

Schools which exercise the community facilities power should provide the authority with a statement at the end of P9, in a form determined by the authority, showing the income and expenditure for the school arising from the facilities in question for the year to date and on a forecast basis, for the remainder of the financial year.

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 3 months and, if the authority sees fit, to require the submission of a recovery plan for the activity in question.

Financial information relating to community facilities will be included in returns made by schools under the consistent financial reporting (CFR) framework, and these will be relied upon by the authority as its main source of information for the financial aspects of community facilities.

However, the CFR timetable is such that the authority is likely to want supplementary information in order to ensure that schools are not at financial risk. Schedule 15 of the act provides that mismanagement of funds spent or received for community facilities is a basis for suspension of the right to delegation of the budget share.

16.5.Audit

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

Where funding agreements are entered into with third parties for the provision of community facilities, the school is required to 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.

16.6.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 authority 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.

16.7.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 Disclosure and Barring Service clearance, where appropriate for all adults involved in community activities taking place during the school day.

Governing bodies are free to pass on such costs to a funding partner as part of an agreement with that partner.

16.8.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.

In principle, the insurance issues arising from use of the community facilities power are the same as those which already arise from non-school use of school premises. However, a school proposing to provide community facilities should, as an integral part of its plans, undertake an assessment of the insurance implications and costs, seeking professional advice if necessary.

The authority 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 a provision is necessary in order for the authority to protect itself against possible third-party claims.

Instead of taking out insurance, a school may join the RPA for risks that are covered by the RPA.

16.9. Taxation

Schools should seek the advice of the authority and the local VAT office on any issues relating to the possible imposition of VAT on expenditure in connection with community facilities; including the use of the authority's VAT reclaim facility.

If any member of staff employed by the school or authority in connection with community facilities at the school is paid from funds held in a school's own bank account (whether a separate account is used for community facilities or not – see section 11), the school is likely to be held liable for payment of income tax and National Insurance, in line with HMRC rules.

School should follow authority advice in relation to the CIS where this is relevant to the exercise of the community facilities power.

16.10. 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.

Schools should also have regard to the provisions at 6.6 and 6.7 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 the main part of the scheme.

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
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
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
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
The Willows
Winchcombe School
Woolhampton Church of England Primary School
Yattendon Church of England Primary School

SPECIAL SCHOOLS

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 –

- Inspiration (Key Stages 1 & 2)
- Integration (Key Stages 3 & 4)
- Intervention (Years 9 & 10)
- Independence (Year 11 and Key Stage 5)

Annex B: GLOSSARY

"Chief Finance Officer"	Section 151 Officer (An officer appointed under section 151 of the Local Government Act 1972 which requires every local authority to appoint a suitably qualified officer responsible for the proper administration of its affairs.)
"the act"	School Standards and Framework Act 1998
"the authority"	West Berkshire Council
"the regulations"	School and Early Years Finance (England) (No. 2) Regulations 2018
AVC	Additional Voluntary Contributions
CFR	Consistent Financial Reporting
CIPFA	Chartered Institute of Public Finance Association
CIS	Construction Industry Taxation Scheme
DfE	Department for Education
DSG	Dedicated Schools Grant
HMRC	HM Revenues and Customs
ISB	Individual Schools Budget
PAYE	Pay As You Earn
PFI	Private Finance Initiative
PPP	Public Private Partnerships
SFVS	Schools Financial Value Standard
VAT	Value Added Tax

Annex C: EARLIER DIRECTED REVISIONS

Issue 16 - There are no new directed revisions in this issue.

Following consultation that closed on 19 March 2012, the Secretary of State directs that from 1 April 2012 the text below should be incorporated into the schemes of all local authorities in England. The revised text was included in the 26 March 2013 version of the guidance.

Efficiency and value for money

The scheme must include the following provision, which imposes a requirement on schools to achieve efficiencies and value for money, to optimise their resources and invest in teaching and learning, taking into account the purchasing, tendering and contracting requirements.

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

It is for heads and governors to determine at school level how to secure better value for money. There are significant variations in efficiency between similar schools, and so it is important for schools to review their current expenditure, compare it to other schools and think about how to make improvements

Schools financial value standard (SFVS)

All local authority maintained schools, including nursery schools and PRUs that have a delegated budget) must demonstrate compliance with the SFVS and complete the assessment form on an annual basis. It is for the school to determine at which time of the year they wish to complete the form.

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

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

Following consultation, the Secretary of State directs that from 19 August 2015 the text below shall be incorporated into the schemes of all local authorities in England.

Register of business interests

The scheme must contain a provision which requires the governing body of each maintained school to have a register which lists for each member of the governing body and the head teacher:

- any business interests that they or any member of their immediate family have
- details of any other educational establishments that they govern
- any relationships between school staff and members of the governing body

And 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 and parents, and the local authority, and to publish the register, for example on a publicly accessible website.

Borrowing by schools

The scheme should contain a provision reminding schools that governing bodies may borrow money (which includes the use of finance leases) only with the written permission of the Secretary of State. 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. The scheme must contain a provision that allows schools to use any scheme that the Secretary of State has said is available to schools without specific approval, currently including the including the Salix scheme, which is designed to support energy saving.

Following consultation, the Secretary of State directs that from 22 March 2018 the text below shall be incorporated into the schemes of all local authorities in England.

Loan schemes

Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year.

Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income.

If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new academy school.

Submission of financial forecasts

Following consultation that closed on 30 September 2019, from the 2021 to 2022 funding year each school must submit a 3-year budget forecast each year, at a date determined by the local authority between 1 May and 30 June.

Following consultation that closed on 30 September 2019, the Secretary of State directs that the text below shall be incorporated into the schemes of all local authorities in England, however due to coronavirus (COVID-19) the directed revision to follow will only be expected to be enforced from the 2021 to 2022 funding year.

Planning for deficit budgets

Schools must submit a recovery plan to the local authority when their revenue deficit rises above 5% at 31 March of any year. Local authorities may set a lower threshold than 5% for

the submission of a recovery plan if they wish. The 5% deficit threshold will apply when deficits are measured as at 31 March 2025.

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Changes from Issue 15 of this guidance

Updates as shown in the Department for Education guidance:

[Schemes for financing local authority maintained schools 2025 to 2026 - GOV.UK](#)

1.2 Directed revisions

The Secretary of State may by a direction revise the whole or any part of the scheme as from such date as may be specified in the direction. To make a directed revision to schemes, the Secretary of State is required, by provisions in the School Standards and Framework Act 1998, to consult the relevant local authorities and other interested parties.

There are no new directed revisions in this issue.

1.3 Changes from issue 15 of this guidance

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

- section 1.1: About this guidance – updated the issue number of the statutory guidance from ‘issue 15’ to ‘issue 16’
- section 8.3: addition of an extra item where a school’s budget share may be charged: the cost of an undisputed invoice for energy where a school has entered into an agreement with the Secretary of State for the supply of energy and failed to pay such an invoice (Regulation 23 of the regulations)

The following updates have been made to better reflect current local policy positions and clarify information already contained in the scheme:

- 1) Front page updated (includes 1.3 above updated the issue number of the statutory guidance from ‘issue 15’ to ‘issue 16’)
- 2) Annex C: EARLIER DIRECTED REVISIONS added “Issue 16 - There are no new directed revisions in this issue.”
- 3) 5.3 – text changed to confirm monthly data
- 4) 5.3.1 – text added “If the school is in deficit this forecast should show the deficit being recovered within the period”
- 5) 9.3 - addition of “The cost of an undisputed invoice for energy where a school has entered into an agreement with the Secretary of State for the supply of energy and failed to pay such an invoice (Regulation 23 of the regulations).” as final point. (See 1.3 above)
- 6) 5.14 Rev Cont to Capital - amended to reflect local current practise
- 7) 9.3 – addition of “Costs incurred by the authority in relation to the conversion of a school to an academy.” to reflect local practise
- 8) 15.1 – The authority uses a de-minimis limit of £10,000 for defining capital in its own financial accounts, this sum applies to the total cost of the scheme and not individual items.

- 9) 5.14 Capital spending from budget shares to reflect local practise
Struck through were changes not made

Was

~~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 act.~~

~~Schools must notify the authority of all proposed capital spending from their budget share. It is recommended that schools discuss their proposals with the authority (both an education and a finance expert) 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;

- Complete a Request to Transfer Revenue to Capital form (Schools Accountancy will provide the form), detailing future commitments and expenditure.
- Return the form, signed by Chair of Governors, to Schools Accountancy for checking.
- Schools Accountancy will then send to Service Director - Finance, Property and Procurement to approve.
- Service Director will then send to Executive Director - Children and Family Services for approval.
- Note that the schools should take into account any advice from the Executive Director - Children and Family Services as to the merits of the proposed expenditure and note that the request can be refused.

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

~~The reason for these requirements is to help ensure compliance with the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010.~~

~~These provisions would not affect expenditure from any capital allocation made available by the authority outside the delegated budget share.~~

Now

~~Governing bodies are permitted to use their Budget Share 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 act.~~

~~Schools must notify the authority of **all** proposed capital spending from their budget share. It is recommended that schools discuss their proposals with the authority (both an education and a finance expert) 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.~~

Governing bodies are permitted to use up to £20,000 of their revenue budget shares per annum to meet the cost of capital projects without any additional authorisation from the Authority.

If the expected capital expenditure from the revenue budget share in any one year is expected to exceed £20,000, the governing body **must** complete a Request to Transfer Revenue to Capital form (available on SLA Online) and following the accompanying instructions.

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

~~The reason for these requirements is to help ensure compliance with the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010.~~

~~These provisions would not affect expenditure from any capital allocation made available by the authority outside the delegated budget share.~~

- 10) Annex A: LIST OF SCHOOLS TO WHICH THIS SCHEME APPLIES
Brookfields Special School removed due to academisation.

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Proposed update to the Scheme for Financing Schools

Consultation Document for Schools 17th June to 26th June 2025

- 1.1 Local authorities are required to publish schemes for financing schools which set out the financial relationship between the local authority and the schools they maintain.
- 1.2 The Department for Education (DfE) issues statutory guidance for local authorities on schemes for financing schools. The DfE guidance lists the provisions which a local authority must, should or may include. Local schemes need not follow the exact format used in the DfE guidance, except for the text of directed revisions. The DfE guidance is updated annually.
- 1.3 Issue 16 was published on 27 March 2025 and can be found at:

<https://www.gov.uk/government/publications/schemes-for-financing-schools/schemes-for-financing-local-authority-maintained-schools>
- 1.4 In making any changes to the scheme, a local authority must consult all maintained schools in their area and receive the approval of the members of their schools forum representing maintained schools.
- 1.5 The local authority has reviewed the current scheme to ensure that all sections are still appropriate. Following on from this review four updates are proposed. The proposed Scheme for Financing Schools (2024 update) and Appendix A highlighting the proposed updates are attached to this email.
- 1.6 In order to respond to this consultation, please email your comments to lisa.potts@westberks.gov.uk stating the corresponding paragraph number(s) at the start of each comment you make.
- 1.7 If a response is not received it will be assumed that the school has no comment to make and agrees the updated scheme.
- 1.8 The timetable for this consultation is as follows:

17 th June to 26 th June 2025	Consultation with Schools
1 st July 2025	Heads' Funding Group review responses
14 th July 2025	Schools' Forum approve revisions
15 th July 2025	Revised scheme comes into operation

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2024/25 Dedicated Schools Grant: Year End Outturn Report

Report being considered by: Schools Forum on 16th June 2025

Report Author: Lisa Potts

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

1. Purpose of the Report

- 1.1 To report on the outturn of the services funded by the Dedicated Schools Grant (DSG), highlighting any under or over spends, and to highlight the cumulative deficit at 31 March 2025 of £16.13m, projected to rise to £31-£37m in March 2026.
- 1.2 Since 2020, the government has allowed local authorities to exclude DSG deficits from their revenue outturn. This accounting treatment ('the statutory override') means local authorities have not had to take the deficit into account when balancing their budget and have not had to fund it from general reserves as other deficits would be. It is held as an "unusable reserve" on the balance sheet.
- 1.3 The current statutory override ends in March 2026 and there is currently no confirmation on whether this will be extended or whether WBC will be required in some way to fund the accumulated deficit at that point.
- 1.4 The deficit has had to be funded on a cash basis, as it's the overspend of a grant. WBC must borrow the additional monies spent and this in turn impacts the authority's debt service costs. This is currently circa £750k per annum on the £16m deficit, expected to rise to £1.4 - £1.67m per annum on the projected £31-37m by the end of March 2026.

2. Recommendation

- 2.1 That the report be noted.

3. Background

- 3.1 The Dedicated Schools Grant (DSG) is a ring fenced specific grant which can only be spent on school/pupil activity as set out in The School and Early Years Finance (England) Regulations 2024. There are four DSG funding blocks: Schools, High Needs, Early Years and Central Schools Services.
- 3.2 The Local Authority and Schools' Forum are responsible for ensuring that the DSG is deployed correctly according to the Regulations. Monitoring of spend against the grant needs to take place regularly to enable decision making on deficits and surpluses and to inform future year budget requirements.
- 3.3 The way in which local authorities account for DSG deficits has been altered by the Local Authorities (Capital Finance and Accounting) Regulations 2020, made by the Department for Levelling Up, Housing and Communities (DLUHC). This requires DSG deficits to be held in a separate reserve in local authorities' accounts. However, the way in which local authorities should plan their management of DSG

and report to DfE remains governed by the School and Early Years Finance Regulations 2024.

4. Year End Outturn

	2024/25								
Table 1 - DSG Block forecast 2024/25	Original Budget	Budget Changes	Final Budget	Quarter 1 Forecast	Quarter 2 Forecast	Quarter 3 Forecast	Month 10 Forecast	Month 12 Outturn	Deficit/ (surplus)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total Expenditure	125,793	1,135	126,928	132,747	133,771	134,956	134,600	135,127	8,199
Total Income	(125,793)	(1,228)	(127,020)	(127,020)	(125,793)	(125,639)	(125,639)	(127,020)	0
Net In-year Deficit	0	(93)	(93)	5,727	7,979	9,317	8,961	8,107	8,199
Deficit Balance in reserves	9,450		9,450	9,450	9,450	9,450	9,450	9,450	9,450
In year reserve movement	0	93	93	94	94	94	94	94	1
Clawback from Schools	0		0	0	0	(1,518)	(1,518)	(1,518)	(1,518)
Cumulative Deficit	9,450	0	9,450	15,271	17,523	17,343	16,987	16,133	16,133

4.1 From previous years, there was a cumulative deficit of £9.45m.

4.2 The 2024/25 DSG expenditure budget was set £7.9m higher than available funding, and this was treated as an in-year deficit against the High Needs block.

4.3 The 2024/25 outturn position has increased the cumulative deficit position to £16.1m. This will be held in a separate reserve in the local authority accounts.

The year end position by block is shown in the chart below:

Table 1 - DSG Block forecast 2024/25	2024/25						Deficit/ (surplus)
	Budget	Quarter 1 Forecast	Quarter 2 Forecast	Quarter 3 Forecast	Month 10 Forecast	Month 12 Outturn	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Expenditure:							
Schools Block (inc ISB)	77,955	79,518	79,518	78,106	78,106	77,955	0
Early Years Block	20,214	17,329	17,329	18,547	18,353	19,878	(335)
Central School Services Block	951	974	982	956	956	950	(2)
High Needs Block	35,688	34,927	35,942	37,347	37,185	36,344	655
High Needs Block In-Year deficit recovery	(7,881)	0	0	0			7,881
Total Expenditure	126,928	132,747	133,771	134,956	134,600	135,127	8,199
DSG Grant Income:							
Schools Block	(78,106)	(78,106)	(79,518)	(78,106)	(78,106)	(78,106)	0
Early Years Block	(20,214)	(20,214)	(17,371)	(18,630)	(18,630)	(20,214)	0
Central School Services Block	(951)	(951)	(961)	(971)	(971)	(951)	0
High Needs Block	(27,750)	(27,750)	(27,942)	(27,931)	(27,931)	(27,750)	0
Total DSG Income	(127,020)	(127,020)	(125,793)	(125,639)	(125,639)	(127,020)	0
In-year adjustments							
Total Income	(127,020)	(127,020)	(125,793)	(125,639)	(125,639)	(127,020)	0
In year net deficit/(surplus):							
Schools Block	(151)	1,412	0	(0)	(0)	(151)	0
Early Years Block	0	(2,885)	(42)	(83)	(277)	(335)	(335)
Central School Services Block	0	23	21	(15)	(15)	(2)	(2)
High Needs Block	58	7,177	8,000	9,416	9,254	8,594	8,536
Grant adjustment (re PPG)							
Net In-year Deficit	(93)	5,727	7,979	9,317	8,961	8,107	8,199
Deficit Balance in reserves	9,450	9,450	9,450	9,450	9,450	9,450	9,450
In year reserve movement	93	94	94	94	94	94	1
Clawback from Schools	0	0	0	(1,518)	(1,518)	(1,518)	(1,518)
Cumulative Deficit	9,450	15,271	17,523	17,343	16,987	16,133	16,133

5. Schools Block

- 5.1 The 2024/25 budget was funded from DSG grant of £78m. The Schools Block ended the year online, with £94k use of balances from the schools block reserve. De-delegated budgets were underspent by £151k, which will transfer to reduce the future cost of services. A breakdown is provided below:

Schools Block Reserve (surplus)/deficit	1.4.2024	change in reserves	In-year Deficit/ (Surplus)	31.3.2025 Est
	£k	£k	£k	£k
Growth Fund	(817)		88	(729)
Schools in Financial Difficulty	0			0
School Improvement	(82)	59	(48)	(71)
EMTAS	(75)	28	(104)	(150)
Therapeutic Thinking	(18)	6	(83)	(96)
CLEAPPS	0			0
Trade Union	0			0
Stat and Reg	(10)		(4)	(13)
Schools (re rates adj)	(87)			(87)
Total Surplus Balance	(1,089)	94	(151)	(1,146)

6. Early Years Block

- 6.1 Early Years Expenditure was underspent by (£335k) leaving a net cumulative overspend of £926k.
- 6.2 From 2024/25 there are new funding streams for children aged 9 months and over which has seen a significant increase in the grant funding available. The saving has mainly been achieved by setting a realistic pass through rate to providers and spending less on central services.
- 6.3 The Early Years Block is difficult to predict due to the volatile nature of both the funding and payments to providers (payments are made according to actual number of hours of provision each term).

7. Central Schools Services Block

- 7.1 At year end, overall DSG funding received for the Central Schools Services Block was on budget and expenditure was underspent by £2k. This was mainly achieved from the Education Welfare Service due to one-off staff savings.
- 7.2 This has resulted in the block moving from a deficit to a small surplus at the end of 2024/25 at £1k.

8. High Needs Block

- 8.1 At year end, the overall DSG funding received was £134k lower due to the academisation of Brookfields on 1st March 2025, resulting in the DFE reducing the place funding. This was recouped from Brookfields in their final accounts.
- 8.2 The 2024/25 year end position on the block is an overspend of £8.5m. The main variances against expenditure are as follows:
- An overall overspend of £0.87m on top up funding. This financial pressure is largely due to a significant overspend of £785k on independent special schools. A number of new independent special schools opened in the area, with parents requesting places at these schools. These schools have been named on child's EHCP plan following a tribunal.
 - Overall, the pressure on top up funding is due to an increase in the number of EHCP's, moving from 1566 to 1707 (March 24 to March 25). There is also a significant growth in Emotional Based School Avoiders (EBSA) and children with dysregulated behaviour. Schools are making requests for increased funding in mainstream for alternative provision or interventions to increase engagement in school.
 - Other reasons for the pressures on these budgets include a high level of exclusions and an increase in tribunal costs
 - There have been some savings in the maintained special schools, amounting to £432k. This situation highlights the ongoing challenges in balancing the budget while ensuring that the needs of students with special educational needs and disabilities (SEND) are met effectively
 - Other high needs areas that offered savings included the medical tuition service as they had delays on recruitment to posts.
 - £1.5m was clawed back from Schools with surplus balances, which reduced the overspend.
- 8.3 The cumulative deficit against this block is now £16.4m at the end of 2024/25.

9. Total Reserve Balance and cumulative deficit

- 9.1 The DSG now has a cumulative deficit of £16.1m. The High Needs Block deficit has increased by £7m to £16.4m. A £1.1m surplus in the schools block is reducing the overall total for the authority.

Reserve Balances (surplus)/deficit	1.4.2024 Actual	Change in reserves	In-year Deficit/ (Surplus)	31.3.2025 Actual
Schools Block - growth fund	(817)	0	88	(729)
Schools Block De-delegated	(176)	94	(239)	(321)
Schools Block - other	(97)	0	0	(97)
Early Years Block	1,261	0	(335)	926
Central School Services Block	1	0	(2)	(1)
High Needs Block	9,336	0	8,536	17,872
Clawback from Schools	0	0	(1,518)	(1,518)
Grant changes	(58)	0	58	(0)
Total Deficit Balance	9,450	94	6,588	16,132

10. Conclusion

- 10.1 The cumulative deficit on the DSG blocks now totals £16.1m. Overspends in the High Needs Block are the most significant with a total deficit against this block of £16.4m and this will remain the area of focus going in 2025/26, in conjunction with the Department for Education's Delivering Better Value in SEND programme.
- 10.2 The DSG overspend is at the Council's cost in cash terms so while we don't have to currently account for it in our revenue budget, it is funded by borrowing additional sums which create a cost pressure on the Council's revenue budget in terms of capital financing costs. At the current PWLB interest rates of circa 4.5%, the current DSG deficit of £16m will cost £750k while the projected balance for the end of 2025/26 of between £31m and £37m will cost £1.4m to £1.67m respectively in debt servicing.

11. Appendices

Appendix A – DSG 2024/25 Budget Monitoring Report: Outturn

Dedicated School's Grant (DSG) 2024/2025 Budget Monitoring Outturn

Cost Centre	Description	Original Budget 2024/25	Net Virements in year	Amended Budget 2024/25	Outturn	Variance	Comments
90020	Primary Schools (excluding nursery funding)	57,339,140	-1,208,525	56,130,615	56,166,761	36,146	
DSG top slice	Academy Schools Primary	0		0	0	0	
90025	Secondary Schools (excluding 6th form funding)	21,226,730	-247,290	20,979,440	20,943,513	-35,927	
DSG top slice	Academy Schools Secondary	0		0	0	0	
90230	DD - Schools in Financial Difficulty (primary schools)	0		0	0	0	
90113	DD - Trade Union Costs	61,690		61,690	61,688	-2	
90255	DD - Support to Ethnic minority & bilingual Learners	195,100	-103,940	91,160	91,154	-6	
90349	DD - Behaviour Support Services	243,430	-83,400	160,030	160,028	-2	
90424	DD - CLEAPSS	3,480		3,480	3,364	-116	
90470	DD - School Improvement	318,730	-47,800	270,930	270,927	-3	
90423	DD - Statutory & Regulatory Duties	128,030	-3,870	124,160	124,160	0	
90235	School Contingency - Growth Fund/Falling Rolls Fund	0	132,054	132,054	132,053	-1	
90054	De-delegated funding from reserves	-94,020		-94,020	-94,020	0	
SSR		95,420		95,420	95,420	0	
	Schools Block Total	79,517,730	-1,562,771	77,954,959	77,955,048	89	
90583	National Copyright Licences	179,860		179,860	175,328	-4,532	
90019	Servicing of Schools Forum	46,250		46,250	44,091	-2,159	
90743	School Admissions	186,210		186,210	185,076	-1,134	
90354	ESG - Education Welfare	179,900		179,900	158,416	-21,484	
90460	ESG - Statutory & Regulatory Duties	271,250		271,250	294,257	23,007	
90054	Surplus budget to off-set cumulative deficit	5,420	-10,149	-4,729	0	4,729	
SSR		92,425		92,425	92,425	0	
	Central School Services Block DSG	961,315	-10,149	951,166	949,593	-1,573	
90010	Early Years Funding - Nursery Schools	1,140,380		1,140,380	1,147,189	6,809	
90037	Early Years Funding - Maintained Schools	2,278,300		2,278,300	2,228,854	-49,446	
90036	Early Years Funding - PVI Sector	7,218,660		7,218,660	7,209,814	-8,846	
90052	Early Years PPG & Deprivation Funding	219,580	125,000	344,580	343,664	-916	
90053	Disability Access Fund	90,090		90,090	30,940	-59,150	
90018	2 year old funding	3,646,040	970,000	4,616,040	4,619,774	3,734	
90023	Under 2's	1,886,860	1,166,000	3,052,860	3,052,944	84	
90017	Central Expenditure on Children under 5	414,060		414,060	356,721	-57,339	Due to vacant service manager post
90287	Pre School Teacher Counselling	68,610		68,610	68,610	0	
90238	Early Years Inclusion Fund	108,000		108,000	71,630	-36,370	
90054	Early Years adjustment re grant funding	218,295	581,315	799,610	746,279	-53,331	Additional grant in-year for new funding streams
	Early Years Budget Grant			0	-80,424	-80,424	
SSR		82,458		82,458	82,458	0	
	Early Years Block Total	17,371,333	2,842,315	20,213,648	19,878,454	-335,194	

Dedicated School's Grant (DSG) 2024/2025 Budget Monitoring Outturn

Cost Centre	Description	Original Budget 2024/25	Net Virements in year	Amended Budget 2024/25	Outturn	Variance	Comments
90026	Academy Schools RU Top Ups	1,259,560		1,259,560	1,237,390	-22,170	
90539	Special Schools - Top Up Funding	6,218,340		6,218,340	5,786,363	-431,977	
90548	Non WBC Special Schools - Top Up Funding	215,290		215,290	424,241	208,951	
90554	Non WBC free schools	618,120		618,120	587,386	-30,734	
90556	SEMH provision at Theale	1,450,880		1,450,880	1,462,584	11,704	
90557	Kennet Valley Resource Unit	0	419,810	419,810	433,500	13,690	
90575	Non LEA Special School (OofA)	1,423,550		1,423,550	1,365,343	-58,207	
90579	Independent Special School Place & Top Up	7,389,410		7,389,410	8,174,961	785,551	
90580	Further Education Colleges Top Up	1,465,000		1,465,000	1,416,357	-48,643	
90617	Resourced Units top up Funding maintained	1,095,930	-419,810	676,120	728,843	52,723	
90618	Non WBC Resourced Units - Top Up Funding	105,640		105,640	89,424	-16,216	
90621	Mainstream - Top Up Funding maintained	1,821,000		1,821,000	1,981,641	160,641	
90622	Mainstream - Top Up Funding Academies	1,142,500		1,142,500	1,181,604	39,104	
90624	Non WBC Mainstream - Top Up Funding	140,380		140,380	159,013	18,633	
90625	Pupil Referral Units - Top Up Funding	1,139,400	90,000	1,229,400	1,055,749	-173,651	
90627	Disproportionate No: of HN Pupils NEW	150,000		150,000	230,302	80,302	
90628	EHCP PRU Placement	1,045,800		1,045,800	1,326,973	281,173	
	High Needs Block: Top Up Funding Total	26,680,800	90,000	26,770,800	27,641,675	870,875	
90320	Pupil Referral Units	660,000		660,000	660,000	0	
90540	Special Schools	2,860,000	-181,650	2,678,350	2,678,350	0	re Brookfields academisation
90546	Special Schools - Place Funding Post 16	790,000		790,000	790,000	0	
90551	Mainstream Maintained - post 16 SEN places	36,000		36,000	36,000	0	
90552	Special Schools and PRU Teachers Pay and Pension	332,520		332,520	348,986	16,466	Teachers Pay Award additional amount for pupil over
90584	Resourced Units - Place Funding	242,000		242,000	234,000	-8,000	
	High Needs Block: Place Funding Total	4,920,520	-181,650	4,738,870	4,747,336	8,466	
90240	Applied Behaviour Analysis	270,420		270,420	254,795	-15,625	
90573	Education Other Than At School (EOTAS)	0		0	238,824	238,824	
90574	Spot Purchases - Alternative Provision	0		0	121,594	121,594	
90280	Special Needs Support Team	363,830		363,830	310,324	-53,506	
90281	SEND Strategy (DSG)	69,230		69,230	64,178	-5,052	
90282	Medical Home Tuition	381,690		381,690	203,869	-177,821	
90237	High Needs Contingency	240,500	-90,000	150,500	110,960	-39,540	
90286	Early Years Speech & Language	0		0	0	0	
90287	Pre School Teacher Counselling	97,140		97,140	56,511	-40,629	
90288	Elective Home Education Monitoring	49,480		49,480	40,714	-8,766	

Dedicated School's Grant (DSG) 2024/2025 Budget Monitoring Outturn							
Cost Centre	Description	Original Budget 2024/25	Net Virements in year	Amended Budget 2024/25	Outturn	Variance	Comments
90290	Sensory Impairment	296,460		296,460	275,034	-21,426	
90295	Therapy Services	526,080		526,080	535,397	9,317	
90372	Therapeutic Thinking	69,330		69,330	54,508	-14,822	
90373	Emotional Based School Avoiders (EBSA)	139,240		139,240	101,001	-38,239	
90374	SEMH Practitioner	43,560		43,560	17,526	-26,034	
90555	LAL funding	171,840		171,840	171,840	0	
90565	Equipment For SEN Pupils	15,000		15,000	-1,852	-16,852	
90577	SEN Commissioned Provision	650,830		650,830	661,048	10,218	
90582	PRU Outreach	61,200		61,200	61,200	0	
90585	HN Outreach Special Schools	50,000		50,000	50,000	0	
90610	Hospital Tuition	36,180		36,180	2,096	-34,084	
90830	ASD Teachers	301,490		301,490	272,098	-29,392	
90961	Vulnerable Children	179,400		179,400	74,589	-104,811	
90581	Dingleys Promise	35,000		35,000	105,000	70,000	
	High Needs Block: Non Top Up or Place Funding	4,047,900	-90,000	3,957,900	3,781,254	-176,646	
90054	Efficiency Target	-7,880,605	47,228	-7,833,377	0	7,833,377	
	SSR	173,697		173,697	173,697	0	
	High Needs Block Total	27,942,312	-134,422	27,807,890	36,343,962	8,536,072	
	TOTAL DSG EXPENDITURE	125,792,690	1,134,973	126,927,663	135,127,057	8,199,394	
90030	DSG Grant Account	-125,792,690	-1,227,574	-127,020,264	-127,020,266	-2	
90054	Clawback from Schools			0	-1,518,292	-1,518,292	
	Net In-year Deficit	0	-92,601	-92,601	6,588,499	6,681,100	
	Deficit Balance brought forward	9,450,120		9,450,120	9,450,119	-1	
	In year reserve movement		92,601	92,601	94,020	1,419	Funding from reserves for de-delegations
	Cumulative Deficit	9,450,120	0	9,450,120	16,132,638	6,682,518	

School Balances 2024/25

Report being considered by: Schools Forum on 16th June 2025

Report Author: Lisa Potts

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

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.

2. Recommendation

- 2.1 To discuss the report and consider if further information is required on surplus balances.

3. Introduction/Background

- 3.1 This report provides an overview of school balances at the end of 2024/25.
- 3.2 The Scheme for Financing Schools 2024/25 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 balance for the previous three years and any other data deemed to be of relevance." Individual schools with excessive balances may be required to provide further information on a School Balance Statement, to be reviewed by the Heads Funding Group. Clawback of balances in excess of 10% of the budget share (subject to leaving the schools with a minimum balance of £50,000) will be calculated on balances at 31.03.25.

4. Overview of School Balances as at 31st March 2025

- 4.1 Table 1 summarises the overall closing balances (all funds) of West Berkshire maintained schools compared to the previous year.

TABLE 1	As at 31st March 2024	As at 31st March 2025	Increase/(Decrease)	
Total Balances Summary	£'000	£'000	£'000	%
Nursery Schools	238	280	42	17.6%
Primary Schools	4,146	3,532	(614)	(14.8%)
Secondary Schools	3,383	2,822	(561)	(16.6%)
Special Schools	951	842	(109)	(11.4%)
Pupil Referral Units	590	563	(27)	(4.6%)
Total for all Schools	9,308	8,039	(1,269)	(13.6%)

- 4.2 The school balances (revenue and capital) at 31st March 2025 total £8.0m, a decrease of £1.3m from 2023/24. All school types have seen a decrease, except for the Nursery schools.

4.3 Table 2 summarises the balances of West Berkshire maintained schools by fund.

	Main School Budget	Pupil Premium	Revenue Sports Fund	Resource Units	Revenue Total	Community (Before & After school clubs)	Capital	Total Balances
2024/25 Balances by type of fund	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Nursery Schools	278	0	0	0	278	0	2	280
Primary Schools	1,989	158	173	141	2,461	555	516	3,532
Secondary Schools	2,299	0	0	0	2,299	0	523	2,822
Special Schools	777	12	11	0	800	0	42	842
Pupil Referral Units	522	0	7	0	529	0	34	563
Total for all Schools	5,865	170	191	141	6,367	555	1,116	8,039
2023/24 Balance	7,360	166	177	42	7,745	346	1,217	9,308
Increase/(Decrease)	(1,495)	4	14	99	(1,378)	209	(100)	(1,269)
%	(20.3%)	2.7%	7.9%	(236.3%)	(17.8%)	60.4%	(8.2%)	(13.6%)

4.4 In addition to £6.3m being held in revenue balances, £555k is held in before and after school club funds and £1.1m in capital balances.

- (1) Of the revenue balances, £170k is unspent pupil premium grant (though note that not all schools account for this separately and include within the main school budget), and £191k is unspent sports premium grant. All unspent sports funding must be spent by the end of this academic year (2024/25).
- (2) The £555k balance in the before and after school clubs is an increase on 2023/24 and builds upon the increase in the previous year.

4.5 Table 3 summarises the main school balances.

Main School Balances	As at 31st March 2024	As at 31st March 2025	Inc/(Dec)	Balance as a % of funding
	£'000	£'000	£'000	
Nursery Schools	158	278	120	17%
Primary Schools	2,802	1,989	(813)	3%
Secondary Schools	3,001	2,299	(701)	8%
Special Schools	848	777	(71)	15%
Pupil Referral Units	552	522	(30)	14%
Total for all Schools	7,360	5,865	(1,495)	5%

- (1) Primary school balances have decreased for a third year in a row. The balance of £1,989k represents 3% of the main school funding. 31 primary schools have seen an increase in balances of £715k, and 31 a decrease (£1528k). A detailed breakdown per school is shown in Appendix A.
- (2) One of the maintained secondary schools has an increased balance in 2024/25 of £135k. Two of the maintained secondary schools have seen a decrease in their balance (£836k). Appendix B provides details of these.
- (3) The maintained special schools main school balance has decreased by £71k. Please see Appendix B for the breakdown.
- (4) The nursery school balances have increased by £120k as shown in Appendix B.

5. Schools with Significant Surpluses

- 5.1 The Schools' Forum has agreed to reintroduce the claw back scheme for schools with excess surplus balances at 31.03.25. Information on high surplus balances is to be reported for 2024/25. Table 4 shows those schools with a main school surplus balance greater than 10% of their funding in 2024/25.

TABLE 4 Main School Surplus Balances	As at 31st March 2024	As at 31st March 2025	Percentage of Funding %	Balance in excess of 10%
<u>Nursery</u>				
Hungerford Nursery School	8,319	116,824	15%	39,432
Victoria Park Nursery	149,760	160,976	19%	75,838
<u>Primary</u>				
Beedon Primary	65,718	76,597	18%	26,597
Beenham Primary	-9,894	55,902	10.4%	2,172
Compton Primary	89,873	270,709	25.5%	164,656
Hampstead Norreys & The Isle	95,029	112,005	11.0%	10,541
Inkpen Primary	36,075	62,366	13.5%	12,366
John Rankin Schools Fed	503,665	362,211	11%	31,378
Parsons Down Federation	288,513	196,812	11%	22,733
Springfield Primary	400,089	259,723	14%	79,719
<u>Pupil Referral Units</u>				
icollge	551,982	522,347	14%	145,363

All of the schools in the table above, with the exception of Beenham also held a balance greater than 10% at 31.03.24

6. Conclusion

- 6.1 School reserves had been increasing overall year on year since 2017/18, when the reserves were £3.7m.
- 6.2 Primary school main school balances have decreased for a third year in a row. The balance represents 3% of the main school funding. Given the continued combination of reduced pupil numbers, a reported growing number of children presenting with additional needs who are creating increasing budgetary pressure in schools and the removal of additional funding to support education recovery, the primary school balances are forecast to continue to reduce in the coming year.
- 6.3 Schools with surplus balances will be contacted in relation to the clawback of surplus funds.

7. Appendices

- 7.1 Appendix A – Main School Budget Balances Maintained Primary Schools
- 7.2 Appendix B – Main School Budget Balances Maintained Other Schools

School Balances 2024/25

Appendix A

Primary Schools	Main School Budget Balance				Inc/Dec
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Aldermaston Church of England Primary School	94,133	76,480	2,263	(47,526)	(124,006)
Basildon Church of England Primary School	(23,004)	(9,986)	29,151	43,242	53,228
Beedon Church of England (Controlled) Primary School	49,431	67,618	65,718	76,597	8,978
Beenham Primary School	20,936	(31,015)	(9,894)	55,902	86,917
Birch Copse Primary School	26,569	60,025	18,642	12,764	(47,262)
Bradfield Church of England Primary School	12,596	15,476	9,246	25,397	9,921
Brightwalton Church of England Aided Primary School	42,967	35,015	48,594	34,758	(257)
Brimpton Church of England Primary School	11,308	(30,834)	(14,162)	(24,864)	5,970
Bucklebury Church of England Primary School	2,712	(18,734)	21,238	(3,790)	14,944
Burghfield St Mary's Church of England Primary School	43,292	46,588	77,028	59,912	13,324
Calcot Schools Federation	220,266	198,116	175,182	97,697	(100,419)
Chaddleworth Shefford Federation Cof E Primary School	80,762	87,012	86,479	69,297	(17,716)
Chieveley Primary School	59,104	75,856	90,251	52,760	(23,096)
Cold Ash St Mark's Church of England Primary School	17,698	879	6,137	10,837	9,958
Compton Church of England Primary School	68,759	99,784	89,873	270,709	170,925
Curridge Primary School	82,835	53,622	75,025	20,193	(33,429)
Downsway Primary School	26,948	31,417	52,020	76,987	45,570
Enborne Church of England Primary School	3,574	0	(32,598)	(14,048)	(14,048)
Englefield Church of England Primary School	70,244	60,450	42,075	14,279	(46,171)
Falkland Primary School	329,663	188,834	105,890	86,137	(102,697)
Garland Junior School	35,046	68,246	171,928	10,199	(58,047)
Hampstead Norreys & The Ilsleys	12,493	68,065	95,029	112,005	43,940
Hermitage Primary School	(7,151)	1,911	(13,311)	(40,499)	(42,410)
Hungerford Primary School	106,570	111,060	159,448	155,356	44,297
Inkpen Primary School	(17,964)	5,782	36,075	62,366	56,583
John Rankin Schools Federation	445,104	414,775	503,665	362,211	(52,564)
Kennet Valley Primary School	82,901	50,592	3,875	1,800	(48,792)
Kintbury St Mary's Church of England Primary School	18,523	56,700	59,209	71,433	14,733
Long Lane Primary School	10,279	(76,173)	(29,745)	31,672	107,845
Mortimer Federation	49,510	63,658	82,899	56,620	(7,038)
Mrs Bland's Infant School	98,099	121,064	11,704	2,972	(118,093)
Pangbourne Primary School	3,804	520	(77,778)	(88,050)	(88,570)
Parsons Down Schools Federation	101,146	218,432	288,513	196,812	(21,620)
Purley Church of England Infant School	64,326	74,704	45,390	14,829	(59,875)
Robert Sandilands Primary School and Nursery	170,993	146,824	127,157	127,038	(19,786)
Shaw-cum-Donnington Church of England Primary School	4,973	16,737	8,253	12,582	(4,155)
Springfield Primary School	274,906	352,615	400,089	259,723	(92,891)
Spurcroft Primary School	(79,302)	(138,281)	(199,639)	(154,340)	(16,059)
St Finian's Catholic Primary School	0	(33,935)	(87,161)	(75,444)	(41,510)
St John & St Nics Federation	74,283	11,214	(47,172)	58,895	47,681
St Joseph's Catholic Primary School	(7,173)	(85,585)	(158,621)	(182,853)	(97,269)
St Paul's Catholic Primary School	228,677	196,548	104,347	14,776	(181,772)
Streatley Church of England Voluntary Controlled School	13,960	19,451	29,266	52,757	33,307
Sulhamstead and Ufton Nervet CofE VA Primary School	16,993	28,714	45,908	52,159	23,444
Thatcham Park Church of England Primary School	150,148	111,216	111,581	95,106	(16,111)
The Kite Federation	(37,097)	73,182	58,193	(91,131)	(164,312)
The Willows Primary School	232,354	129,060	47,375	33,387	(95,673)
The Winchcombe School	21,573	31,821	57,886	60,543	28,722
Theale Church of England Primary School	37,384	8,626	(39,994)	(234,747)	(243,373)
Westwood Farm Schools Federation	44,253	77,699	47,080	100,749	23,051
Woolhampton Church of England Primary School	23,094	39,782	(133)	(38,500)	(78,282)
Yattendon Church of England Primary School	22,423	14,086	22,545	31,247	17,162
Total Primary Schools	3,435,921	3,185,714	2,802,018	1,988,913	(1,196,802)

School Balances 2024/25

Appendix B

	Main School Budget Balance				Inc/Dec
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Nursery Schools					
Hungerford Nursery School Centre for Children and Families	42,439	12,082	8,319	116,824	104,742
Victoria Park Nursery School	98,679	72,277	149,760	160,976	88,699
Total Nursery Schools	141,119	84,359	158,079	277,800	193,442
	Main School Budget Balance				Inc/Dec
	2021/22	2022/23	2023/24	2024/25	
	£	£	£	£	£
Secondary Schools					
The Downs School	662,609	1,211,610	1,467,308	889,694	(321,916)
Little Heath School	607,454	603,436	716,598	851,603	248,167
The Willink School	707,494	678,716	816,683	557,859	(120,857)
Total Secondary Schools	1,977,557	2,493,762	3,000,590	2,299,156	(194,606)
Special Schools					
The Castle School	749,418	1,147,535	847,633	776,823	(370,712)
Total Special Schools	749,418	1,147,535	847,633	776,823	(370,712)
Pupil Referall Units					
iCollege Alternative Provision	423,079	413,937	551,982	522,347	108,410
Total PRUs	423,079	413,937	551,982	522,347	108,410
Total for all Schools	6,727,094	7,325,308	7,360,301	5,865,040	(1,460,268)

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Education Unions: Facility Time Report

Report being considered by:	Schools Forum on 16/6/25		
Report Author:	Richard Hand		
Item for:	Information	By:	All Forum Members

1. Purpose of the Report

- 1.1 To inform members about the activities of the teaching trade unions

2. Recommendation

- 2.1 That Schools' Forum note the report

3. Introduction/Background

- 3.1 At the time of writing, the STRB report has still not been released. A leak has suggested that there will be a recommendation that there is a pay rise of near to 4%. Considerably higher than the 2.8% the government has recommended of which they are funding only 1.3%.¹ The suggestion from the treasury is that schools will have to pay for the difference from efficiency savings. All of the main unions ASCL, NEU, NAHT, NASUWT have stated that this is not feasible and an unfunded pay rise will lead to redundancies. The NEU will move to a formal strike ballot depending on the government response to the STRB. The NAS has indicated that they will also ballot. In a recent press release, ASCL stated that the situation '*will only be resolved by improving pay, school and college funding, and dialling down the excessive pressures of Ofsted inspections and performance tables*'.² The NAHT are taking the government to court over the new Ofsted arrangements.³

There is some good news. The recent NAO report stated that the '*DfE has taken positive steps in seeking to understand and increase teacher numbers*'.⁴ An article in Schoolsweek crunched the numbers and highlighted that although recruitment targets had been lowered as a result of falling pupil numbers, there were some 'green shoots of recovery' in teacher recruitment. However, it also stated: '*A single year of meeting recruitment targets would not be enough to reverse the cumulative damage from many years of under-recruitment*'.⁵

The NFER report on teacher numbers points out that the number of teachers leaving the profession remains high. One of the measures it urges leaders to consider is that allowing '*teachers to use their PPA time off-site can provide much-needed flexibility while maintaining teaching quality. Clear guidance and trust in staff can help embed this practice effectively*'.⁶ Anecdotally, it appears that most

¹ [DfE evidence to STRB on teacher pay in England | National Education Union](#)

² [ASCL - ASCL responds to NAO report on teacher recruitment and retention](#)

³ [Teaching union NAHT launches legal action against Ofsted - BBC News](#)

⁴ [Teacher workforce: secondary and further education - NAO report](#)

⁵ [Is teacher recruitment showing 'green shoots' of recovery?](#)

⁶ [nfer-classroom-summary-for-schools-teacher-labour-market-in-england-annual-report-2025.pdf](#)

schools in the LA are doing this or plan to do so. It is easier to organise in primary and junior schools and has already been good practice in most schools for some time. Another measure that has helped is the option to remove performance related pay. This is also to be welcomed.

- Spending levels are now back to where they were in 2010 according to the annual IFS report on school finances: *'This has led to 11% real-terms growth in school spending per pupil. This reverses past cuts and takes spending per pupil back to 2010 levels.'*⁷ However, it notes that *'schools might struggle to cover their costs without making savings.'*⁸ in the light of an unfunded pay increase. And this was based on 2.8% not the rumoured 4%. The NAO's report on wage growth states: *'Annual growth in employees' average earnings for regular earnings (excluding bonuses) was 5.9% and total earnings (including bonuses) was 5.6%.'*⁹ If teaching is to compete with other professions, this figure clearly needs to be born in mind.
- SEND spending continues to be an issue and the government are currently stating that a financial plan will be in place by 2026. A recent article in Private Eye helpfully summed up the situation: *'councils have ended up spending even more on independent provision, often delivered by global equity backed profit-making companies, just to fulfil their legal obligations. Costs average £63K pa – almost three times the equivalent in state schools – and can be as high as £144K...this year, LAs will spend £2bn on private SEND...half of all councils fear they will be pushed into bankruptcy...average Ofsted ratings are lower in ind SEND....£3.3 bn shortfall (in spite of extra funding) and will not come near the 44K places needed in the next three years...campaigners...fear a regression to the old 'remedial unit' method of throwing anyone with learning disabilities etc...into chaotic school holding centres'*¹⁰ The IFS notes, *'without substantial reform it will likely become unmanageable for local authorities over the coming years.'*¹¹
- Members are increasingly seeing the effects of child poverty in schools. The Joseph Rowntree Foundation paints a bleak picture. Whilst the means testing of winter fuel allowance continues to make headlines about the treatment of pensioners, it is worth noting that pensioners are now the least likely group in society to be in relative poverty. The group most likely to be in poverty is children. ***'Children have consistently had the highest poverty rates, while pensioners, along with working-age adults without children, now have the lowest'***¹²

All of the circumstances outlined above continue to add up to more pressure on schools, school leaders and teachers. As stated in last year's report, these are the main factors that are the root cause of most of the case work that unions deal with.

⁷ [Annual report on education spending in England: 2024–25 | Institute for Fiscal Studies](#)

⁸ Ibid

⁹ [Average weekly earnings in Great Britain - Office for National Statistics](#)

¹⁰ Hit SEND, Private Eye No 1647, page 41

¹¹ [Spending on special educational needs in England: something has to change | Institute for Fiscal Studies](#)

¹² [UK Poverty 2025: The essential guide to understanding poverty in the UK | Joseph Rowntree Foundation](#)

3.2 Casework

III Health and Absence Management

Stress related illness continues to be a significant problem amongst members. Having wellbeing groups and committees is to be recommended but can only go so far. Having a robust and helpful stress management policy, keeping accurate records of stress related illness and doing stress risk assessments can all help mitigate the effects of stress. The Health and Safety at Work Act 1999 states that stress is one of the risks that must be assessed and *'where the removal of the risk is not possible, reduce the risk by any necessary changes in working practices or by introducing appropriate protective or supporting measures'*

Malicious and Vexatious complaints (and social media)

This is becoming a real issue – especially for head teachers. School governors, CEOs and Exec heads need to ensure that they have a robust and clear policy on how to deal with complaints. We have seen examples of daily e mails running to several sides of A4 from parents. Many of them constitute what can only be described as harassment. Parents and guardians need to be given clear guidelines about how they should approach and speak to schools and what it is reasonable to expect in terms of responses. Ultimately, reporting persistent harassment to the police might be the only recourse to deter some parents who do not change their behaviours.

Capability and Appraisal

Performance related pay has been dropped and this is to be welcomed. Policy guidance from the LA states that pay progression should only be denied under conditions of formal capability. Both informal and formal capability are supposed to be supportive processes which enable staff to improve their performance. Too often it is still used and perceived to be a punitive measure which leads to absence as a result of the stress generated by the process.

Disciplinary

There has not been any significant increase in disciplinaries, but when they emerge it is again often as a result of poor judgement in stressful situations.

Contracts, Pay and Conditions

Issues surrounding the use of fixed term contracts continue to be an issue in some work settings. Members are often unclear what they have signed when starting their jobs and are surprised when they are given notice. The LA has told schools that they should not be using them, but they obviously do give flexibility as an employer.

Grievance

Grievances come up every year. The unions endeavour to encourage member complaint to be resolved informally. Many cases which might escalate are dealt with by union intervention so that they end up not even crossing the desk of school management. Without union advice, many more would undoubtedly escalate into time consuming and costly processes.

Settlements

There have been a few settlement agreements this year. They are often time consuming and expensive but occur when relations between employer and employee break down beyond repair and often offer the best solution for all parties to move on.

Governance

Having good governors in place is vital and the union enthusiastically recommends that as much training as possible is offered. Conversely, poor governance can create more problems than it solves and can make processes protracted, especially in relation to breaches of policy and employment law if governors do not know the details, or indeed, understand them.

Collective issues

The amount of cover that staff are requested to do continues to be a concern. Last year's report urged schools to have 'rarely cover' policies which means that any absences known in advance do not call on staff to cover the lessons. There is always confusion over loading and protected time if staff have a TLR. Schools are in the invidious position, however, of not having enough cover supervisors in an environment where sickness absence, often related to workload, is increasing. This can lead to a spiral of decline where staff are put upon more to cover and then they themselves end up not being able to cope.

LA Policies and guidance

Rationalising the approach to dealing with policies that need reviewing is always discussed at ECM. It has been agreed that key policy documents are prioritised and that unions meet separately in order to give them proper scrutiny.

3.3 Benefits of union support

Employers are under a legal obligation to give union representatives of recognised trade unions paid time off from work to undertake their duties. In most education settings, the statutory framework is expanded on in a formal Trade Union Recognition Agreement (TURA) that usually sets out the basic details which have been agreed between unions and employer, including the amount of 'facility time' that the union representatives will receive.

Historically, the responsibility for negotiating and funding such agreements sat with the Local Authority (LA) as the employer. Typically, there would be an arrangement whereby a school or college would be reimbursed by the LA to cover the cost of replacing union reps on release. In the current fragmented educational landscape, the picture has become more complicated. The delegation of funding to schools means that LAs are required to seek agreement to maintaining central funding for this purpose, while the creation of the academies sector means that it is academy employers who take the legal responsibility for providing and funding facility time. The overwhelming majority of Local Authorities, like West Berkshire, administer a 'pooled' arrangement that enables schools and colleges – including academies and free schools – to contribute to a common 'pot' that funds the release of trade union

reps. Our position is that branch officers should actively encourage every employer to be part of such an arrangement (see below). The unions have requested that the mechanism to enable schools to join the scheme is shared with settings which do not yet contribute. **This has not yet been forthcoming.** A MAT within the LA and at least one other setting within the area have requested details about how to contribute to facility time.

Rationale for facility time and pooled arrangements

Governments hostile to trade unionism have encouraged an attack on facility time in the public sector. Some employers have tried to cut the level of facility time available, particularly for those reps who carry out duties across all schools not just their own, often citing financial constraints or questioning the 'value for money' given to the employer.

This ignores the legal obligations involved. Nor does it appreciate the benefits to all parties of providing adequate facility time. Our starting point remains the statutory obligation placed on the employer to provide reasonable time off for trade union duties, and the fact that they receive public funding to do so. Some of the benefits of facility time are listed below:

- The advantage to employers of an effective workplace relations mechanism eg in perceptions of fairness, countering discrimination, standardising employment relations and conditions
- The advantage in dealing with union reps who have experience in representing members and have been trained to do so
- The damage to workplace relations of excluding or limiting the trade union voice. The costs of this may be hidden in terms of morale or more visible in terms of reputational damage or legal costs.
- The exponential growth over recent years in legislation and guidance covering schools
- The democratic and moral right of a trade union voice
- Trade union facility time is usually far less than comparable management time and subsequent costs eg HR, consultants, lawyers
- The positive contribution that is made by involving educators via their trade unions. This was clearly demonstrated and more widely appreciated during the pandemic
- The increasingly complex issues that students face that educators are expected to deal with
- The impact of increasing pressure on educators in terms of professional performance as well as personal well-being
- The level of, and any increase in membership
- The impact of fragmentation of the educational landscape on industrial relations
- The commitment of the government, they will 'ensure there is sufficient facilities time for all trade union reps so that they have capacity to represent and defend workers, negotiate with employers and train'.¹³

Facility time for workplace union reps

Many issues can be resolved at the workplace level without the need for escalation. This can demonstrate to members their own agency and highlight the efficacy of strong workplace organisation.

¹³ [Written questions and answers - Written questions, answers and statements - UK Parliament](#)

In almost all circumstances, avoiding unnecessary escalation will be welcomed by management. West Berkshire has a union rep in about 30% of schools. Officers would urge head teachers to try and encourage a member of staff to become a rep and undertake the appropriate training. Often having more than one rep enables members to feel more confident than if undertaking the task on their own.

We have only two trained health and safety reps in schools across the LA. It could be argued that this role is even more important than the traditional rep. This was especially the case during the Covid pandemic.

3.4 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 – position currently occupied by non-LA school member)

Schools' Forum - Contracts - Forward Plan

The Schools' Forum must be consulted when the local authority is proposing a contract for supplies and services which is to be funded from the Schools Budget (Dedicated Schools Grant (DSG)) and is in excess of the EU procurement thresholds (£170,781.60).

Contract Title	Contract Start Date	Contract End Date (initial term)	Contract End Date (Including any Extension)	Contract Term in years (in brackets maximum possible extension)	Contract Total Value (£) based on Initial Term	Contract Amount (Total Value inclusive of Contract Extension Agreed)	Supplier name	WBC Responsible Officer	Notes
Special Educational Needs and Disabilities (SEND) Information, Advice and Support Service (SENDIASS)	01/08/2021	31/07/2024	31/07/2025	3 (4)	£164,850	£239,500	Rose Road Association	Gerard Strong / Kiki Hurford (supports procurement process only)	This contract is not funded from the DSG and is an Information item only. March–May 2025: Procurement Board approved a one-year extension of the SENDIASS contract with Rose Road (August 2024 – July 2025), subject to agreement of service delivery adjustments. We are currently in discussion with the provider regarding a revised offer, as the proposed changes represent a significant reduction in contactable hours. A final decision is expected shortly.
West Berkshire Schools Meals Service	24/07/2020	23/07/2023	23/07/2025	3 (2)	£600000approx	£1,000,000	Caterlink	Kiki Hurford (supports procurement process only)	Schools involved have been contacted and informed that that this will be handed back to schools to procure individually once the contract comes to an end.
Education Packages for Young People with Severe Social Emotional and Mental Health Difficulties	01/09/2020	31/08/2023	31/08/2025	3 (2)	£1,674,000	£2,790,000	Engaging Potential LTD	Hannah Geddert / Rebecca Page (supports procurement process only)	Information on the cost and continuation of this contract was included within the High Needs Block report considered at the Schools' Forum meeting on 20th January 2025.
Energy Framework - CCS framework RM6011 - Electricity	01/04/2017 (rolling contract since 2008)	01/10/2023	31/03/2025		£5,421,522		EDF (HH)	Sarah Wood	The central energy contract is a non-mandated contract that maintained schools can access for provision of their gas and electricity. Schools were advised that if they wished to leave central energy contract, notice needed to be given in writing to energymanagement@westberks.gov.uk by 11 March 2025, ready to leave the central contract as of 31 March 2026. Any schools interested in joining the contract were invited to email energymanagement@westberks.gov.uk for more information. <i>Awaiting further update from energy team.</i>
Energy Framework – CCS Framework RM6011 - Gas	01/04/2017 (rolling contract since 2008))	01/10/2023	31/03/2025		£1,325,589		Total	Sarah Wood	
Children and Young People's Integrated Therapies (CYPIT)	01/04/2023	31/08/2028	31/03/3031	5 (3)	£2,348,480	£3,757,568	Berkshire Healthcare Foundation Trust	Kiki Hurford / Thomas Bailey (supports procurement process only)	A report was brought to the Schools' Forum meeting in October 2022 and the new therapy contract was agreed.

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