

SLOUGH SCHOOLS FORUM

SCHOOLS GROUP:

Maggie Waller (Chair), John Constable (Vice-Chair), Gillian Coffey, Peter Collins, Philip Gregory, Valerie Harffey, Kathleen Higgins, Helen Huntley, Richard Kirkham, Jo Matthews, Navroop Mehat, Angela Mellish, Eddie Neighbour, Carol Pearce, Kathy Perry, Jon Reekie, Jo Rockall and Nicky Willis

OBSERVERS:

Councillor Shabnum Sadiq

LOCAL AUTHORITY:

Domenico Barani, Cate Duffy, George Grant, Michael Jarrett, Johnny Kyriacou, Neil Wilcox and Susan Woodland

**DATE & TIME: THURSDAY, 5TH JULY, 2018 AT 8.00 AM FOR 8.15AM
BEECHWOOD RESEARCH AND CONFERENCE CENTRE, LONG
READINGS LANE, SLOUGH, BERKSHIRE, SL2 1QE**

AGENDA

Page

1. Apologies
2. Declarations of Interest

The Chair will ask Members to confirm whether they have any declarable interests in relation to any item on the agenda.

All Members who believe they may have such an interest must declare it and may only:

- (a) remain in the meeting while that matter is discussed at the discretion of the Chair or Vice Chair, and*
- (b) speak on the matter by invitation.*

Examples of declarable interests include: where the outcome of a discussion may provide a personal advantage or avoid disadvantage (pecuniary or non-pecuniary), or where the focus of an agenda item and the likely impact of any outcome is wholly or mainly on a school with which the Member is associated.

3. Minutes of Previous Meeting held on 6 March 2018 **(Pages 1 - 8)**
4. Update on National/Local Funding Issues
5. Schools Forum Membership **(Pages 9 - 14)**
6. Growth Fund 2017-18: update **(Pages 15 - 22)**
7. Annual DSG Report 2017-18 **(Pages 23 - 48)**
8. Review of the Scheme for Financing Schools 2017-18 **(Pages 49 - 102)**
9. Early Years Centrally Retained 2018-19 **(Pages 103 - 106)**
10. Update from Task Groups (to include draft Terms of Reference) **(Pages 107 - 112)**
11. Election of Chair and Vice Chair
12. Academies update
13. Proposed Forward Agenda Plan 2018-19 & Key Decision Log **(Pages 113 - 120)**

Slough Schools Forum- Meeting held on Tuesday, 6th March, 2018

Present: Maggie Waller, Holy Family Primary School (Chair)
John Constable, Langley Grammar School (Vice-Chair)
Sally Eaton, Private, Voluntary and Independent (PVI) providers - Early Years
Philip Gregory, Baylis Court Nursery School
Valerie Harffey, Ryvers Primary School
Kathleen Higgins, Beechwood Secondary School
Jo Matthews, Littledown School / PRU
Navroop Mehat, Wexham Court Primary School
Angela Mellish, St Bernard's Grammar School
Carol Pearce, Penn Wood Primary School
Jon Reekie, Baylis Court Trust MAT / Godolphin Infant School
Jo Rockall, Herschel Grammar School
Nicky Willis, Cippenham Primary School

Observers: Anne Bunce, Headteacher of the Virtual School (for presentation)

Officers: Catherine Cochran, Domenico Barani, Cate Duffy, George Grant, Michael Jarrett and Johnny Kyriacou

Apologies: Helen Huntley and Eddie Neighbour

627. Apologies

The Chair welcomed Peter Collins to his first meeting as an elected member of Schools Forum.

Anne Bunce, Headteacher of the Virtual School, was also welcomed to the meeting. It was noted that following procedural agenda items, the meeting would move to Anne Bunce's presentation.

Apologies for absence had been received from Eddie Neighbour and Helen Huntley. No apologies for absence had been received from Gillian Coffey or Richard Kirkham.

628. Declarations of Interest

In answer to a question, the Chair confirmed that the item on PFI did not impact on individual members. It was noted that the Declaration of Interests paragraph on Schools Forum agendas was to be made clearer and more appropriate.

There were no declarations of interest in items to be discussed at this meeting.

629. Minutes of Previous Meeting held on 17 January 2018

The minutes of the Schools Forum meeting held on 17 January 2018 were approved as a correct record.

Matters Arising from those Minutes:

Minute 617 refers: Cate Duffy confirmed that the revised Schools Forum Constitution had been approved under her delegated powers. The Clerk would arrange for the Constitution to be made available on the SBC website.

8.20pm: Angela Mellish arrived at the meeting

Minute 623 refers: it was confirmed that Nic Barani had sent a copy of the revised De-Delegation Report 2018-19 to Jo Matthews for her information.

The meeting moved to item 7 on the agenda:

630. Virtual School Headteacher's update

Anne Bunce reported that outcomes for pupils accessing the Virtual School in Slough were good or improving, with approximately 50% of pupils now being supported within their home authority compared with the previous figure of 30%, and 70% were now within a 20 mile radius.

The Team was fully established and included eight specialists working in age ranges birth to 25. The child was at the heart of the team's work, with the team having detailed information about each child.

There had been an improvement in the quality of data and record keeping, with a completion rate of 96% on PEPs and three children having returned to mainstream school.

Vikram Hansrani and his team were thanked for their work in getting EHCPs in place.

8.25am: Sally Eaton arrived at the meeting

There had been a marked increase in partnership working with schools and other Slough agencies.

A successful conference had been run in January 2017, along with an annual report and termly newsletters now being produced. Key Stage 2 results had matched both national and local. Work experience had been arranged for all Years 10s during the forthcoming summer holidays and, having appointed a Post 16 specialist, Anne Bunce would be following up possible 6th form admissions. The focus for the next year was for children to be aspirational.

Anne Bunce thanked members of Schools Forum for their support and the Chair thanked Anne Bunce for all the work that had been undertaken and the evident improvements.

8.40pm: Anne Bunce left and the meeting returned to the running order of the agenda:

631. Update on national/local funding issues

Susan Woodland reported that SBC schools finance staff had attended a number of meetings with the DfE and other LAs. Discussions had included:

- Spending review in 2021, with the intention to move to the hard NFF. Neither the required primary legislation or a timetable was yet in place;
- Consideration of methods to move towards NFF;
- Expectation that the spending in Central Block would reduce;
- Review of negative DSG balances, the impact and how this could be managed nationwide;
- A recruitment pool for teachers (following an approach to the DfE) was being considered and a website was being developed;
- Further developments to SFVS;
- Reviewing of SEN top-ups and the relationships between academies and LAs;
- Review of Scheme for Financing Schools, with information due out in the near future.

It was noted that a number of issues around High Needs spend, across the country, were emerging. A member asked what would happen as negative DSG balances increased. Susan Woodland confirmed the majority were impacting on High Needs and Councils, which the DfE was aware of and were investigating.

In answer to a query as to whether SBC's reserves were healthy, it was explained this had been taken to full Council in February 2018. The following link refers (see Appendix C of report of link):

<http://www.slough.gov.uk/moderngov/documents/s50503/Report%20and%20Appendices.pdf>

632. Confirmation of Indicative Budgets 2018-19 & Correction of Baseline

A thank you was extended to those members who had been able to attend the unscheduled meeting of Schools Forum held on 20 February 2018; a quorum had been present, enabling decisions to be made.

George Grant explained it had been understood that the Schools Block information presented to the Schools Forum on 17 January 2018 had been final although further information had subsequently been received.

There had been two errors arising in the baseline submission to the ESFA. As a result, the amount allocated by the DfE to the Schools Block for PFI had been inaccurate and the Central Services School Block (CSSB) had not contained the correct amount, being short by £276,000. It was questioned what had happened to the funding which had been misallocated. This had been included in the High Needs allocation by the DfE as a default position.

The High Needs total budget was £22.2m for 2018-19, against a planned expenditure estimated at £23.4m. However, the report proposed that the anomalies outlined above were to be addressed which would bring the HNB to £21.9m. There had been a consultation held at the unscheduled meeting of Schools Forum held on 20 February where members supported the transfer of this funding from HNB to where it should have been originally. Despite HNB consequently appearing to have lost funds, these should not have been received in the first place. As a result, additional money would be moved into the Schools Block and the CSSB. There was a requirement to recalculate the funding going to schools' individual budgets as a result of the transfer.

Schools Forum members were asked to note the agreed changes which would also reverse the decision made at the January Schools Forum meeting regarding the need to move money from the Schools Block to support the CSSB.

Schools Forum noted the agreed transfers of funding as set out in paragraph 4 of the supporting report as follows:

£176,325 from HNB to the CSSB
£100,045 from HNB to the CSSB for ongoing responsibilities
£548,000 from HNB to the Schools Block for PFI

Schools Forum also noted the revised school budget shares and further noted the adjustment made by the DfE from Resource Units, moving £928,000 from the HNB to the Schools Block.

It was confirmed that the PFI contribution in the Schools Block had always been £500,000. The DfE figure of £548,000 had resulted in more in the Schools Block and it was confirmed this information had been sent out to schools.

The £89,000 difference for Grove Academy's budget share was queried. It was explained that when submitted, the ESFA had noted a change to one of the formulae in the APT. However, a correction was shown in the formula as there were more pupils to take into account. It was asked what had happened about the 'ghost' places which Schools Forum had agreed to part fund from the Growth Fund; Cate Duffy explained if the school did not have as many empty places the Council did not need to pay. It was felt it would be beneficial to know the figure involved and it was agreed this information would be bought back to Schools Forum.

633. 2018-19 Early Years Block

A verbal report was delivered at the meeting. It was confirmed that the overall indicative budget was £15.3m. The EYFF funding rates included increases, had been confirmed and duly published:

3 and 4 year olds: £5.35
2 year olds: £5.58
Deprivation: 75p

It was noted that these rate increases had been positively received by providers.

It was planned to continue with the same level of activity and model for 2018-19 which would require a similar level of centrally retained spend of £790,000. In principle, Schools Forum endorsed this and a detailed report would be presented at the next meeting for formal approval.

At this point, the Chair explained that Sally Eaton's term of office as PVI member of Schools Forum was due to finish at the end of March. The Chair thanked Sally Eaton for all the work she had done as a member of Schools Forum. It was noted that Sally Eaton had expressed an interest in being re-appointed and nominations had also been invited from the PVI sector in line with the Constitution.

634. PFI update report

George Grant explained that clarification had been requested on why High Needs Block (HNB) had carried a charge of £184,000 against the LA's PFI unitary charges since 2013-14. Following examination of previous Schools Forum minutes and LA ledgers, no supporting records could be found to explain the rationale or consent given for this.

The LA's PFI contribution of £809,000 had been split over two blocks when the new blocks came into being, with £500,000 going into the Schools Block and £309,000 into the HNB. The full PFI factor, roughly matching the £800,000 was still paid out of the Schools Block. The additional amount paid from the HNB (£184,000) had not been consulted upon. There was now a need to officially record what should have been carried out four years before.

Schools Forum was asked to acknowledge the action taken and that the LA's contribution to PFI was split between the schools and HNBs.

Schools Forum agreed the proposal that the £184,000 contribution to PFI from the HNB should be recognised for the year 2018-19 only.

The Schools Block contribution was confirmed as £297,000 for 2018/19 only and would be reviewed for the year 2019-20.

The Chair thanked George Grant for all his work in clarifying the overall PFI funding, which was seconded by the Vice Chair.

The Chair added this agreement was not setting a precedent and stressed it was for the year 2018-19 only, but it had been important to regularise this issue as there had been a lack of clarity.

Cate Duffy explained that the LA's contribution to the DSG was not the entire Council PFI contribution: there was also a cost of £1.4m inflation to the LA's budget.

A member pointed out that the PFI schools were covering additional costs such as facilities management, which were not being subsidised. It was felt that academisation made a difference as costs previously supported by the LA now had to be covered by schools e.g. contract management.

It was noted that this agreement for 2018-19 resulted in schools subsidising the PFI costs.

It was suggested a table be produced to show the overall picture of the PFI Unitary Charge costs and the sources of that funding. George Grant agreed to circulate this information which is included in these minutes below:

DETAILS	2016/17	2017/18
COSTS		
Fixed UE	3,639,415	3,639,415
Indexed	2,758,634	2,796,320
Annual Inflation Increase	37,686	97,984
Total UP ANNUAL CHARGE	6,435,735	6,533,719

FUNDING		
1. PFI GRANT	3,677,519	3,677,519
School Contribution for FM		
Penn Wood	154,829	163,379
Beechwood	402,053	410,476
Arbour Vale	476,398	493,091
Sub Total	1,033,280	1,066,946
2. DSG PFI Factor		
Schools Block		
William Penn (Penn Wood)	310,459	310,459
Beechwood	486,826	486,826
LA Recharge (to the Schools Block)	-500,000	-500,000
Sub Total	297,285	297,285
High Needs Block		
HNB Contribution	183,889	183,889
Sub Total - DSG Contribution	481,174	481,174
3. LOCAL AUTHORITY CONTRIBUTION		
Core LA Contribution	934,310	998,628
LA Contribution (via the HNB)	309,452	309,452
Sub Total - LA Contribution	1,243,762	1,308,080
TOTAL FUNDING	6,435,735	6,533,719

635. High Needs Block Budget 2018-19

A forecast had been presented at the previous meeting, showing a substantial overspend carried forward from the previous year. It was explained that it had not been possible to make any savings during the current year. There was a projected shortfall for 2018-19 of £1.2m, leading to a cumulative deficit of £5.88m by 2019. Financial reviews were being conducted as part of a 3-year plan to bring the budget back in line.

To address the deficit a number of strategies and changes were being introduced during the current year which included:

- Special school residential would now have considerable costs met by Social Care budgets;
- Resource Base funding in HNB was lower because of DfE changes to formula;
- Out of borough placements had been adjusted to reflect correct level of commitment;
- Centrally retained was reduced.

A member queried PRU top ups and George Grant agreed to follow this up.

It was pointed out that place funding appeared to have gone down and it was confirmed that Resource Base place funding had been removed from the HNB and was now in schools' delegated budgets.

It was queried whether this had been brought to the attention of schools when budgets had been circulated and a Headteacher member pointed out that not highlighting this to Headteachers was unacceptable. It was requested that a communication should be sent to schools to make them aware. A letter would be drafted regarding the impact and sent to schools following this meeting. It was felt it was important to acknowledge that this information should have been communicated.

A member asked how the HNB deficit was financed in cash terms. Cate Duffy explained that the deficit was financed from the next year's budget. The overspend was £1.5m but SBC was not the only authority in this position, it was a national issue. It was stressed that the work and reviews being carried out were to ensure the best use of the provision available.

Cate Duffy explained that significant effort was being made to ensure the best use of resources and provision being made available, and that the right children were in the right place, receiving the right support. Vikram Hansrani added that the banding review work which was on-going, would strengthen the work to make sure the appropriate level of support and the right type of banding drove inclusion. There had to be an assurance that the provision was the right provision. A future report would come to Schools Forum from the reviews.

A member asked about tops up, particularly with regards to special schools, and if increased numbers were being considered now that decisions had been reached. Vikram Hansrani would follow this up.

Schools Forum noted the changes to the HNB outlined in the report, noting the commitments against the budget and the deficit figures.

Schools Forum noted the Council's strategy to address the deficit and members approved the centrally retained element for 2018-19 of £2.3m, which was a slight decrease on 2017-18.

The SALT provision had also reduced and a number of schools had commissioned the service themselves but could be paying more for the provision. The statutory element was a statutory function which had been part of the clarification work. Cate Duffy explained the provider was being recommissioned and there might be the opportunity to commission the services to schools. A member pointed out that the SLA at Arbour Vale had never cost what had been received and it had become a cost to Arbour Vale in order to run the service.

It was agreed that it would be very helpful for Vikram Hansrani to provide a line by line breakdown of the centrally retained budgets in the detail provided to the HNB working group which was looking at descriptors in their work. The Chair suggested this information should be circulated again and included in a report.

636. Update from Task Groups

5-16: had not met.

Early Years: had not met.

High Needs: it was noted that there were currently two working groups within High Needs, both of which had held initial meetings and Vikram Hansrani thanked all involved for their support.

The first group, which included special school representatives, was focusing on the review of bandings, with an overall aim to ensure that all pupils were supported appropriately. Their first meeting had included the consideration of other LA models.

The second group was a review of Resource Base provision.

Vikram Hansrani would provide updates to both working groups and report any recommendations to Schools Forum. The Clerk would liaise with Vikram Hansrani to circulate the details of the current working group memberships to ensure any interested parties were able to join.

637. Academies Update

There was nothing to report at this meeting although it was anticipated that Arbour Vale would convert to academy status with effect from 1 April 2018.

638. 2017-18 Agenda Forward Plan & Key Decisions and Issues Log

The 2017/18 Forward Agenda Plan and Key Decisions Log were noted and would be updated by the Chair and Clerk.

639. Any Other Business

a) Maggie Waller announced that she would be standing down as Chair of Schools Forum at the end of the current academic year, after 15 years in the role. The election of Chair and Vice Chair for 2018-19 would appear as an agenda item at the July meeting, giving members the opportunity to consider taking on the roles: interested parties were invited to contact Maggie Waller in the first instance.

b) It was noted that the date given for the closure of accounts in maintained schools had been brought forward to Wednesday 28 February, earlier than in previous years. Little notification had been given to schools of this change, which had been compounded by inaccuracies in the supporting documentation. Concern was expressed as this had proved particularly challenging.

George Grant explained that the Government had dictated the earlier closure deadlines. The LA was sympathetic to the challenge for schools and would do all that was possible to support.

(Note: The Meeting opened at 8.15 am and closed at 10.05 am)

SLOUGH SCHOOLS FORUM
Directorate of Children Learning and Skills

Schools Forum Membership

1 PURPOSE OF REPORT

This report provides an update on recent changes to the membership of the Schools Forum and proposes any required actions arising. The current Schools Forum Membership is attached as **Appendix 1**.

2 RECOMMENDATIONS

- 2.1 Schools Forum is asked to note the changes set out in paragraphs 4.1 to 4.8 below.
- 2.2 Schools Forum is asked to endorse the proposed action set out in paragraph 4.8.

3 REASONS FOR RECOMMENDATIONS

- 3.1 To ensure that Schools Forum is aware of the recent changes to membership and that any actions required are put in train so that any vacancies can be filled as soon as possible.

4 SUPPORTING INFORMATION

- 4.1 The membership of the Schools Forum comprised 20 members. The balance of membership among academies and maintained schools and non-school members was compliant with regulation and good practice. However, a number of local changes have taken place, or are about to occur, which lead to the need to review the membership of the Schools Forum.
- 4.2 There had been a vacancy for some time for a Children's Centre member. However, there is good representation of Early Years across Schools Forum and the LA has decided to delete this vacancy.
- 4.4 Regulations require that any LA which maintains a special maintained school has to have representation of that sector on the Schools Forum. Arbour Vale School is therefore entitled to be represented on Schools Forum. However, Arbour Vale School is scheduled to become an academy and it is proposed that the current vacancy for a maintained specials school representative be reviewed in the autumn term and that meanwhile, the Headteacher of Arbour Vale School be invited to attend as an observer. See also paragraph 4.8 below.

- 4.5 The above means that the total membership of Schools Forum is 19 members, likely to reduce to 18. This currently comprises 16 schools' members including the Arbour Vale vacancy plus nursery, PVI and Post 16.
- 4.6 The term of office of the member for Private, Voluntary and Independent providers came to an end at the end of March 2018 and expressions of interest were sought by the LA to fill this vacancy. A number of expressions of interest were received. Schools Forum is asked to note that the LA has appointed Kathy Perry from Mighty Acorns Day Nursery who is welcomed to her first meeting.
- 4.7 A review of the balance of academy and maintained sector members has been carried out based on the January 2018 census data. This shows that 72% of pupils in Slough are educated in academies and 28% in maintained schools. This is unchanged since the October 2017 census. The balance of the 15 schools' members therefore remains appropriate with 11 academies and 4 maintained schools' members. In addition, there remains no change to the balance between secondary and primary maintained schools' members with 3 primary maintained school members and 1 secondary maintained school member.
- 4.8 There are currently two academy members representing special schools and Pupil Referral Units: Helen Huntley and Jo Matthews. With the retirement of Helen Huntley in July 2018, there will be a need to recruit a replacement as it is a requirement that both special academies and PRUs are represented on Schools Forum. Jo Matthews remains to represent either Littledown Special School or the primary PRU. It is proposed that filling the remaining vacancy is considered at the first meeting of the autumn term, when it is hoped the position of Arbour Vale can be confirmed (see para 4.4) In the meantime, the Executive Headteacher of Haybrook College will be invited to attend as observer.

5 ALTERNATIVE OPTIONS CONSIDERED

- 5.1 None

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

- 6.1 Borough Solicitor
Not applicable.
- 6.2 Section 151 Officer – Strategic Director of Resources
Not applicable.
- 6.3 Access Implications
There are no access implications.

7 CONSULTATION

7.1 Principal Groups Consulted
None.

7.2 Method of Consultation
Not applicable.

7.3 Representations Received
Not applicable.

7.4 Background Papers
None

Contact for further information
Maggie Waller, Chair of Slough Schools Forum
maggieeducation@aol.com

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**Slough Schools Forum Membership
(as at May 2018)**

Appendix 1

School	Type of School	Governor (G)/Headteacher (H/T)/School Business Manager (SBM)	Elected by	Term of office ends
ACADEMIES (11 members)				
Special Schools / PRUs (2 members)				
Haybrook College	Special School/PRU	Helen Huntley (Executive H/T)	Academies	31st July 2019
Littledown	Special School/PRU	Jo Matthews (H/T)	Academies	30th November 2018
Primary Academies (4 members)				
Godolphin Infant School (Baylis Court Trust MAT)	Academy	Jon Reekie (G)	Academies	30th November 2018
Cippenham Primary School (The Gold Rose MAT)	Academy	Nicky Willis (Executive Principal/Trust CEO)	Academies	31st July 2019
Lynch Hill Primary (Learning Alliance Academy Trust)	Academy	Gillian Coffey (HT/Trust CEO)	Academies	31st July 2019
Ryvers School	Academy	Valerie Haffrey (SBM)	Academies	31st July 2019
Secondary Academies (5 members)				
Beechwood School (Schelwood Trust)	Academy	Kathleen Higgins (HT)	Academies	31st July 2019
Herschel Grammar (Schelwood Trust)	Academy Selective	Jo Rockall (HT)	Academies	31st July 2019
Langley Grammar	Academy Selective	John Constable (H/T)	Academies	31st July 2019
Slough & Eton CoE School (SEBMAT)	Academy	Peter Collins (HT)	Academies	17th January 2020
Upton Court Grammar School (Pioneer Education Trust)	Academy Selective	Eddie Neighbour (Trust Deputy CEO)	Academies	30th November 2018
MAINTAINED SCHOOLS (4 members)				
Primary Maintained (3 members)				
Holy Family Primary School	Voluntary Aided	Maggie Waller(G)	Maintained Schools	31st July 2019
Penn Wood School	Community	Carol Pearce (G)	Maintained Schools	31st July 2019
Wexham Court Primary School	Community	Navroop Mehat (H/T)	Maintained Schools	31st July 2019
Secondary Maintained (1 member)				
St Bernard's Catholic Grammar School	Voluntary Aided	Angela Mellish (SBM)	SASH	31st July 2019
NURSERY MAINTAINED (1 member)				
Baylis Court Nursery	Nursery	Philip Gregory (H/T)	Maintained Nursery HTs	30th January 2020
NON-SCHOOL MEMBERS (2 members)				
16-19 Provider (1 member)				
16 - 19 Provider	16-19 Provider	Richard Kirkham (representing Kate Webb)	East Berkshire College	31st August 2019
PVI Provider (1 member)				
PVI Provider	Mighty Acorns Day Nursery	Kathy Perry	Local Authority	TBC
Total Membership:				18 Members

Observer: Education & Skills Funding Agency (statutory observer status)

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**SLOUGH SCHOOLS' FORUM
5th July 2018**

Directorate of Children, Learning and Skills

Growth Fund 2017-18: Update

1 PURPOSE OF REPORT

- 1.1 To ask that Schools' Forum note the current projected outturn for the Growth Fund 2017-18 and note the latest estimates for 2018-19.

2 RECOMMENDATIONS

- 2.1 That Schools' Forum note the contents of this report.

3 BACKGROUND

- 3.1 The prescribed methodology for calculating revenue funding for schools means that growing schools are not fully funded for the extra pupils attending the school. The reason for this shortfall in funding is due to the lag in the period from pupils starting until they appear on the School Census and funding is allocated at a later date. To support schools through this period of lag in funding while they are expanding the LA requests an annual sum of money through Schools' Forum called the "Growth Fund".
- 3.2 The methodology for qualification and allocation of the Growth Fund is reviewed and agreed by Schools' Forum on an annual basis, usually in January. Schools' Forum is asked to consider the financial impact on schools of expansion and agree an affordable level of additional revenue support.

4. SUPPORTING INFORMATION

- 4.1 A report was presented to Schools' Forum in January 2018 seeking approval for the criteria by which funding would be allocated in 2018-19. The table below briefly summarises these criteria:

Criterion	
School permanently expands at the request of the LA	The number of primary schools qualifying under this criterion is reducing each year, while more secondary schools are beginning to qualify.
School opens a bulge class at the request of the LA	4 bulge classes opened in 2017-18, the likelihood of needing bulge classes in 2018-19 has reduced recently. Over the last 2 years Schools' Forum has agreed to provide some additional funding in the second year of a bulge class.
School admits pupils above their PAN at the request of the LA	This is a 'last resort' option that may be considered when a handful of places are required and a bulge class offering 30 places would not be value for money.
New school opens	New schools may require additional support to ensure viability when first opened.

Projected Outturns

- 4.2 The projected outturn for 2017-18 is shown in Appendix A. The outturn figure is £85K. This is unchanged from the figure presented to Schools' Forum in January 2018 once the agreed £90K contribution towards underwriting costs for Grove Academy is deducted.
- 4.3 Contingency sums were removed from the table before being presented to Schools' Forum in January. This reflected our confidence at the time that net movement into the town was slowing.
- 4.4 The projected requirements for 2018-19 are shown as Appendix B.
- 4.5 There are a number of changes to the table presented to Schools' Forum in January 2018 which overall increase the projected outturn figure. The changes are:
- James Elliman has been removed as its admission number will reduce to 90 from September 2018 and will no longer be growing.
 - Wexham School has published an admission number of 240 but based on current application data is only planning to offer 6 classes, assuming admissions will be below 180. It has been assumed that funding for 0.5 of a class will be allocated instead of funding for 2.5 classes.
 - As agreed in January funding will be provided to bulge classes in their second year. The figure shown is only an estimate as the funding calculation is based on the pupil growth in each class between the October 2017 Census and October 2018 Census.

- The number of contingency classes has been reduced from 4 to 2 based on recent application data.

5 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

5.1 Borough Solicitor

Local Authorities are under a statutory duty to ensure that there are sufficient school places in their area, ensure fair access to educational opportunity and promote the fulfilment of every child's educational potential.

5.2 Section 151 Officer – Strategic Director of Resources

The financial implications of the report are outlined in the supporting information.

5.3 Access Implications

There are no access implications.

6 CONSULTATION

Principal Groups Consulted

None

Method of Consultation

Representations Received

Background Papers

None

Contact for further information

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Domenico Barani (Accountant)
01753 690709
Domenico.Barani@slough.gov.uk

2017-18 Growth Fund Outturn (£)

Appendix A

Date: June 2018

Primary AWPU (2017-18)	3,183.13
Pupils per Class	30
Full Year Growth Funding Per Class	95,493.90
All schools (Sep 17 - Mar 18)	55,704.78
Academies (Apr 18 - Aug 18)	39,789.13

Secondary AWPU (2017-18 average)	3,962.84
Pupils per Class	30
Full Year Growth Funding Per Class	118,885.20
All schools (Sep 17 - Mar 18)	69,349.70
Academies (Apr 18 - Aug 18)	49,535.50

17-18 BUDGET (excluding funding claimed from the ESFA for academies)	
CARRY FORWARD 2016-17 (agreed by School's Finance)	296,609
TOP SLICE FROM 2017-18 SCHOOL BLOCK (agreed by Schools' Forum)	900,000
TOTAL BUDGET	1,196,609

EXPENDITURE 2017-18

						Current Funding Model	Not funded from the Growth Fund		
						SBC Sept 2017 - March 2018	April 2018- August 2018		
School		Status	New Pupils	No. of Classes	Remaining years			TOTAL COMMITMENT	
PRIMARY	Claycots School	Non-Academy	150	5	1 / 2 / 5	278,524		278,524	
	Godolphin Junior School	Academy	30	1	1	55,705	39,789	95,494	
	Montem Primary School	Academy	30	1	1	55,705	39,789	95,494	
	Penn Wood Primary and Nursery School	Non-Academy	30	1	1	55,705		55,705	
	Ryvers Primary School	Academy	30	1	1	55,705	39,789	95,494	
	St Anthony's Catholic Primary School	Academy	30	1	2	55,705	39,789	95,494	
	St Mary's CE Primary School	Non-Academy	30	1	3	55,705		55,705	
	James Elliman Primary School	Academy	30	1	4	55,705	39,789	95,494	
SECONDARY	Langley Grammar	Academy	30	1	5	69,350	49,536	118,885	
Agreed Bulge Classes									
	Priory School (year 5)	Non Academy	30	1	1	55,705	0	55,705	
	Grove Academy (year 1, 2 & 3 classes)	Academy / FS	90	3	1	167,114	119,367	286,482	
Bulge Class year 2									
	Marish Primary School	Academy	19	1	1	60,418		60,418	
CONTINGENCY REQUIREMENTS									
	New school set up costs: Grove Academy underwriting costs (50% up to maximum of £90K)	Academy / FS				90,000	0		
Total			529	18		1,111,044	367,849	1,388,893	
UNDERSPEND (carry forward)						85,565			

2018-19 Estimates for Growth Fund Allocation (£)

Appendix B

Date: June 2018

Primary AWPU (2018-19)	3,208.72
Pupils per Class	30
Full Year Growth Funding Per Class	96,261.60
All schools (Sep 17 - Mar 18)	56,152.60
Academies (Apr 18 - Aug 18)	40,109.00

Secondary AWPU (2018-19 average)	4,322.05
Pupils per Class	30
Full Year Growth Funding Per Class	129,661.35
All schools (Sep 18 - Mar 19)	75,635.79
Academies (Apr 19 - Aug 19)	54,025.56

18-19 BUDGET (excluding funding claimed from the ESFA for academies)	
CARRY FORWARD 2017-18 (agreed by School's Forum)	85,565
TOP SLICE FROM 2018-19 SCHOOL BLOCK (agreed by Schools' Forum)	900,000
TOTAL BUDGET	985,565

FORECAST EXPENDITURE 2018-19

						Current Funding Model	Not funded Growth Fund	
						SBC Sept 2018 - March 2019	April 2019- August 2019	TOTAL COMMITMENT
School	Status	New Pupils	No. of Classes	Remaining years				
PRIMARY	Claycots School	Non-Academy	60	2	1 / 4	112,305		112,305
	St Anthony's Catholic Primary School	Academy	30	1	1	56,153	40,109	96,262
	St Mary's CE Primary School	Non-Academy	30	1	2	56,153		56,153
SECONDARY	Langley Grammar	Academy	30	1	4	75,636	54,026	129,661
	The Westgate School	Academy	60	2	5	151,272	108,051	259,323
	Wexham School	Non-Academy	75	0.5	5	37,818		37,818
Funding 2nd year of 2017-18 bulge classes (estimated growth Oct-17 to Oct-18)								
	Priory School	Non-Academy	10	0	0	32,087		32,087
	Grove Academy	Academy	45	0	0	144,392		144,392
CONTINGENCY REQUIREMENTS								
	2 x Bulge classes	Academy	60	2	1	112,305	80,218	192,523
	Grove Academy - may fund up to 50% of underwriting costs	Academy / FS				?	0	
Totals			400	9.5		778,120	282,404	1,060,524
ESTIMATED UNDERSPEND (FINANCIAL YR 18-19)						207,444		

Historically Slough has always ended up with an underspend at year end from the Growth Fund budget. This reflects the cautious approach that is taken with contingency requirements. The preference is to have a working surplus rather than risk unexpected growth mid-year which requires an additional contribution from DSG. Wexham School have published a PAN of 240 but the Year 7 number will be less than 180.

SLOUGH SCHOOLS' FORUM
5th July 2018

Directorate of Children, Learning and Skills

Annual DSG Report 2017-18

1 PURPOSE OF REPORT

This report sets out the actual deployment of the Dedicated Schools Grant (DSG) in 2017-18. It explains the main variances, and reports on the amounts to be carried forward into 2018-19.

The analysis focuses on the three blocks within the DSG;

- Early Years Block (EYB)
- High Needs Block (HNB)
- Schools' Block (SB)

2 RECOMMENDATIONS

- 2.1 Schools' Forum is asked to note the report.

3 REASONS FOR RECOMMENDATION

- 3.1 It is obligatory to provide Schools' Forum with the annual financial position for each block.

4 REPORT

- 4.1 The DSG is a ring-fenced grant and can only be applied to meet expenditure properly included in the Schools' Budget as defined in the Schools Finance Regulations.

The majority of funding is delegated to schools, using the national formula factors, but applying local rates. A large proportion of the grant is recouped by the DfE to fund Academy schools within the authority's jurisdiction. The remainder is used to fund Early Years and High Needs provisions, and central functions.

4.2 Year End Position – Summary 2017/18

Table 1 summarises the overall year end position for each DSG block for 2017/18. The in-year overspend on the DSG is **£3.221m**, and the cumulative overspend is now **£4.696m**. Any end of year balances must be rolled forward into the next financial year.

TABLE 1

Block	Budget	Outturn	Variance	Brought Forward Balances	Total (surplus)/ Deficit
	£'000	£'000	£'000	£'000	£'000
Early Years Block	14,495	13,677	-818	0	-818
High Needs Block	18,316	22,355	4,040	1,474	5,514
Schools Block	35,774	35,773	-1	0	-1
Total DSG	68,584	71,805	3,221	1,474	4,696
Grants (Pupil Premium etc)	5,335	5,335	0	0	0
Total	73,919	77,140	3,221	1,474	4,696

4.3. Early Years Block

4.3.1 The final funding position on the Early Years Block is not confirmed by the DfE until late June/July as the budget is updated based on the January census each year. The DfE recouped **£0.320m** from the 2017/18 budget in relation to 2016/17. It is anticipated that similarly, there will be an impact on the 2018/19 budget.

4.3.2 Table 2 below sets out the 2017-18 Early Years DSG revenue budget and outturn position, which shows an underspend of **£0.818m**.

TABLE 2

Early Years Block	Budget 2017/18	Final Outturn 2017/18	Variance to Budget
Income			
DSG Settlement	-14,494,509	-14,494,509	0
Income Total	-14,494,509	-14,494,509	0
Expenditure			
Funding to MNS	3,116,830	3,116,830	0
Funding to Primary Schools	1,573,217	1,573,217	0
Funding to Academies	2,149,159	2,149,159	0
PVI	3,221,810	3,296,054	74,244
2 Yr Old Funding	1,734,353	1,734,353	0
Working Parent Entitlement	583,632	570,424	-13,208
EYPP	82,010	82,010	-0
Nursery Growth	1,058,181	328,293	-729,888
Disability Access Fund	43,050	0	-43,050
Subtotal	13,562,242	12,850,341	-711,902
Central Budgets			
Early Years Adaptations/ Practical Support	142,234	36,120	-106,114
Early Years Strategic & Financial support	80,599	80,000	-599
Early Year Extended Entitlement	91,207	91,200	-7
EY Behaviour Support Services (Littledown Behavioural Support)	38,944	41,394	2,450
EY Trade Union Duties	1,356	0	-1,356
Central Early Years Expenditure	125,232	125,250	18
Early Years Team Contribution	452,696	452,691	-4
Subtotal	932,267	826,655	-105,612
Expenditure Total	14,494,509	13,676,996	-817,513
Early Years Block Total	-0	-817,513	-817,513

4.3.3 The Early Years funding is demand led, with providers claiming funding for actual hours of provision at the hourly rate set by the authority for that particular financial year. The original funding allocation for the EYB is based on five twelfths of the January 2017 census and seven twelfths of the January 2018 census, and expenditure is based on actual take up achieved during the financial year.

4.3.4 There will be variances between funding and expenditure because the funding is always an estimate of the potential activity for Early Years users and the demand is not uniform over the year. Both expenditure and funding is therefore variable and challenging to predict. The outturn included in this report reflects the best information available. When the DfE confirms the final 2017/18 settlement an adjustment may be made which will affect the brought forward balance. Any changes will be reported to Schools' Forum at a later date.

4.3.5 The current forecast, before any adjustment to funding is **£0.818m**, which is a favourable movement of **£0.098m** over the amount reported at the January 2018 Schools' Forum. This change is a result of fewer children accessing services than previously predicted.

4.3.6 A full review of the main variances follows;

- **PVI Sector** – overspend of **£0.074m** due to demand over and above funding levels.
- **Working Parent Entitlement and Nursery Growth** – underspend of (**£0.743m**) this is due to the uptake on the newly introduced extended entitlement. Nationally and locally, first term uptake has been slower than anticipated which the Government have recognised. The Early Years service is anticipating a spike of demand in the upcoming terms, which the carry forward will support.
- **Disability Access Fund** – underspend by (**£0.043m**). This has not been used in 2017/18. As a new level of funding, the early years' sector has been alerted to its use and application process. It is unclear at this time if the DfE will recoup these funds, but this has been set aside until this is confirmed.
- **Early Years Adaptations** – – underspend by (**£0.106m**) this is a new area of funding and the take up has been slower than expected. This has however been rolled forward into 2018/19, as it is anticipated that this will be fully utilised to support children in order to access their universal and extended entitlements across Slough.

4.3.6 Early Years Block Impact Assessment – **See Appendix A**

4.4 High Needs Block

4.4.1 The DSG 2017-18 High Needs Block final outturn shows an in-year overspend of **£4.040m** and a cumulative overspend of **£5.514m**.

Income

4.4.2 The council had a total of **£18.315m** to spend on pupils qualifying for high needs services in the 2017/18 financial year. This includes contributions from the Schools block (**£0.300m**) and the General Fund (**£0.310m**).

4.4.3 At the start of the year the HNB had a deficit of **£0.481m**, this was presented to Schools' Forum in February 2017. This increased by approximately £0.190m in November 2017 when the DSG allocations were updated. Therefore the total shortfall in budgeted resources for the HNB against the commitments estimated at the start of the year was **£0.671m**.

Expenditure

4.4.4 The total amount spent in 2017/18 on DSG funded HNB services is **£22.355m**. When the balance from 2016/17 is added the cumulative total expenditure at the end of the year is **£23.830m**.

4.4.5 Of the £22.355m, **£0.800m** relates to expenditure that should have been charged to 2016/17.

Reasons for the Overspend

4.4.6 A full account of the reasons for the **£5.514m** overspend is given below

- **£1.474m** carried forward from 2016/17
- **£0.671m** budget shortfall at the start of the year
- **£0.800m** expenditure that should have been charged to 2016/17
- **£1.686m** more than budgeted on out of borough payments
- **£0.638m** top up placements in out of borough independent schools
- **£0.579m** more on centrally retained budgets
- **£0.314m** maintained schools place funding adjustments/top ups
- **£0.151m** alternative provision

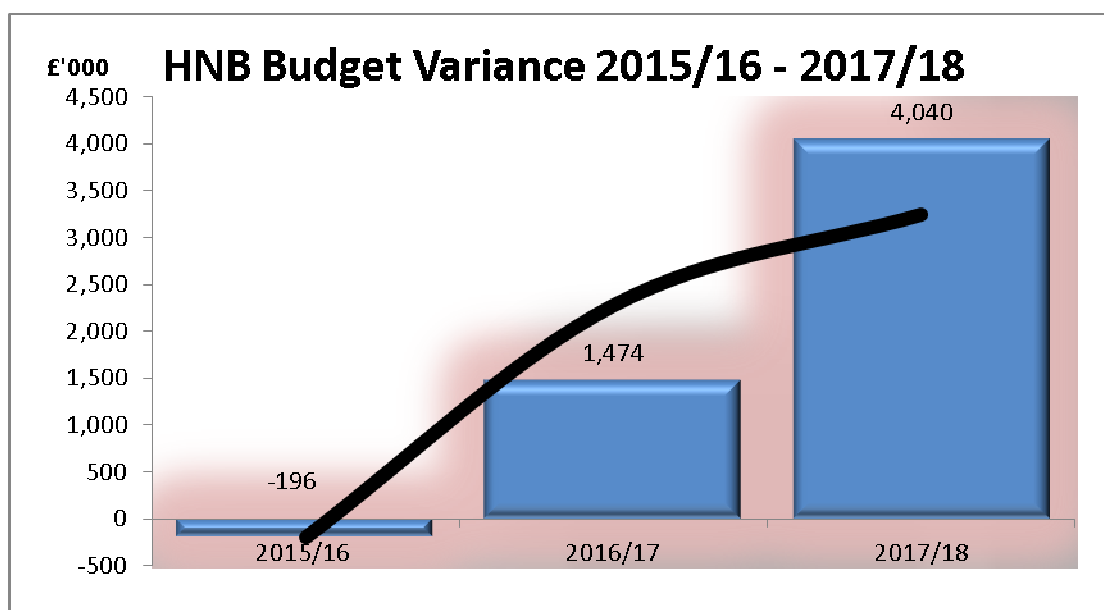
4.4.7 The final table showing detailing the expenditure on the HNB budget for 2017/18 is shown below:

High Needs Block Final Outturn 2017/18			
Details	Budget	Outturn	Variance
Income			
High Needs DSG	-17,706,100	-17,706,100	0
Schools Budget DSG	-300,000	-300,000	0
Council Contribution (PFI)	-309,542	-309,542	0
INCOME TOTAL	-18,315,642	-18,315,642	0
Expenditure			
High Needs Funding Maintained Schools	13,666,567	13,980,634	314,067
Alternative Provision	659,000	810,000	151,000
Independent Special Schools	800,000	1,438,865	638,865
Post 16	132,240	671,729	539,489
Out-borough	652,950	1,799,227	1,146,277
Sub-Total High Needs Funded	15,910,757	18,700,456	2,789,699
Autism	185,730	163,830	-21,900
Hard to Place Pupils	267,000	597,332	330,332
Sensory Impairment	721,770	925,487	203,717
Strategy for SEN & Inclusion	182,000	182,000	0
High Needs Inclusion	1,076,910	1,143,429	66,519
Sub-Total Centrally Retained	2,433,410	3,012,077	578,667
PFI Contribution (HNB)	183,890	183,890	0
PFI Contribution (Council)	309,542	309,542	0
Non-Controllables	149,491	149,491	0
Budget Deficit	-671,448	0	671,448
Sub-Total Other	-28,525	642,923	671,448
Add carry forward from 16.17		1,474,204	1,474,204
EXPENDITURE TOTAL	18,315,642	23,829,660	5,514,018
FINAL OUTTURN	0	5,514,018	5,514,018

Year on Year Analysis

4.4.8 The graph and table below demonstrate the end of year trend for the past three years. The bar graph shows the accounting outturn for each year and line graph shows the corrected position with expenditure falling in the year it is incurred. The corrected position (i.e. the line graph) shows that although the budget variance continues to rise, the deficit is not as stark as the bar graph suggests.

DETAILS	2015/16	2016/17	2017/18
Accounting Position	-196	1,474	4,040
Corrected Position	-196	2,274	3,240



Out of Borough Payments

4.4.9 This budget has overspent consistently over the past 2 years, mainly as a result of the historically inadequate budget. The pattern of expenditure over the past 2 years is shown in the table below.

2017/18	Out-borough & Post 16	Independent	TOTAL
Budget	785,190	800,000	1,585,190
Outturn	2,470,956	1,438,865	3,909,822
Variance	1,685,766	638,865	2,324,632

2016/17	Out-borough & Post 16	Independent	TOTAL
Budget	652,950	800,000	1,452,950
Outturn	1,524,502	1,264,847	2,789,349
Variance	871,552	464,847	1,336,399

In 2017/18 payments for out of borough placements were paid for 41 pupils in Independent Special Schools, 79 post 16 pupils and 173 pupils in other local authority schools.

4.4.10 The HNB Centrally retained budget overspent by **£0.579m** in 2017/18. The main reasons for this is the SALT contract which was not paid in 16/17 and therefore two years amounts were paid in 2017/18. The other main overspending area is Hard to Place which overspent by **£0.330m**. This is due to additional pupils supported in the year.

4.4.11 A full list of the 2017/18 Centrally Retained budget outturn is shown below.

Cost Centre		Budget	Outturn	Variance
F460	SEND Financial Support	55,000	54,506	-494
F461	SEN - Assessment Capacity	182,000	182,000	0
F191	Early Years Inclusion	70,000	70,493	493
F166	Hard to Place Pupils	267,000	597,332	330,332
F233	Exclusions and Access to Education	31,700	48,608	16,908
F235	Home Education	42,600	43,800	1,200
F413	0-5 SEN Transport	46,340	46,340	0
F430	Vulnerable Children Management Incl.	30,000	30,000	0
F410	Autism Outreach Team	185,730	163,830	-21,900
F691	EY SEN Advisory Teachers/Support Workers in EY Settings	118,100	118,200	100
F692	EY SEN advisory Teachers/Support Workers in Children's Centres	63,000	63,000	0
F465	SENCO Network	100,000	85,000	-15,000
F463	SEND Teacher Advisor	118,200	114,977	-3,223
F416	Sensory Impairment	470,000	471,023	1,023
F417	SALT	251,770	454,464	202,694
F446	Education Resource Services (Formerly LACES)	106,700	173,235	66,535
F418	Haybrook Provision	130,990	130,990	0
F406	Primary Provision Behaviour	164,280	164,280	0
TOTAL		2,433,410	3,012,078	578,668

4.4.12 HNB Impact Assessment – See Appendix B

4.5 ACTIONS TO ADDRESS THE HNB BUDGET PRESSURES

4.5.1 The information below presents School Forum members with an understanding as to how Slough Borough Council intends to reduce the deficit within the High Needs Block over the next three years

- **Review of internal processes and procedures** – complete overhaul of internal processes and systems for SEN clients. Ensuring a standardised process for approval and robust system for capturing and recording commitments.

- **Early Years Inclusion Funding** – explore and secure additional Early Years Inclusion Funding (EYIF) for HNB clients.
- **Post 16** – reviewing this provision to ensure the budget is fit for purpose, transition arrangements are adequate and deliver appropriate outcomes.
- **Review of commissioned SEN places within Resource Bases** – taking steps via the Resource Base Group to make to get a better fit of resource base places to the agreed commissioning strategy.
- **Out of Borough Independent Providers** – taking action to review the current provision with the intention of transitioning these students back into Slough, where appropriate

4.5.2 These are explained in further detail in **Appendix D**.

4.5.3 Further work is being done to quantify the savings that may result from these initiatives and a further report will be presented to Schools' Forum once this work has progressed.

4.6 Schools Block

4.6.1 The Schools Block of the DSG has a final outturn position of **£1,310**, which is very close to a breakeven position. This is broadly in line with the reported forecast at the January 2018 Schools' Forum.

4.6.2 The final outturn is shown in the table below:

TABLE 4

Schools Block	Budget 2017/18	Final Outturn 2017/18	Variance to Budget
Income			
Full DSG Settlement	-123,790,818	-123,790,818	0
Academy Recoupment	88,017,116	88,017,116	0
DSG Budget Share net of recoupment	-35,773,702	-35,773,702	0
Pupil Premium	-2,053,965	-2,053,965	0
Sixth Form Funding	-2,076,875	-2,076,875	0
UIFSM	-992,628	-992,628	0
Y7 Catch-Up Grant	-30,000	-30,000	0
PE & Sports Grant	-181,673	-181,673	0
Income Total	-41,108,843	-41,108,843	0
Expenditure			
Maintained Primary Budget Shares (Net of De-del)	25,858,201	25,858,201	0
Maintained Secondary Budget Shares (net of De-Del)	7,381,228	7,381,228	0
De-Delegated: Education Functions	45,090	45,090	0
De-Delegated: Behavioural Services (Littledown)	225,638	225,638	0
Growth Fund	1,437,290	1,437,290	0
General Fund PFI affordability Gap	-500,000	-500,000	0
Copyright Licenses	118,375	118,375	0
DSG Total	34,565,823	34,565,823	0
Pupil Premium	2,053,965	2,053,965	0
Sixth Form Funding	2,076,875	2,076,875	0
UIFSM	992,628	992,628	0
Y7 Catch-Up Grant	30,000	30,000	0
PE & Sports Grant	181,673	181,673	0
Grants Total	5,335,141	5,335,141	0
Central: Asset Management (Former ESG Duties)	12,800	12,800	0
Central: Statutory and Regulatory Services (Former ESG Duties)	258,400	258,400	0
Central: Education Welfare Service (Former ESG Duties)	144,700	144,550	-150
Central: Monitoring National Curriculum (Former ESG Duties)	4,100	4,100	0
Central: Virtual Head	100,000	100,000	0
Central: School Forum Service	53,055	53,055	0
Central: Admissions (DSG)	178,180	178,192	12
Central: School Improvement Support	314,900	313,592	-1,308
Central: Education SI Raising Standards	47,500	47,626	126
Central: LA Safeguarding Board	30,000	30,000	0
Subtotal Central Budgets	1,143,635	1,142,315	-1,320
Expenditure Total	41,044,599	41,043,279	-1,320
Non-Controllables	64,245	64,245	0
Schools Block Total	0	-1,320	-1,320

4.6.3 The council received, after academy recoupment, **£35.773m** to fund its maintained schools, growth fund and central expenditure. £33.239m (net of de-delegation) of this allocation was passed directly to schools, as approved in the 2017/18 budget setting process.

4.6.4 In addition to the **£35.773m**, the Council also receives various support grants which it passes directly to those schools who should receive them. All grants have been fully passed to those schools, as shown in the table above.

4.6.5 Schools' Balances

A list of the actual balances carried forward by maintained schools is listed in table 5 below. This shows 1 school is severely in deficit, and two schools with very low balances.

4.6.6 Schools with low balances or who are in deficit will receive special attention over the coming year so that the local authority is satisfied that robust plans are in place to ensure that the school is in good financial health. The schools will be required to submit a three year budget plan as well as a recovery plan.

TABLE 5

School	2017/18	2016/17	Movement	Notes
	£'000	£'000	£'000	
A	-364	-88	-276	School in deficit
B	3	-36	39	Low balances
C	29	107	-78	Accounts closed on Qtr 3 estimates
D	45	58	-13	Accounts closed on Qtr 3 estimates
E	46	25	21	
F	108	70	38	
G	136	198	-62	
H	155	189	-34	
I	164	-42	206	
J	215	240	-25	
K	218	327	-109	
L	220	138	82	
M	231	94	138	
N	241	91	150	
O	728	946	-218	
P	743	658	86	
Q	1,145	993	151	
R	1,763	1,217	547	
Total	5,829	5,185	644	

4.6.7 Impact Analysis – Schools' Block Centrally Retained – please see **Appendix C**

5 ALTERNATIVE OPTIONS CONSIDERED

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

Monitoring Officer

- 6.1 The relevant legal provisions are contained within the main body of this report.

Section 151 Officer – Strategic Director of Resources

- 6.2 The financial implications of the report are outlined in the supporting information.

7 CONSULTATION

Principal Groups Consulted

Not Applicable

Method of Consultation

Not Applicable

Representations Received

Not applicable.

Contacts for further information

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APPENDIX A – EARLY YEARS IMPACT ASSESSMENT		
AMOUNT	DESCRIPTION	IMPACT
142,234	Work with providers to address the needs of children with lower level or emerging SEN; e.g. Providers can apply for grants to purchase equipment, training or other support needs to include children with SEND in their settings and remove barriers to access	3 settings have benefitted from an inclusion grant. As a new initiative the early years service continues to work with providers to develop their applications for this funding.
80,599	Financial contribution for the budget overview / management by DCS, Service Lead and Strategic Finance Officer.	
91,207	Specific advice and guidance provided to the EY sector (schools, PVI's inc childminders) with regard to the separate and distinct requirements for the management of applications and place delivery for the extended entitlement. Administratively there is some additional processing required in order for the extended entitlement to be paid. Childcare Sufficiency Assessment refresh to enable future place planning.	Autumn 2017 participation rate was 69% and Spring 2018 participation rate was 73%. Two capital projects were started in 2017 and have completion dates of Summer 2018, they will provide an additional 135 places for 30 hours childcare in areas where the most recent childcare sufficiency assessment has highlighted the greatest need. The early years service ran 5 briefing sessions and 4 workshops between 2017 - 2018 for the sector regarding the extended entitlement, a number of 1:1 sessions were also conducted with schools and the PVI sector to look at their business sustainability with the introduction of the extended entitlement. We have seen a 21% rise in the number of childminders approved to offer FEL in Slough.
38,944	Payment to Littledown School for a range of behaviour support services for children in specific schools across the borough. E.g. provision of training for practitioners	The SEBDOS contract enables providers to draw in expert advice in relation to managing children's behaviour. The take up of this service is low and could be remodelled to explore paying for an as and when service rather than an annual contract which would dramatically reduce the contract value.
1,356	Budget for this year only - not to be added to budget 18-19	
125,232	Support the development of quality provision through advice, challenge and training; e.g.: mentor and validate Bristol Standards quality improvement programme; prepare Focussed Improvement Partnership Plans (FIPP) for settings with an Ofsted Requires Improvement or Inadequate; Promote and develop the ITalk programme to support best practice in developing children's communication skills	Good Level of Development (GLD) 2017: 70.7 % of children in England achieved a GLD, 71.2 % of children in Slough achieved a GLD. Slough's GLD has improved each year since 2013 when it was 49.9. In 2017 Slough's GLD places it 4th in comparison with its statistical neighbours (11 in table)

APPENDIX A – EARLY YEARS IMPACT ASSESSMENT - continued

AMOUNT	DESCRIPTION	IMPACT
336,865	There are a number of administrative and development roles that combine to enable SBC to meet its statutory responsibilities regarding: safeguarding; the securement of free entitlement places including pass through of funding to providers; the promotion of partnership working including flexibility of provision; and information advice and training. For further details see the Provider Agreement 2017.	We have 100% of PVI sector offering 3 & 4 year old FEL (universal and extended entitlement), 85% of the PVI sector are offering FEL for 2 year olds. All 5 maintained Nursery schools are offering FEL for 3& 4 yr. olds (universal and extended) and 4 of 5 are offering FEL for 2 year olds. 5 schools with nursery classes are offering FEL for 2 yr. olds. 60% of childminders are now approved to offer FEL compared to 39% in 2016 - 2017.
115,382	Facilitation of all aspects of Funded Early Learning for 2 year olds, ensuring all checks take place and payments made appropriately. Ensuring all parents have access to the appropriate 2 year funding including brokerage	Since the introduction of the extended entitlement more providers are choosing to offer more places to 3 & 4 year olds both universal and extended entitlement as it is more financially viable. Current numbers of 2 year olds in FEL places has dropped and will be a focus of the service in the autumn term.
931,818		

APPENDIX B – HIGH NEEDS BLOCK CENTRALLY RETAINED IMPACT ASSESSMENT		
AMOUNT	DESCRIPTION	IMPACT
54,506	SEND Financial Support	This has been used to provide a Category Manager to support SEND High Needs Block funding. This role has been intrinsic to understanding previous years expenditure and to support the budget monitoring of the High Needs Block. This has now resulted in a clear and accurate understanding of budget pressures within the HNB. The SEND Category Manager has also worked to support the Service Lead with Banding working groups and has supported Special Schools with finance led queries. Moving forward, this role is now evolving to support the Service Lead in understanding how the HNB can be brought back within budget.
182,000	SEN - Assessment Capacity	This was used to support the SEND team with assessments. This post has helped support the service reduce the number of conversions from Statements of Special Educational Needs to Education, Health and Care Plans from over 700 since September 2017, to under 30 outstanding conversions.
70,493	Early Years Inclusion	
597,332	Hard to Place Pupils	This funding has been allocated to schools and EBC to provide education for hard to place pupils following the Fair Access Protocol. Funding has been used to provide places at the college due to a shortage of year 10 and year 11 places in Slough schools. The number of college funded places will reduce from September 2018 as the number of school places increases.
48,608	Exclusions and Access to Education	This has funded the School Access Officer who has arranged education for hard to place and excluded pupils during 17/18.
43,800	Home Education	This has funded Littledown School to arrange visits to families who are home educating to ensure education is being provided and provide reports on visits so that the LA can decide on the next steps.
46,340	0-5 SEN Transport	This has been used to provide transport for under five's pupils who are eligible for transport following a successful appeal
30,000	Vulnerable Children Management Incl.	This has been used to contribute to the funding of the Attendance Service so that they can provide some support to vulnerable groups
163,830	Autism Outreach Team	This funding has been used to support children and young people in Slough who have received, or are awaiting, a diagnosis of ASD. This has included Early Bird and Early Bird Plus programmes delivered every term for the parents of young people with a new diagnosis. Our Teacher Advisors and EY outreach worker provide advisory visits, training sessions and evidence-based interventions in schools and other education/childcare settings. Our Early Years Outreach Worker is also a member of the FTH multi-agency group, part of the team who assess and diagnose children under 5 who present with possible ASD.
85,000	Autism Outreach Team	

APPENDIX B – HIGH NEEDS BLOCK CENTRALLY RETAINED IMPACT ASSESSMENT - continued		
AMOUNT	DESCRIPTION	IMPACT
118,200	EY SEN Advisory Teachers/Support Workers in EY Settings	This funding has facilitated work with providers to address the needs of children with lower level or emerging SEND. Providers have accessed funding through the Panel in order to purchase equipment, access specific training or other support which has in turn removed some of the barriers to access for children with SEND. As a new initiative the early years service continues to work with providers to develop their applications for this funding.
63,000	EY SEN advisory Teachers/Support Workers in Children's Centres	This funding has enabled children with SEND, currently not in an early years provision, to access the EYFS through the home visiting service in order to facilitate the take up of a place with the relevant support.
114,977	SENCO Network	This funding has been utilised to recruit an Education and Standards Effectiveness Officer (ESEO) for SEND. Deborah Bowers, ESEO SEND commenced in her role in January 2018 and since then has led a number of SENDCo network events to support EY, Primary, Secondary and Post 16 SENDCos. Deborah has also been instrumental in supporting schools with SEND related queries and has supported the process of providing information into SEND panel for statutory assessment of needs.
471,023	SEND Teacher Advisor	This funding has been used to support children and young people in Slough with SEND needs including SpLD, global developmental delay, learning delay and Down Syndrome; this has been provided through work in schools and other education settings including individual assessment, advisory visits, training sessions and evidence-based intervention work.
454,464	Sensory Impairment	These have been utilised to support children and young people in Slough with Hearing Impairments, Visual Impairments and Speech and Language support. SALT has been provided by locum staff this year to deliver both assessments and intervention. This will be provided by a new service in time for September 2018.
173,235	SALT	
130,990	Education Resource Services (Formerly LACES)	
164,280	Haybrook Provision	This funding supported the provision of services provided by Apollo based at Haybrook College. This funding ceases at the end of the 2017/18 financial year.
3,012,078		

APPENDIX C – SCHOOLS BLOCK CENTRALLY RETAINED IMPACT ASSESSMENT		
AMOUNT	DESCRIPTION	IMPACT
53,055	School Forum Budget to support the work of Schools Forum, such as use of a consultant, Financial support, and research and various ad-hoc meetings as required.	Supported the costs of meeting venues, Task and Finish groups throughout the year, salary of the clerk and expenses for the Chair for time spent on support over and above the function of Chair. The budget supports the smooth function of the Schools Forum which is compliant with current regulations and good practice.
100,000	Virtual School promotes the educational achievement of all the children looked after by the local authority	See report to Schools Forum March 2018
178,180	School Admissions	Salary budget for the local authority school admissions team
47,500	Education, School Improvement and Raising Standards leadership, management, business and administrative support with on costs from April 2017 to 30th September 2017 then this will be funded from Education support grant.	Has supported the functions of the above.
30,000	Local Authority Safeguarding Children Board: Schools' contribution to the Board and additional activity to improve school safeguarding provision. Accountable to the SCSB Education Subgroup.	The LSCB threshold document is now published online. It can be accessed via this link https://www.sloughsafeguardingboards.org.uk/lscb . A series of seminars has been arranged these can be seen on the Website.

AMOUNT	DESCRIPTION	IMPACT
314,863	<p>School Improvement Support in line with published SI strategy and Schools Causing Concern policy. (improvement and standards: early support, monitoring, challenge and intervention) commitment and from April 2017 to 30th September 2017. This includes prior agreement to support the Teaching school alliance until September 2017. Then these services will be funded from the Education support grant.</p>	<p>Local School Improvement Fund - £49,500 was transferred to the Slough Teaching School Alliance for the local school improvement fund to facilitate the school led improvement system in partnership with the council. Impact to date is covered below.</p> <p>Senior Education Liaison Officer – Has worked in partnership with Slough Teaching School Alliance and overseen the local school improvement fund process. To date over £80,000 has been accessed by 80% of schools in the LA. The senior education liaison officer also ensures follow up with schools to discuss impact and ensure value for money for all projects In addition the local school improvement fund has seen a great collaboration amongst a range of schools. One project involves the coming together of 11 primary schools working in partnership.</p> <p>Senior Standards and Effectiveness Officer (primary) – Has provided primary expertise for schools in the local authority and has led and contributed to Autumn Term Visits, overseeing the QA process. Has also done follow up visits to schools and provided additional specialist support to schools that have requested it. The SSEO has also facilitated network meetings such as curriculum and maths groups for the primary phase. In addition has worked with the Slough Teaching School Alliance on recruitment.</p> <p>Senior Standards and Effectiveness Officer (secondary) - Has provided secondary expertise for schools in the local authority and has led and completed all Autumn Term Visits, as well as follow up visits throughout the year. The SSEO has provided specialist support for schools and provided intensive support to a school in order to navigate a positive Ofsted outcome. Senior leaders network in process of being set up.</p> <p>Education Safeguarding Officer – Provided support for schools where the council has received complaints via Ofsted. Instigated a safeguarding newsletter. Chairs Designated Safeguarding Lead Networks for primary and secondary phase. Organised safeguarding seminar for school leaders. Completed and collated section 175 audits for all schools.</p>
723,000		

APPENDIX D

ACTIONS TO ADDRESS THE HNB BUDGET PRESSURES

1 The information below presents School Forum members with an understanding as to how Slough Borough Council intends to reduce the deficit within the High Needs Block over the next three years

1.1 **Review of internal processes and procedures.**

The significantly high amount of expenditure that was not recorded in 2016/17 was in part due to a lack of internal processes in place, including; a lack of rigour on SEND Panel decisions and the lack of standardised approach when recording placement and placement value. Both issues have been addressed and internal colleagues and external partners are aware that all decisions regarding changes to finances for CYP with SEND must go through SEND Panel. This has now ensured that information is recorded in one central place and most importantly, the decisions that are being made are equitable and transparent.

The financial recording of placements for all CYP is now an intrinsic part of SEND Officers' caseload. SEND Officers now ensure that Placement Notification Forms are produced and established within pupil folders. This will mitigate from unknown invoice amounts being attributed to CYP.

1.2 **Early Years Inclusion Funding**

Early Years Inclusion Funding (EYIF) is additional funding that local authorities provide to Early Year settings to support settings during the process of statutory assessment for Education, Health and Care Plan.

Although there was £70,000 attributed to 'Early Years Inclusion' in the HNB, this was not funding used to support children with additional needs, rather to support staffing costs.

Prior to September 2017, there was no specified limit to the funding that Early Years settings could draw down from the local authority. This often resulted in:

- Early Years settings not assessing children in a timely manner
- Primary settings having to process the assessment once children transitioned into their setting

Since September 2017, Early Years settings have been provided clear guidance as to how they are to access this funding. EYIF is now provided for up-to 22 weeks x 15 hours per week x £14 per hour, which equates to up-to £4,620 per child during the assessment process.

Had this framework been established April 2017, there would be an identified amount of £166,320 expenditure against EYIF, based on the children accessing EYIF in the financial year.

As there was no set budget against EYIF, these costs were coded against 'Out of Borough'.

Moving forward, we anticipate that there will be a similar level of EYIF expenditure for 2018-19 and are currently exploring where this funding should be derived from, including the possibility of this being funded from the Early Years Block.

1.3 Post 16

The budget set for Post 16 in 17-18 was **£132,240**. As of June 2018, there are currently 124 students accessing Post 16 provision including 96 students studying in-borough (Windsor Forest Group, formally East Berkshire College). This total number also represents students accessing independent college places.

124 students accessing post 16 provision clearly demonstrates that the previous budget was not set at an appropriate level.

The original budget did not factor in the growing number of CYP that would be entitled to education up to the age of 25 due to the SEND reforms of 2014.

The table below outlines the % of CYP that are accessing education

	Total post 16 with EHCP	17-18	19+
#	124	47	77
%	100%	38%	62%

In order to address the high amount of expenditure against Post 16, Slough Borough Council acknowledges that it must:

- Develop transition arrangements to ensure that there is appropriate provision for CYP with EHCPs post 16, which are aligned with the 'Preparing for Adulthood' agenda. This forms part of the SEND strategy and a focus on improving outcomes for CYP post 16 which will in turn mitigate a high % of 19+ students in Further Education, with a greater focus on securing positive outcomes such as employment through apprenticeships and supported internships.
- Acknowledge that there are two typical cohorts that access Further Education;

- i) Students that are from specialist provision (i.e. Arbour Vale School) that will transition into FE from 19 and will typically study on a discrete Supported Studies/ Foundation course
 - ii) Students from mainstream secondary settings that have Education, Health and Care Plans that access L1/2/3 vocational courses within the FE Sector
- For the first cohort of learners, Slough Borough Council will ensure that Post 16 settings are delivering appropriate outcomes for those CYP. Service Lead, SEND will be meeting with Post 16 providers in Summer 2018 to discuss what SBC consider as appropriate outcomes and timescales.

This will reduce the number of students who are accessing a carousel of similar level courses between the age of 19-25.

- Part of this strategy will be to explore how other Local Authorities are using frameworks to support FE providers in ensuring that HNB funding is being used appropriately.
- One possibility is to adopt a '2 year core +' framework which provides FE Colleges two years top-up funding for those students with EHCPs who require High Needs Funding. FE Colleges would then need to apply for a third year based on a framework demonstrating that the individual is being provided with an extension to their education which cannot be met in another type of setting.

1.4 **Review of commissioned SEN places within Resource Bases**

There are currently 17 Resource Bases in Slough (3 Early Years, 9 Primary and 5 Secondary). Officers are working with Resource Bases to ensure that there are quality assurance measures in place for those CYP accessing commissioned places. Each commissioned place equates to £10,000.

Through the work of the Resource Base working group, there has been an acknowledgment that a number of Resource Bases have not had a high percentage of students accessing their commissioned places. Where this is the case, officers are proposing that commissioned places are reduced for some settings to ensure that there is not an under utilisation of places.

There have been instances where some Resource Bases have utilised only 25% of their commissioned places, which has resulted in a £60,000 loss to the local authority.

Conversely, SBC have increased commissioned places for other Resource Bases due to parental preference and physical resource within some providers. This issue is highlighted in the table below:

	17/18 Commissioned places	Students Accessing	Notes
Resource Base A	8	2	6 x £10k under utilised from original place funding (=£60k)
Resource Base B	30	39	Additional 9x£10k places needed (=£90k)

Agreed actions include:

- A Resource Base event for parents/carers to articulate each Resource Base's offer
- Clearer information about the needs that Resource Bases can meet on the Local Offer website (co-produced template with parents/carers)
- New contracts in place with providers that clearly state performance measures and admission criteria
- Reviewing the number of commissioned places Resource Bases offer where there is under utilisation
- An agreement that no further increase to commissioned places will take place until the actions above are actioned

1.5 **Out of Borough Independent Providers**

There are currently 38 students that are accessing Out of Borough Independent provision, with 18 students who started in September 2017. The high number of starters in September 2017 is attributed to Arbour Vale School stating that they couldn't meet the needs of a number of these individuals during the consultation process in early 2017.

At that time, there was a lack of leadership from SEND to challenge these decisions, which resulted in a significant increase of placement for the start of the academic year 2017-18.

Officers are working closely with the students accessing independent provision and are attending Annual Reviews to review the current provision with the intention of transitioning these students back into Slough, where appropriate.

Officers are also working with Arbour Vale School and prospective new sponsors Orchard Hill Academy Trust to ensure that Arbour Vale School are able to meet complex needs as a Specialist all-through provision.

It is important to note that there will be a small majority of students that will remain accessing independent provision as the complexity in need is such that local provision cannot meet their needs.

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**SLOUGH SCHOOLS' FORUM
5th July 2018**

Directorate of Children Learning and Skills

Review of the Scheme for Financing Schools 2017-18

1 PURPOSE OF REPORT

1.1 To inform Schools Forum of the directed revision made by the Secretary of State for Education instructing an amendment to all authority schemes effective as of 22nd March 2018

1.1.1 To request that a consultation be issued for all maintained schools detailing the directed revisions and other changes to the Scheme for Financing Schools and the operation of a licensed deficit for schools.

1.2 BACKGROUND

1.2.1 Local authorities are required to publish Schemes for Financing Schools setting out the financial relationship between them and the schools they maintain.

1.2.2 In making any changes to their schemes, local authorities must consult all schools in their area and receive the approval of the members of their Schools Forum representing maintained schools. Local authorities must take this guidance into account when they revise their schemes, in consultation with the Schools Forum.

1.2.3 This guidance relates to the following legislation

- Section 48 of the School Standards and Framework Act 1998, and Schedule 14 to the Act
- Schools and Early Years Finance (England) Regulations 2018

1.2.4 A detailed list of the changes (showing before and after) will accompany the consultation for ease and to guide Schools through the proposed changes.

2 THE SCHEME FOR FINANCING SCHOOLS 2018-19

2.1 A revised Scheme for Financing Schools can be found at Appendix A. This contains both the directed revisions as well as some minor changes to bring the scheme back in line with the DfE scheme, which can be found on the following link;
<https://www.gov.uk/government/publications/schemes-for-financing-schools>

3. DIRECTED REVISIONS

- 3.1 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: 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.
- 3.2 The direction prohibits the local authority from loaning revenue funds to schools including loans to offset a deficit. Loans for capital expenditure are still permissible.

4. LICENSED DEFICIT

- 4.1 Local Authorities are allowed to grant a licensed deficit where a school is allowed to plan for a deficit budget. This is usually funded from the collective surplus of schools' balances. Currently Slough does not have a facility in place for this within its scheme. Part 4.9 of the scheme details how an authority can operate such a scheme. A licensed deficit should specify;
- the maximum length over which schools may repay the deficit (ie reach at least a zero balance), with appropriate mechanism to ensure that the deficits are not simply extended indefinitely. The maximum length allowed should not exceed three years.
 - the purposes for which the deficit arrangement may be agreed.
 - the maximum size of the deficits which may be agreed (this may be by reference to the size of the budget share or in cash terms or some combination).
 - the maximum proportion of the collective balances held by the authority which will be used to back the arrangement.
 - the role of the Director of Children's Services and the Chief Finance Officer of the Authority in agreeing any arrangements for individual schools.

4. UPDATES TO GUIDANCE

- 4.1 Updates have been made to the guidance, to mirror changes in the Schools and Early Years Finance (England) Regulations 2018.

Paragraph 4.8 has been updated to reflect changes on balances of closing schools, as detailed under Regulation 25 (9).

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

Annex B: Responsibility for redundancy and early retirement costs has been updated to reflect changes under Schedule 2 Part 7, of the Finance Regulations. This details how a local authority can retain a central budget within the schools budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the Schools Forum agree.

Additional updates made include the removal of wording in paragraph 2.3.1, as regulations no longer allow local authorities to issue budget shares for a multi-year period.

References to the Audit Commission have been removed from paragraph 2.6, as this has been abolished.

Within paragraph 6.2.15, 'statement of SEN' has been replaced with 'Education Health and Care Plan (EHCP)'. Schools' Forum;

5. RECOMMENDATIONS

- 5.1 Schools' Forum;

- Review the revised Scheme for Financing Schools (Appendix A)
- Consider the operation of a licensed deficit
- Notes the Directed Revisions and updates to the scheme for financing schools
- Agrees to consult with all maintained schools on the revised Scheme for Financing Schools and on the operation of a licensed deficit for schools.

6 ALTERNATIVE OPTIONS CONSIDERED

6.1 No alternative options were considered.

7 SUPPORTING INFORMATION

7.1 Not applicable

8 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

8.1 Monitoring Officer

The relevant legal provisions are contained within the main body of this report.

8.2 Section 151 Officer – Strategic Director of Resources

The financial implications of the report are outlined in the supporting information.

8.3 Access Implications

There are no access implications.

9 CONSULTATION

A consultation will be issued to all maintained schools with regard to the information in section 3 and 4.

Contact for further information

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**Slough Borough Council
Directorate of Children Learning
and Skills**

**Scheme
For Financing Schools**

2018/2019

LIST OF CONTENTS

1. INTRODUCTION

- 1.1 The Funding Framework
- 1.2 The Role of the Scheme
- 1.3 Publication of the Scheme
- 1.4 Revision of the Scheme
- 1.5 Delegation of powers to the headteacher
- 1.6 Maintenance of Schools

2. FINANCIAL CONTROL

- 2.1 General Procedures
- 2.2 Basis of Accounting
- 2.3 Submission of Budget Plan
- 2.4 Efficiency and Value for Money
- 2.5 Virement
- 2.6 Audit: General
- 2.7 Separate external audits
- 2.8 Audit of voluntary and private funds
- 2.9 Register of business interests
- 2.10 Purchasing, tendering and contracting requirements
- 2.11 Application of contracts to schools
- 2.12 Central funds and earmarking
- 2.13 Spending for the purposes of the school
- 2.14 Capital spending from budget shares
- 2.15 Notice of Concern
- 2.16 Schools Financial Value Standard (SFVS)
- 2.17 Fraud

3. FINANCIAL CONTROL

- 3.1 Frequency of Instalments
- 3.2 Proportion of Budget Shares at each instalment
- 3.3 Interest and payroll
 - 3.3.1 Interest on late budget share payments
- 3.4 Budget shares for closing schools
- 3.5 Bank and Building Society Accounts
- 3.6 Borrowing by schools
- 3.7 Other Provisions: Budget advances

4. THE TREATMENT OF SURPLUSES AND DEFICIT BALANCES RISING IN RELATION TO BUDGET SHARES

- 4.1 Right to carry forward surplus balances
- 4.2 Control of Surplus Balances
 - 4.2.1 Revenue balance control mechanism
- 4.3 Interest on surplus balances
- 4.4 Obligation to carry forward deficit
- 4.5 Planning for deficit budgets
- 4.6 Interest on deficit balances
- 4.7 Writing off deficits
- 4.8 Balances of closing and replacement schools
- 4.9 Licensed deficits
- 4.10 Loans
 - 4.10.1 Credit union approach

5. INCOME

- 5.1 Income from Lettings
- 5.2 Income from fees and charges
- 5.3 Income from fund-raising activities
- 5.4 Income from the sale of assets
- 5.5 Administrative procedures for the collection of income

6. THE CHARGING OF SCHOOL BUDGET SHARES

- 6.1 General Provision
- 6.2 Circumstances in which charges may be made

7. TAXATION

- 7.1 Value Added Tax
- 7.2 CIS (Construction Industry Scheme)

8. THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

- 8.1 Provision of services from centrally retained budgets
- 8.2 Timescales for the provision of services bought back from the local authority using delegated budgets and Packaging
- 8.3 Service level agreements
- 8.4 Teachers' Pensions

9. PFI/PPP

10. INSURANCE

11. MISCELLANEOUS

- 11.1 Right of Access of Information
- 11.2 Liability of governors
- 11.3 Governors' expenses
- 11.4 Responsibility for legal costs
- 11.5 Health and Safety
- 11.6 Right of attendance for Director of Finance and Resources
- 11.7 Provision for pupils with special educational needs
- 11.8 'Whistle-blowing'
- 11.9 Child Protection
- 11.10 Redundancy and early retirement costs

12. RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

13. COMMUNITY FACILITIES

- 13.1 Governing Bodies' Powers to Provide Community Facilities
- 13.2 Implications for Delegated Budget
- 13.3 Consultation with the authority – Financial Aspects
- 13.4 Funding Agreements - LA powers
- 13.5 Other Prohibitions, Restrictions and Limitations
- 13.6 Supply of Financial Information
- 13.7 Audit
- 13.8 Treatment of Income and Surpluses
- 13.9 Health and Safety Matters / Criminal Records Bureau
- 13.10 Insurance
- 13.11 Taxation
- 13.12 Banking

ANNEX A: Schools covered by the scheme

ANNEX B: Responsibility for Redundancy and Early Retirement Costs

**ANNEX C: Application of Schemes for Financing Schools to the
Community Facilities Power**

ANNEX D: List of Bank and Building societies

Appendix E: Section 27 Education Act 2002

Appendix F: Glossary of Terms

Council Financial Regulations January 2000

(Note: these regulations apply to schools, providing they are not inconsistent with anything included within this Financial Scheme).

SECTION 1: INTRODUCTION

1.1 The Funding Framework: Main Features

- 1.1.1 The funding framework which replaces Local Management of Schools is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act (SSFA), 1998.
- 1.1.2 Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget – although at a minimum an authority must appropriate its entire Dedicated Schools Grant to their schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the schools budget left after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).
- 1.1.3 Authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act and regulations made under that section. All proposals to revise the scheme must be approved by the Schools Forum, though the 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
- 1.1.4 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 s.50 of the Act. (*Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities

or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act.).

- 1.1.4 An authority may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (schedule 17 to the Act).
- 1.1.6 Each authority is obliged to publish each year a statement setting out details of its planned Schools Budget and other expenditure on children's services, showing the amounts to be centrally retained and funding delegated to schools. After each financial year the authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.
- 1.1.7 The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State, but each school must receive a copy of each year's budget and out-turn statements so far as they relate to that school or central expenditure.

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

1.2 The Role of the Scheme

- 1.2.1 The scheme sets out the financial relationship between the authority and the maintained schools it funds. It includes requirements relating to financial management and associated issues binding on both the authority and schools.

Role and Responsibilities of Governing Bodies

- 1.2.2 Within the statutory national and local framework the governing body controls the running of a school with a delegated budget. This includes the following responsibilities:
 - To approve the first formal budget plan of each financial year.
 - To deploy resources freely within the school's budget, subject to the conditions of the scheme.
 - To determine the number of teaching and non-teaching staff at the school, and select for appointment and be able to require

dismissal, taking account of the professional advice of the Chief Education Officer and the headteacher.

- In the light of new legislation, to agree with the local authority targets for the school and the local authority, as part of the movement for continuous school and local authority improvement.
- To develop and implement the School Development Plan, in consultation with the headteacher and within the general conditions and requirements of the local authority's scheme. In developing such a Plan, the governors need to take account of all their responsibilities, including the implementation of the National Curriculum, and ensuring that appropriate provision is available for all pupils with special educational needs, with or without a statement.
- To ensure that the requirements specified in a child's statement of special educational needs are met by the school. This may include the provision of appropriate outreach and integration facilities, in accordance with each child's statement of special educational needs.

1.2.3 Where there are regularly other staffs on site in a school e.g. health authority personnel, whilst the day to day management of these staff is within the headteachers remit, the governing body has no entitlement to suspend such staff.

1.2.4 In the case of special schools, where a member of the school's staff accompanies its pupils to a mainstream school for outreach/integration purposes, the member of staff remains within the overall management of the special school.

1.2.5 The governors may, as far as is permitted in this scheme, delegate to the headteacher their powers in relation to any part of the delegated budget.

Role and Responsibilities of the Headteacher

1.2.6 Fair Funding gives headteachers power to match their responsibilities.

These powers include the following.

- To manage the school in accordance with the policies of the governing body and the local authority.
- To offer advice and support to the governing body.
- To provide the governing body with a draft budget plan for formal approval and to be responsible to the governing body for

the management of the school's budget share in accordance with the extent of delegation agreed by the governing body.

- To have a key role in helping the governing body formulate the School Development Plan and in securing its implementation with the collective support of the school's staff.
- To be responsible for the day to day management of all aspects of the school's work, including provision for children with special educational needs, and to keep the governing body fully informed.

1.2.7 Application of the Scheme to the authority and maintained schools

As a description of its institutional coverage, the scheme should state that it applies in respect of all community, nursery, voluntary, foundation, community special or foundation special schools and pupil referral units (PRUs) maintained by the authority.

1.3 Publication of the scheme

- 1.3.1 The Scheme for Financing Schools will be published on the Slough Borough Council website by the date any revisions come into force, together with a statement that the revised scheme comes into force on that date.

1.4 Revision of the scheme

- 1.4.1 Proposed revisions to the Scheme will be the subject of consultation with the headteacher and governing body of every school maintained by the authority before they are submitted to Schools Forum for approval.
- 1.4.2 Where Schools Forum does not approve revisions or approves them subject to modifications which are not acceptable to the authority, the authority may apply to the Secretary of State for approval.

1.5 Delegation of powers to the Headteacher

- 1.5.1 The governing body shall consider the extent to which it wishes to delegate its financial powers to the headteacher, and to record its decision (and any revisions) in the minutes of the governing body. The authority may suggest a desirable level of delegation to headteachers, but the adoption of such recommendations is not mandatory on schools.

1.6 Maintenance of schools

- 1.6.1 The Council is responsible for maintaining schools covered by the scheme. This includes the duty of defraying all the expenses

maintaining them (except in the case of a VA school where some 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 Schools Standards and Framework Act 1998.

SECTION 2: FINANCIAL REQUIREMENTS AND AUDIT

2.1 General Procedures

2.1.1 Application of financial controls to schools

Schools must abide in the management of their delegated budgets by the authority's requirements on financial controls and monitoring. These are set out below in summary and in more detail in the schools' financial regulations which should be in accordance with the council's financial regulations and standing orders issued to schools.

2.1.2 Provision of financial information and reports

Schools shall provide the authority with timely details of anticipated actual expenditure and income, assets and liabilities, in a form and at times determined by the authority. Income and expenditure reports shall be submitted quarterly except for VAT and other taxation returns shall be provided more frequently. If the council does require income and expenditure report more frequently, the school will be notified in writing that in the authority's view the school's financial position warrants closer monitoring or the school is in its first year of operation.

The authority may determine whether this information is on a cash or accruals basis. This information will be used for the purpose of consolidation into the authority's management and statutory accounts, and to enable prompt accounting for taxes due to the authority. Returns should therefore be fully verifiable and reconciled. Where the authority has good reason to doubt the validity of information it will be entitled to obtain independent verification, take corrective action and charge the school's budget share accordingly.

2.1.3 Payment of salaries; payment of bills

The school will be responsible for the correct payment of all salaries, bills and relevant taxes relating to its budget share unless the authority has agreed to perform this on behalf of the school through a separate service level agreement. Any costs including penalties, legal or administrative costs incurred by the authority as a result of a school's non or late payment of bills or salaries will be charged to the school's budget share.

2.1.4 Control of assets

Schools shall maintain an inventory of its moveable non-capital assets, including furniture, fittings, equipment, plant and machinery, in a form and to such an extent as may be prescribed by the Director of Finance and Resources. For assets worth less than £1,000 the school must keep a register in some form but is free to determine that form.

2.1.5 Accounting Policies (including year-end procedures)

Schools will comply with the authority's accounting policies when providing financial information to the authority under 2.2 above. These can be found in the schools financial regulations plus supplementary information provided at the year-end. This includes the requirements for consistent financial reporting.

2.1.6 Writing off of debts

Governing bodies may write off debts in accordance with an agreed policy determined by the governing body, up to £500, after all reasonable practicable steps have been taken to recover amounts due. Debts in excess of £500 should be referred to the Strategic Director of Finance and Resources who may decide to seek recovery and charge the costs of recovery against any amounts recovered.

2.2 Basis of accounting

2.2.1 The reports and accounts furnished by schools to Slough Borough Council can be on either a cash or accruals basis; but the authority cannot impose either system on schools' internal systems.

2.2.2 The intention behind this provision is to ensure that although the authority should be able to have reports furnished on the basis they need, they should not be able to dictate to schools how they organise their accounts. This means in particular that schools should be able to use what financial software they wish, provided they meet any costs of modification to provide output required by the authority.

2.3 Submission of budget plan

2.3.1 Governing bodies must prepare and formally adopt a budget plan in accordance with the SFVS, which reconciles with their total budget allocation and is realistically achievable given known facts and likely future events. Schools must take full account of estimated deficits / surpluses at the previous March 31 in their budget plan.

2.2.2 The Approved budget plans should be notified to the authority in a standard format determined by the authority together with a copy of the

relevant minutes of the governing body approving the plan by May 31 of the financial year to which the budget relates. The budget plan will include a statement of the School Development Plan financial implications underpinning the budget; planned use of historic balances and of the projected end of year balance. The authority may also require the governing body to submit revised budget plans once every three months, from the anniversary of 31 May

- 2.2.3 The governing body must also prepare and submit, if requested by the authority, any supporting financial schedules verifying the budget plan. This may include, for example, an analysis of salary expenditure.
- 2.2.4 The authority will supply schools with any income and expenditure data which it holds which is necessary for efficient budget planning by schools. The authority shall provide an annual statement of when this information shall be made available through the year.
- 2.2.5 Schools must accept responsibility for the proper allocation and coding of their income and expenditure to ensure the CFR standards are met.

2.3.1 Submission of Financial Forecasts

Schools shall provide the authority with a financial forecast covering each year of a 3 year budget plan. This should be linked to any school improvement plan the authority require the school to implement

One of the aims of the [three year plan] is to show that the school has a sustainable and stable budget. This means that the school is not incurring a level of spending higher than its income, for year after year, by running down balances, or going into deficit. The 3 year financial forecast will assist schools in their financial management and can be used as evidence to support the LA's assessment of Schools Financial Value Standards.

2.4 Efficiency and Value for Money

- 2.4.1 Schools must seek to achieve value for money and efficiencies to optimise the use of their resources and to invest in teaching and learning, taking into account the council's purchasing, tendering and contracting requirements outlined in Section.
- 2.4.2 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, so it is important for schools to review their current expenditure, compare it to other schools, and think about how to make improvements. The process of purchasing with due regard to value for money and the procedure for purchasing should be stated in the school's finance procedures manual and reviewed by the governing body annually.

2.5 Virement

- 2.5.1 Schools may vire freely between expenditure and income budget heads within their budget shares. Governors must determine a policy and procedure for authorising virements between budget heads, including financial limits above which the approval of the governors is required. To maintain accurate budgetary control, budget virements should be updated on the school's financial system at the earliest opportunity.

2.6 Audit: General

- 2.6.1 Schools shall be part of the internal and external audit arrangements of the Council as determined by the Strategic Director of Resources and the Public Sector Audit Appointments Ltd (PSAA) the statutory body that replaced the Audit Commission in 2016. Schools shall co-operate with all the requirements of the auditors, both internal and external and should provide full access to the school's records including the pupil register. Where auditors, as a result of inadequate records, incur additional time and costs, or there is unreasonable non co-operation by schools these costs will be charged to the school's budget share.

2.7 Separate external audits

- 2.7.1 In instances where a school wishes to seek an additional source of assurance at its own expense, the governing body is permitted to spend funds from its budget share to obtain external audit certification of its accounts, separate from any LA internal or external audit process. Where a school chooses to seek such an additional audit it does not remove the requirement that the school must also co-operate with the LA's internal and external auditors.

2.8 Audit of voluntary and private funds

- 2.8.1 Schools must have their voluntary and private funds audited annually. Auditors should be suitably qualified and experienced for the task they have undertaken. Schools must obtain an audit certificate/statement confirming that an audit has been carried out and that in the auditor's view the funds are properly maintained and accounted for. Schools must provide copies of audit certificates, for all voluntary and private funds held by the school and of the accounts of any trading organisations controlled by the school, to the LA annually. A school refusing to provide audit certificates to the LA as required by the scheme is in breach of the scheme and the LA may take action on that basis.

- 2.8.2 Schools are required to advise Schools Finance Team of any trading organisations controlled by the school that are not operated as part of their official or unofficial funds.
- 2.8.3 The administration of the “Private” or “Unofficial” funds should be of the same high standard as for the main delegated budget. The operation of these funds needs to conform with the LA Financial Regulations.

2.9 Register of business and other interest

- 2.9.2 The governing body of each school is required to maintain a register which lists for each member of the governing body and the headteacher:
- Any business interests they or any member of their immediate family have
 - Details of any other educational establishments that they govern
 - Any relationships between school staff and members of the governing body
- 2.9.3 The register should be kept up to date with notification of changes and the entries should be reviewed annually. The register should be available for inspection by the LA, governors, staff and parents and should be published, for example, on a publicly accessible website. The LA has a model 'Code of Conduct' for staff that covers this area and this has been recommended to schools (it suggests that all staff declare business interests – or at least those in a position to make financial decisions). Declaration of any pecuniary interests should also be made at governors meetings and minuted.

2.10 Purchasing, tendering and contracting requirements

- 2.10.1 Schools must comply with the provisions in the authority’s Financial Regulations and standing orders with regard to purchasing, tendering and contracting matters (along with all other requirements) except where they specifically do not apply to schools. This will include a requirement to assess in advance, where relevant, the health and safety competence of contractors, taking into account the authority’s policies and procedures.
- 2.10.2 However, schools must not do anything incompatible with any of the provisions of this scheme, or any statutory provision, or any EU Procurement Directive.

Schools must:

- comply with any statutory provision or any EU Procurement Directive;
- seek local authority approval i.e. countersignature, for any contract for goods and services for a value more than £60,000.
- seek at least three tenders in respect of any contract with a value exceeding £10,000 in any one year.

The intention is to ensure that schools do not have to be subjected to unreasonable requirements as to authority counter-signature or use of an approved list, but also ensures that they should obtain at least three tenders or quotations for orders above £10,000 threshold.

2.11 Application of contracts to schools

2.11.1 Schools have the right to opt out of Council arranged contracts except where they have lost that right for particular contracts in accordance with a specified procedure, (e.g. failure to obtain insurance to the minimum level specified the Council or for non compliance with conditions relating to delegation or legislation). In such cases schools would be bound into the contract for its length unless such a contract contains clauses allowing variance of its terms and conditions.

2.11.2 Although governing bodies are empowered to enter into contracts, in most cases they do so on behalf of the authority as maintainer of the school and the owner of the funds in the delegated budget share. In certain cases, governing bodies enter into contracts solely where the governing body has clear statutory obligations e.g. staff employment contracts in aided or foundation schools.

2.12 Central funds and earmarking

2.12.1 The local authority can make sums available to schools from central funds, in the form of allocations, which are additional to and separate from the school's budget share. Such allocations will be subject to conditions setting out the purpose or purposes for which the funds may be used, and will be known as 'earmarked funds'.

2.12.2 Earmarked funds should only be spent for the purposes for which they are given and although in specified cases virement may be permitted this should never be to the point of assimilation into the general school budget share.

2.12.3 There should be accounting mechanisms in place for schools to be able to demonstrate that these requirements have been complied with. Earmarked funds may include a condition that any funds not spent in year or within the period, over which schools are allowed to use the

funding if different, must be returned to the authority. The authority must not make any deduction from payments to schools of devolved or specific grant, in respect of interest costs to the local authority.

2.13 Spending for the purposes of the school

2.13.1 Although s.50 (3) allows governing bodies to spend budget shares for the purposes of the school, this is subject to regulations made by the Secretary of State and any provisions of the scheme. As well as the various standard provisions LAs may wish to propose their own restrictions on this freedom, arising from local circumstances.

2.13.2 By virtue of section 50(3A) (which came into force on 1st April 2011), amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

2.13.3 Under s.50 (3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. He has done so in the School Budget Shares (Prescribed Purposes)(England) Regulations 2002 (SI 2002/378), which have been amended by the School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2010 (SI 2010/190). These allow schools to spend their budgets on pupils who are on the roll of other maintained schools or academies.

This scheme does not permit schools to spend their school budget share on:

- activity, publicity or propaganda against Slough Borough Council
- any form of activity which is designed to attract pupils to the school which uses misleading information or is otherwise factually incorrect, and necessitates corrective action by the local authority.

2.13.4 Schools not adhering to this will be penalised by an amount equivalent to the costs incurred on the activity and any costs incurred by the local authority in seeking to remedy the effects of such activities.

2.13.4 Governing bodies are free to spend budget shares 'for the purposes of the school', subject to regulations made by the Secretary of State and any provisions of this scheme. Schools are permitted to spend their budget shares on community facilities or services (see section 13.1) and on pupils who are on the roll of other maintained schools.

2.14 Capital spending from budget shares

2.14.1 Where capital expenditure is undertaken from the school budget share the authority may require that it be notified of the proposed expenditure

and take into account any advice from the Director of Children Learning and Skills as to the merits of the proposed expenditure. This will only apply if the expected capital expenditure exceeds £20,000. Where premises are owned by the council, or the school has voluntary controlled status, the governing body is required to seek the consent of the council for any proposed capital works; such consent can only be withheld on health and safety grounds.

2.14.2 The reason for these provisions is to help ensure compliance with the current School Premises Regulations and DfE Construction Standards, and health and safety legislation.

2.15 Notice of Concern

2.15.1 The authority does have the right to issue a Notice of Concern (Notice) to any of its maintained schools. The authority may issue a Notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Finance Officer and the Director of Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the authority or the school. The Notice may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it.

2.15.2 The Head Teacher of the school will be notified in advance of the proposed Notice and issues that the local authority has. The Notice will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it. These may include:

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

budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities

- 2.15.3 The Notice will clearly state what these requirements are, how it can be rectified and the date it must be rectified by, in order for the Notice to be withdrawn. It will also state the actions that the authority may take where the Head Teacher does not comply with the Notice, which will include issuing this Notice to the governing body stating the action that will be taken if they do not comply.
- 2.15.4 The purpose of this provision is to enable a local authority to set out formally any concerns it has regarding the financial management of a school it maintains and requires a governing body to comply with any requirements it deems necessary. The principal criterion for issuing a Notice, and determining the requirements included within it, must be to safeguard the financial position of the authority or school.
- 2.15.5 This provision is not intended to be used in place of withdrawal of financial delegation where that is the appropriate action to take; it is included to 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.
- 2.15.6 Where the council has issued a Notice it will be withdrawn once the governing body has complied with the requirements it imposes.

2.16 Schools Financial Value Standard (SFVS)

- 2.16.1 All local authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.
- 2.16.2 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.
- 2.16.3 All maintained schools with a delegated budget are required by Slough to submit the form to the local authority annually by 18 December (or the last day of autumn term whichever is earlier). This earlier deadline will allow Slough sufficient time to audit the information prior to DfE deadline of 31 March

2.17 Fraud

2.4.2 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.

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

3.1 Frequency of instalments and banking arrangements

The frequency of instalments of the budget share will depend upon the banking arrangements chosen by the school as set out in the table below. These may be revised from time to time.

Option	Bank Account	Funds Paid Over	Accounting	Instalment
1	Own	Non-Staffing	SBC	1 of month, or nearest working day prior
2	SBC	Non-Staffing	SBC	On receipt of Imprest claim
3	Own	All	Own	The Monday before the last Thursday of the month
4	SBC	All	Own	The Monday before the last Thursday of the month

Notes:

- a If a school wishes the Council to keep its accounts through a service level agreement it must choose either option 1 or 2. If a school wishes to maintain its own accounts then it must choose either option 3 or 4.
- b If a school wishes to make its own arrangements for payroll then it must also keep its own accounts, and choose either option 3 or 4.
- c The payment date of the Monday before the last Thursday of the month may be varied by negotiation between schools and the authority.

Top up payments for pupils with high needs should be made on a monthly basis unless alternative arrangements have been agreed with the provider.

3.2 Proportion of budget share payable at each instalment

3.2.1 The budget share payable will be calculated as follows:

- a Option 1: Equal twelfth, of the non-staffing budget calculated from the school budget plan, plus an estimate of VAT (currently 20%), less payments to the Council for business rates and certain services provided by the Council where this is agreed as part of the service level agreement or other contract with the school, less any relevant previous year-end balance. The initial estimate of non-staffing expenditure prior to the receipt of the budget plan will normally be 15% of the budget. Payments will not normally be made for budgeted non-staffing expenditure in excess of 30% of the budget share within the first nine months of the financial year. Where the Council also provides payroll, the April instalment will be reduced to reflect that payment is made one month in arrears.
- b Option 2: Claim made on the Imprest return
- c Options 3 & 4: Equal twelfths of the budget share less payments to the Council for rates and certain services provided by the Council where this is agreed as part of the service level agreement or other contract with the school, less any relevant previous year-end balance.

3.2.2 There will be additions or deductions to the standard monthly payment for in-year budget changes, such as new statements and excluded pupils, and re-imburements of such items as VAT (from a monthly return provided by the school).

3.2.3 Where the authority is entitled to charge the school's budget share in relation to costs incurred on its behalf these will be deducted from the following month's instalment. Where there has been non payment of invoices to the authority under a service level agreement the amount outstanding will be deducted from the instalment following the lapse of 90 days from the original invoice date or due date which is later.

3.2.4 The authority will give written notice of this. Where a school changes bank account, the carry forward will be transferred at the point at which the new account opens or on the next monthly payment date.

3.3 Interest and Payroll

3.3.1 For option 3 and 4 schools using the Council payroll service the gross cost of the payroll will be charged to the next monthly payment. No

interest will be credited to schools for the interest earned by the Borough on the tax, National Insurance and superannuation contributions not due to be paid over until after the pay date

3.3.2 Interest on late budget share

The Council will add interest to late payments of budget share instalment, where such payments are late because of Council error. The interest rate will be at least the Bank of England base rate or that used for clawback calculations. For the purposes of this clause, 'late' means after the last Thursday of the month.

3.4 Budget shares for closing schools

- 3.4.1 The local authority has a Cabinet approved policy for implementing school closures. The full document is available on the Slough schools intranet. Where approval has been granted for the discontinuation of a school, or part of, instalments of the budget share may be made on a monthly basis net of estimated pay costs, even where a different basis had previously been agreed.

3.5 Bank and Building society accounts

3.5.1 Restrictions on Accounts

All schools will have a bank or building society account, which will be in the name of the school. However, if a school has such an account the scheme should require that the account mandate provides that the authority is the owner of the funds in the account; that it is entitled to receive statements; and that it can take control of the account if the school's right to a delegated budget is suspended by the authority. When choosing a bank or building society schools are required to be consistent with the local authority's Treasury Management policy. Schools may change their bank or building society on giving two months notice in writing to the Director of Children Learning and Skills and the Director of Finance and Resources. Schools without banking arrangements outside the authority's group at the commencement of this scheme may be refused one until any deficit balance is cleared: and any school requesting a bank account at a later date may also be refused one until any deficit balance is cleared.

- 3.5.2 The authority can continue to have arrangements negotiated with certain banks whereby the accounts are in the name of the authority but specific to each school, and offer such arrangements to schools.

Budget share funds paid by the authority and held in school accounts remain authority property until spent (s.49(5) of the Act). Taken from DfE Scheme

3.5.3 Schools must have at least one bank of account which is a normal current account and which will be used for paying cash instalments or Imprest reimbursements into. Any other school bank accounts must be selected in line with the local authority's Treasury Management policy and not involve any type of account where the capital value of the investment is at risk. A school budget is predominantly to meet expenditure due to be incurred in the current financial year and therefore schools should not seek to tie themselves into arrangements of longer than one year or with a notice period longer than three months. A balance must be struck between return and liquidity.

3.6 Borrowing by schools

3.6.1 Governing bodies may borrow money only with the written permission of the Secretary of State (this includes finance leases).

3.6.2A finance lease **is effectively a borrowing agreement**. It is a leasing contract in which the school takes ownership of the asset and is responsible for all maintenance and insurance, but pays for the asset over a period of time.

3.6.3 An operating lease **is a rental agreement**. It is a leasing contract in which the ownership for the asset remains with the lessor and they remain responsible for the maintenance, insurance and repairs and the future residual value risk of the asset.

3.6.4 Schools may not use credit cards as this is regarded as borrowing. However, the use of procurement cards by schools is permissible and can be a useful means of facilitating electronic purchases.

3.6.5 However from time to time, the Secretary of State may introduce limited schemes in order to meet broader policy objectives which are available to school i.e. Salix Scheme designed to support energy saving and these schemes will not require specific approval.

3.7 Other Provisions

3.7.1 Budget advances

Option 1 and 3 schools may request a budget advance for cash flow purposes. Any such advance will be subject to a deduction of interest for the estimated number of days multiplied by the interest rate.

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

4.1 The right to carry forward surplus balances

- 4.1.1 Schools will carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.
- 4.1.2 Where the school banks with the council's bankers, the school will receive interest on the budgeted carry forward for the year at the average base rate for the year.

4.2 Control of Surplus Balances

- 4.2.1 Schools are required to complete a return on their planned use of balances and this must accompany the approved budget plan submitted to the local authority by 31st May. A proforma return will be available to all schools and the information to be supplied includes:

- Detail of projects or works to be completed; resources to be purchased or contracted
- Amount earmarked for each item
- Expected date of expenditure
- Supplier or provider to be commissioned
- Budget heading expenditure will be recorded against

Evidence of planned use must accompany the return. Acceptable evidence includes:

- List of outstanding orders at 31st March and copies of orders, delivery notes or invoices; Finance will be mindful of the amount of school administration required and if the number of outstanding orders is high may restrict the request for evidence to a sample of orders
- Tenders and quotes
- Governing Body minutes showing discussions on planned use of balances
- Relevant costed items in School Development Plan
- Correspondence and emails from local authority officers

4.3 Revenue Balance Control Mechanism (BCM)

- 4.3.1 The local authority shall calculate by 30 April each year the surplus balance, if any, held by each school as at the preceding 31 March. For the purpose of the Balance Control Mechanism (BCM) the balance will

be the total revenue balance as reported on the final Consistent Financial Report (CFR) return.

4.3.2 The revenue balance will be calculated as a percentage of the new financial year's budget share. This is purely to clarify the year that will be used for comparison. Budget share will consist of school block funding, high needs block funding and early years block funding (if appropriate) as well as Pupil Premium and EFA Sixth Form Funding (if appropriate).

4.3.3 The BCM threshold is set at 5% for secondary schools and 8% for primary and special schools. For any school exceeding the threshold, local authority officers will review the school's return on Planned Use of Balances. Amounts not fully supported by evidence will be considered as potentially subject to clawback. For example, if a primary school has a balance of 10% then it will be asked to supply evidence to cover all of that balance. If evidence is supplied for 8% then 2% would be recoverable, being the figure above 8%. Similarly, for a primary school with a balance of 10%, if evidence for 7% were supplied, 2% would be recovered, again being the amount above 8%. However there would be no recovery if evidence were supplied for 10%.

4.3.4 The following funds will be viewed as exempt from potential clawback if sufficiently supported by relevant evidence:

Category	Evidence
Committed expenditure i.e. prior year committed orders (<i>this should equal the amount reported as CFR balance B01</i>).	Orders, delivery notes or invoices
Funds held on behalf of other schools e.g. cluster funding, federation grants	Correspondence, allocations
Planned reserves for future years' budgets i.e. funds required to support a budget as the school moves through change	Calculations, plans, projections, multi-year budget tool
Allocations of local authority funding made after 1 st January	Correspondence with LA officers
Planned reserves for provision of additional places	Correspondence, allocations

4.3.5 Local authority finance officers will identify schools exceeding the threshold and not providing full supporting documentation for the planned use of their revenue balance and these will be referred to the Schools Forum. The Schools Forum will then decide the suitable group to review each school with the presumption that the school(s) concerned will be fully involved in the process.

4.3.6 Any amounts that are clawed back will then be referred to the Schools Forum for a decision on their use. That decision will take into account the prevailing needs of Slough's schools as a group and extant DfE

guidance. For example, clarification will be sought regarding the status of academies if funds are redistributed through the funding formula.

Schools requiring support or advice on collecting appropriate evidence should contact the Schools Finance team before the 31st May deadline for the return.

4.4 Interest on surplus balances

4.4.1 Option 2 & 4 schools will receive interest on relevant reserves remaining with the Council Identified in their budget plan. Option 1 & 3 schools may deposit with the Council, and receive interest on their reserves. These reserves must be maintained throughout the financial year.

4.5 Obligation to carry forward deficit balances

4.5.1 Schools will carry forward from one year to the next any deficit balances. Deficits at the end of one financial year (i.e. at 31 March) will be equal to those at the commencement of the new financial year (i.e. at 1 April). Deficits will be deducted, as the first charge, from the following year's budget share at the commencement of the new financial year. That is with the exception of those agreed deficits known as 's' where the schedule of payments which existed at 31 March 1999 will continue. Amounts due for repayment may be charged by the authority against schools' budget shares.

4.6 Planning for deficit budgets

4.6.1 The governing body cannot plan for a deficit. Where a school does end the year with a deficit due to unforeseen circumstances, a plan must be drawn up by the governing body and submitted for approval by the Director of Children Learning and Skills. The plan will include: reasons for the deficit having arisen, details of measures that will be taken to bring the school back in to a balanced budget situation, including management arrangements, a forecast of future pupil numbers, school expenditure and school budget shares; forecast deficits at the end of each financial year and a timescale for bringing the budget in to balance.

4.6.2 A joint budget monitoring review programme will then be agreed for the period of the plan. This will include monthly monitoring reports being sent to the Director of Children, Learning and Skills. The authority will agree any appropriate management support that will be provided for the school.

4.7 Interest on deficit balances

4.7.1 Interest may be charged on deficit balances at the estimated average, base rate. A reduced rate may be charged on agreed deficits.

4.8 Writing off deficits

- 4.7.1 The authority cannot write off the deficit balance of any school. If an authority wishes to give assistance towards elimination of a deficit balance this should be through the allocation of a cash sum, from the authority's schools budget (from a centrally held budget specified for the purpose of expenditure on special schools and pupil referral units in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget where this has been agreed by Schools Forum).

4.9 Balances of closing and replacement schools

- 4.9.1 Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes
- 4.9.2 The exception is that a surplus transfers to an academy where a school converts to academy status under section 4(1) of the Academies Act 2010.

4.10 Licensed deficits

The authority previously made no provision for licensed deficits or 'loans' other than those previously agreed by the former Berkshire County Council and outstanding at 1 April 2001.

4.10 Loans

- 4.10.1 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.
- 4.10.2 Loans may be granted by the Council to schools under specific circumstances and where there is a guaranteed income stream, external to the schools budget share, or other government funding, to pay off the loan. Granting of such loans will be exceptional.

4.10.3 The school will be expected to assign formally the relevant part of that income stream to the Council in consideration of the loan, for the duration of the loan. Loans will not be expected to exceed 10 years and the school receiving the loan will be expected to demonstrate a sound financial position over the three preceding years, with the ability to generate reserves. Loans will be funded from school reserves held by the authority. There will be a specific loan agreement for each school and terms and conditions will be negotiated individually, including interest. Where such arrangements are in place, the schools' spending of its Schools Standard Grant must be agreed with the authority. The authority must agree the spending unless in its view the proposed expenditure is unreasonable in the school's financial circumstances.

4.11 Credit union approach

4.11.1 Schools may wish to group together to utilise externally held balances for a credit union approach to loans. For any proposed credit union approach the Director of Finance and Resources, or his/her representative should be contacted at the earliest opportunity.

4.11.2 Any credit union will be required to be agreed to by the Council before proceeding. Any legal or other specialist costs incurred by the authority as a result will be charged equally to the parties of the credit union. The authority will require credit union activities to be subject to an initial audit, and at least one annual audit thereafter, by an appropriate registered auditor, if not audited within the authority's own audit arrangements. The costs of the audit will be charged under the terms of credit union agreement.

SECTION 5: INCOME

Schools will generally be able to retain income from lettings, fees and charges, the sale of assets and fund raising activities except in the circumstance listed below or where there would be a breach of legislation. Income from letting of school premises should normally be payable into the school budget share and should not be paid into private or voluntary funds held by the school.

5.1 Income from lettings

5.1.1 Schools may retain income from lettings in relation to their agreed school premises, subject to alternative provisions arising from any joint use, PFI/PPP or similar arrangements. The school cannot enter into an agreement, where the authority is the owner of the premises, which gives a third party a substantial and/or long term interest in the

premises (including land) without the prior written consent of the authority. Where the authority is not the owner of the buildings the school is required to consult with the authority before entering into such an agreement. If such an agreement could be reasonably foreseen to be detrimental to the supply of school places within the local authority and/or the advice of the authority is not heeded, and additional costs are incurred by the authority as a result of the need to make additional places available, then these costs may be charged to the school's budget share.

- 5.1.2 Schools can cross subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share, and the purpose of the cross subsidy must be of direct or indirect benefit to the school.
- 5.1.3 Schools should have regard to directions issued by the Council as to lettings and the use of school premises.

5.2 Income from fees and charges

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

5.3 Income from fund-raising activities

The Scheme provides for schools to retain income from fund-raising activities.

5.4 Income from the sale of assets

Income from sale of assets purchased with delegated funds will be retained by the school and may only be spent for the purposes of the school. Where the asset was purchased with non-delegated funds the authority will decide whether the school should retain the proceeds. Proceeds from the sale of land or buildings forming part of the school premises and which the Council owns will be retained by the authority.

5.5 Administrative procedures for the collection of income

Schools should seek to bank any cash received on the same day as it is received or as soon as possible thereafter. All cash should be banked 'in tact'. Schools will have due regard to insurance limits for cash to be retained on the premises if same day banking is not always possible.

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

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General provision

- 6.1.1 The budget share of a school may be charged by the authority without the consent of the governing body only in the circumstances set out below and under other specific sections contained elsewhere within this scheme.
- 6.1.2 Schools are reminded that the LA cannot act unreasonably in the exercise of any power given by this scheme, or it may be the subject of a direction under s.496 of the Education Act 1996. The local authority will consult schools as to the intention to charge, and notify schools when it has been done. Where the Council provides payroll services to schools then it will be required to charge the actual cost of school based staff salaries to school budget shares. For the avoidance of doubt, 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 of the Schools Forum.
- 6.1.3 The authority will consider establishing procedures for arbitration where disputes arise.

6.2 Circumstances in which charges may be made

- 6.2.1 Where premature retirement costs have been incurred without the prior written agreement of the local authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the local authority).
- 6.2.2 Other expenditure incurred to secure resignations or redundancies where the school had not followed local authority advice or had not sought it.
- 6.2.3 Awards by courts and industrial tribunals, or out of court settlements, against the authority arising from action or inaction by the governing body contrary to the local authority's advice or where such advice has not been obtained. Any publicity, legal or associated costs which the authority incurs as a result and in seeking to protect its good name.
- 6.2.4 Expenditure by the local authority in carrying out health and safety work, including inspections and risk assessments, or capital expenditure for which the local authority is liable where funds have been delegated to the governing body for such work, but the governing body has failed to undertake the required work.

- 6.2.5 Expenditure by the local authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the local authority or the school is voluntary controlled or where the safety of pupils is at risk such that if the authority did not take action it would be in breach of its duty of care to these.
- 6.2.6 Expenditure incurred by the authority in insuring its own interests, including those as an employer and as guardian of pupils, at 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 local authority.
- 6.2.7 Recovery of monies due from a school for services provided to the school by the local authority, where a dispute over the monies due has been referred to a disputes procedure set out in an SLA and this has concluded in the local authority's favour.
- 6.2.8 Recovery of penalties imposed on the local authority by HM Revenue & Customs, Teachers' Pensions, Environment Agency or other regulatory authorities as a result of school negligence, errors or inaction.
- 6.2.9 Correction of local authority errors in calculating charges to a budget share (e.g. pension deductions).
- 6.2.10 Additional transport costs incurred by the local authority arising from decisions by the governing body on the length of the school day, and failure to notify the local authority of non-pupil days resulting in unnecessary transport costs.
- 6.2.11 Legal costs or publicity costs that are incurred by the local authority because the governing body did not accept the advice of the local authority (see also section 11).
- 6.2.12 Costs of necessary health and safety and child protection training for staff employed by the local authority, where funding for training has been delegated but the necessary training not carried out.
- 6.2.13 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. Taken from DfE Scheme 6.2.13)
- 6.2.14 Cost of work done in respect of teacher pension remittance and records for schools using non-local authority payroll contractors, the charge to be the minimum needed to meet the cost of the authority's compliance with its statutory obligations.
- 6.2.15 Costs incurred by the authority in securing provision specified in an Education, Health and 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. DfE update to scheme.

- 6.2.16 Costs incurred by the local authority due to submission by the school of incorrect data.
- 6.2.17 Recovery of amounts spent from specific grants on ineligible purposes.
- 6.2.18 Costs incurred by the local authority as a result of the governing body being in breach of the terms of a contract.
- 6.2.19 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.
- 6.2.20 Costs incurred by the authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admissions appeals has been delegated to all schools as part of their formula.
- 6.2.21 Compensation paid to a lender where a school enters into a contract or borrowing beyond its legal powers, and the contract is of no effect.
- 6.2.22 Any other compensation payments and associated administrative costs arising from the authority's position as an employer or other statutory duties placed upon it for which the funding has been delegated to schools but where they have not fulfilled the corresponding responsibility (e.g. contracts of employment, pay dates, time off for union activities etc.).
- 6.2.23 Where the authority has good reason to doubt the validity of financial Information and reports it will be entitled to obtain independent verification, take corrective action and charge the school's budget share accordingly.
- 6.2.24 Any costs including, penalties, legal or administrative costs incurred by the authority as a result of a school's non or late payment of bill, salaries or VAT returns will be charged to the school's budget share.
- 6.2.25 Where additional time and costs are incurred by the authority's auditors as a result of inadequate records or there is unreasonable non co-operation by schools these will be charged to the school's budget share.
- 6.2.26 Where the school engages in vexatious activities the authority will be entitled to charge the school's budget share an amount equivalent to the costs incurred on the activity and any costs incurred by the local authority in seeking to remedy the effects of such activities.

SECTION 7: TAXATION

7.1 Value Added Tax

- 7.1.1 Where the school engages in vexatious activities the authority will be entitled to charge the school's budget share an amount equivalent to the costs incurred on the activity and any costs incurred by the local authority in seeking to remedy the effects of such activities.
- 7.1.2 All VAT incurred by schools when spending any funding made available by the Council is treated as being incurred by the local authority and qualifies for reclaim from HM Revenue & Customs 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.
- 7.1.3 VAT reclaimed by schools will be passed back to schools. The procedure for reclaiming VAT will depend on the banking option chosen by the school.
- 7.1.4 Option 1 & 2 schools - VAT is identified on the monthly imprest claim and included in the re-imburement.
- 7.1.5 7.1.4 Option 3 & 4 schools - There will be a separate monthly VAT reclaim form and re-imburement will be on the next monthly payment of budget share by the authority.
- 7.1.6 The authority will periodically issue detailed guidance on VAT.

7.2 CIS (Construction Industry Taxation Scheme)

- 7.2.1 Schools will comply with the procedures issued by the authority in connection with CIS.

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

8.1 Provision of services from centrally retained budgets

- 8.1.1 The authority will determine on what basis services from centrally retained funds will be provided to schools. This includes existing premature retirement compensation (PRC) and redundancy payments.
- 8.1.2 The authority will not discriminate in its provision of services on the basis of categories of schools except where (a) funding has been delegated to some schools only or (b) such discrimination is justified by differences in statutory duties.
- 8.1.3 Provision of services from centrally retained budgets may be different between schools based on a school's individual assessment of need.

8.2 Timescales for the provision of services brought back from the local authority using delegated budgets

- 8.2.1 Services bought back from the Council will initially be for a maximum of three years from the inception of the scheme, or the date of the agreement, whichever is the later, and then for a maximum of five years for any subsequent agreement relating to the same services.
- 8.2.2 Services offered by the authority for which funding has been delegated will not be packaged in a way which unreasonably restricts schools' freedom of choice among services available, and where practicable, this will include provision on a service by service basis as well as in packages of services.
- 8.2.3 When a service is provided for which expenditure is not retainable centrally by the Council under the Regulations made under section 45A of the Act, it should be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service should be met by the total income, even if schools are charged differentially. The authority may provide services as part of an extended agreement as well as on an ad hoc basis.

8.3 Service level agreements

- 8.3.1 Any services or facilities provided by the authority under a service level agreement starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that.

8.3.2 Services provided by the authority will be priced in order to ensure that, across all schools buying the service, the income generated at least matches the cost of providing the service.

8.3.3 Service Level Agreements, where in operation, will be provided in advance of their operation, giving schools at least a month to consider the terms of the agreements.

8.4 Teachers' Pensions

8.4.1 Governing bodies of schools that provide payroll services should submit an annual return of salary and service to the authority. Governing bodies must also ensure that details of Additional Voluntary Contributions (AVCs) are passed to the authority within the time limit showed in the AVC scheme.

8.4.2 The DfE requires that the following be included in this Scheme with regard to Teachers' Pensions:

- In order to ensure that the performance of the duty on the authority to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares.
- The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the authority to provide payroll services.
- A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the authority which the authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The authority will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.
- A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the authority which the authority requires to submit its

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

SECTION 9: PFI/PPP

Where the authority proposes to enter into PFI/PPP schemes in relation to the provision of buildings or services the terms of this scheme may need to be varied, in year, accordingly. The authority has the power to charge the school's budget share amounts agreed under a PFI/PPP agreement entered into by the school / authority.

SECTION 10: INSURANCE

10.1 Insurance cover

10.1.1 If funds for insurance are delegated to any school, the authority will require the school to demonstrate that cover relevant to the authority's insurable and other interests, under a policy arranged by the governing body, is appropriate in terms of the actual risks which might reasonably be expected to arise at the school in question. The authority will set out reasonable minimum levels.

10.1.2 Schools are required to submit copies, on demand, of relevant documentation to the authority proving the adequacy of cover. Where there is delay in providing such evidence then the authority will arrange temporary cover until it is satisfied as to the adequacy of the school's cover and will charge the school's budget share for any additional costs incurred, including the cost of any temporary cover.

SECTION 11: MISCELLANEOUS

11.1 Right of access to information

Governing bodies have a duty to supply 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 funding allocated by the authority (e.g. earmarked funds) to the school.

11.2 Liability of governors

The governing body is a corporate body, and under the provisions of s50(7) of the SSFA, 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. Governing bodies will be required to have insurance against acts that are not 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.

11.3 Governors' Expenses

11.3.1 Only allowances in respect of purposes specified in regulations under Section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. The payment of any other allowances is forbidden. The authority may publish a guide as to what it considers to be reasonable expenses and it would expect schools to adhere to this.

11.3.2 Schools should not pay the expenses duplicating those paid by the Secretary of State to additional governors appointed by him/her to schools under special measures.

11.4 Responsibility for legal costs

11.4.1 Legal costs, including the cost of legal actions awarded against the local authority, incurred by the governing body, although the responsibility of the local authority as part of the costs of maintaining the school unless they relate to the statutory responsibilities of aided or foundation school governors for buildings or employees, may be charged to the schools' budget share unless the governing body acts in accordance with the advice of the authority.

11.4.2 Where a school is justified in seeking additional legal advice where there is a conflict of interest between the authority and the school, then the costs (action and advice) will fall to be met in its entirety by the governing body. Seeking legal advice contrary to that given by the authority against the authority for vexation reasons is not expenditure for the purposes of the school.

11.5 Health and Safety

11.5.1 The primary responsibility for health and safety rests with the employer - the local authority for community, community special and voluntary controlled schools and the governing body for foundation and voluntary aided schools. The costs of complying with health and safety legislation are a delegated responsibility of the school's governing body with the exception of those costs specifically excluded by the authority in

relation to the capital costs of the building where it is the owner of the building.

11.5.2 Schools' responsibilities for health and safety include (amongst others) the following. This list is not exhaustive and should not be taken to be so.

- The purchase and maintenance of equipment, in accordance with the Provision and Use of Work Equipment Regulations 1998
- Repairs and maintenance (e.g. to doors and windows)
- Workplace safety management in accordance with the Workplace Health, Safety and Welfare Regulations 1992.
- Cleaning of swimming pools
- Food Safety and Hygiene (schools with own catering)

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

11.5.4 School must, on a regular basis and on request, provide evidence to the authority that they are complying with relevant health and safety legislation and approved codes of practice. Where schools are unable to do this in a satisfactory way and on a timely basis or the authority has good reason to believe that the school is not complying with relevant health and safety legislation, then in it will be entitled to require the school to undergo a health and safety audit, the costs of which will be charged to the school's budget share. Any costs of corrective action arising from the audit which is not carried out within the required time scale, the authority will be entitled to arrange for the work to be carried out and charged to the school's budget share. The authority will require unfettered access to the school premises to undertake the audit and corrective action if required.

11.6 Right of attendance for Director of Finance and Resources

The Director of Finance and Resources or his/her representative shall have a right to attend meetings of the governing body at which there are any agenda items relevant to the exercise of her or his responsibilities. The authority will give prior notice of such attendance unless it is impracticable to do so.

11.7 Provision for pupils with special educational needs

In addition to their statutory requirements, schools are required to use their best endeavours in spending their budget share to ensure adequate and appropriate provision for pupils with special educational needs. Where this is not the case delegation may be suspended.

11.8 “Whistle Blowing”

Staff or governors at a school who wish to complain about financial management or financial propriety at the school should contact the Director of Children Learning and. Procedures previously adopted for non-school based staff will be followed with the aim of protecting the individual and confidence in public service. A copy of the authority’s whistle blowing policy guidelines for schools is available on the Slough Borough Council website.

<http://www.slough.gov.uk/services/17856.aspx>

11.9 Child Protection

School staff are expected to attend child protection case conferences where appropriate. Supply cover for staff release including attendance at case conferences is fully delegated.

11.10 Redundancy/early retirement costs

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. Slough Borough Council follows this guidance. A summary of responsibilities is set out at Annex B.

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

12.1 Funding for all repairs and maintenance is the delegated responsibility of schools. Only capital expenditure is retained by the local authority. For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the local authority for financial accounting purposes in line with the CIPFA Code of Practice on local authority accounting. In particular, where, in line with the Code of Practice, local authorities use de minimis limits for defining what expenditure is treated as capital and what is revenue in their financial accounts, the same de minimis limits must be used in defining what is delegated.

12.2 VA governors will continue to be eligible for grant from the DfE in respect of their statutory responsibilities and in addition they will have

responsibility for other repair and maintenance items on the same basis as Community and Foundation schools.

SECTION 13: COMMUNITY FACILITIES

13.1 Governing Bodies' Powers to Provide Community Facilities

13.1.1 With effect from 2nd September 2002, school governing bodies have powers to provide community services and facilities to the local community on the school premises (Section 27(1) Education Act 2002). Schools are subject to a number of regulations in respect of these powers.

Note: this section of the scheme does not extend to joint-use agreements; transfer of control agreements, or agreements between the Authority and schools to secure the provision of adult and community learning.

13.1.2 The main limitations and restrictions on the power are:

- a. Those contained in schools' own instruments of government, if any; and
- b. In the maintaining local authority's scheme for financing schools

13.2 Implications for Delegated Budget

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

13.3 Consultation with the authority – Financial Aspects

13.3.1 Section 28(4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult the local education authority, and have regard to advice given to them by their authority.

13.3.2 The requirement to seek authority advice should be met by submitting detailed written proposals to the Director of Children, Learning and Skills. This should be done at least a term before any formal consultation process, planning applications and so on relating to the provision of any new facilities by the school.

13.3.3 The authority will undertake to provide advice, at no charge, within one month of having received written proposals from the school. There is also a requirement for schools to inform the authority what action has been taken following authority advice.

13.4 Funding Arrangements: Authority powers

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

13.4.2 Any such proposed agreement should be submitted to the authority for its comments; and there is a term lead time requirement for doing so to give the authority adequate notice and time for comment from Legal and other officers. The authority does not have a right of veto on such agreements, either directly or through requiring a right to countersign the agreement. If the third party requires authority consent to the agreement for it to proceed, such a requirement and the method by which authority consent is to be signified is a matter for that third party, not for the scheme.

13.4.3 Although the authority does not have a general power of veto for these agreements, if an 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.

13.5 Other Prohibitions, Restrictions and Limitations

13.5.1 Although the authority has no right of veto either to funding agreements with third parties, or for other proposed uses of the community facilities power, the authority may require that in a specific instance of use of the community facilities power by a governing body, the governing body concerned shall make arrangements to protect the financial interests of the authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question, as specified by the authority. The authority would impose such a requirement only where it has good reason to believe that the proposed project carries significant financial risks.

13.5.2 Section 28 of the 2002 Education Act provides that the exercise of the community facilities power is subject to prohibitions, restrictions and limitations in the scheme for financing schools. The authority expects that any proposal should be set in the context of the Authority's Community Plan, Education Development Plan and other Strategic Plans and Quality Frameworks.

13.6 Supply of Financial Information

13.6.1 Schools which exercise the community facilities power must provide the authority every six months with a summary statement, in a form

determined by the authority, showing the income and expenditure for the school arising from the facilities in question for the previous six months and on an estimated basis, for the next six months.

13.6.2 The authority may give notice to the school that it believes there to be cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power, and may require such financial statements to be supplied every three months and, if the authority sees fit, to require the submission of a recovery plan for the activity in question. Financial information relating to community facilities will be included in returns made by schools under the Consistent Financial Reporting (CFR) framework.

13.7 Audit

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

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

13.8 Treatment of Income and Surpluses

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

13.8.2 Schools may carry such retained net income over from one financial year to the next as a separate community facilities surplus, or, subject to the agreement of the authority at the end of each financial year, transfer all or part of it to the budget share balance. If the school is a community or community special school, and the authority ceases to maintain the school, any accumulated retained income obtained from exercise of the community facilities power reverts to the authority unless otherwise agreed with a funding provider.

13.9 Health and Safety Matters / Criminal Records Bureau

Health and safety provisions of the main scheme apply to the community facilities power. The governing body is responsible for the costs of securing the Disclosure and Barring Service (DBS) clearance for all adults involved in community activities taking place. Governing

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

13.10 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. The school should seek the authority's advice before finalising any insurance arrangement for community facility. The authority may undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the school's budget share. Such a provision is necessary in order for the local authority to protect itself against possible third party claims.

13.11 Taxation

Schools should seek the advice of the local authority and the local VAT office on any issues relating to the possible imposition of Value Added Tax on expenditure in connection with community facilities; including the use of the local authority VAT reclaim facility. If any member of staff employed by the school or local 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 HM Revenue and Customs rules. Schools are required to follow local authority advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

13.12 Banking

The scheme requires that the school maintain separate bank accounts for budget share and community facilities. Schools are free to use a bank from the list appended to Appendix D of this Scheme and are advised that the bank account should be named as“(SCHOOL NAME) COMMUNITY FACILITIES”. The general approach to these matters will mirror those in the authority's Standing Orders and Financial Regulations and this Scheme

Schools are reminded that they may not borrow money without the written consent of the Secretary of State. This requirement does not extend to monies lent to schools by the local authority.

ANNEX A SCHOOLS COVERED BY THE SCHEME

School	Category
Primary	
Baylis Court Nursery School	Community
Chalvey Early Years Centre	Community
Cippenham Nursery	Community
Claycots	Community
Holy Family RC	Voluntary Aided
Iqra Slough Islamic Primary	Voluntary Aided
Khalsa Primary	Voluntary Aided
Lea Nursery	Community
Our Lady of Peace Infants & Junior School	Voluntary Aided
Penn Wood Primary & Nursery	Community
Pippins	Foundation
Priory	Foundation
Slough Centre Nursery	Community
St Mary's CE	Voluntary Controlled
Wexham Court	Community
Secondary	
Beechwood	Community
St Bernard's RC Grammar	Voluntary Aided
Wexham	Community
Special	
Arbour Vale	Community Special

ANNEX B

RESPONSIBILITY FOR REDUNDANCY AND EARLY RETIREMENT COSTS

This guidance note summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central Schools Budget or the local authority's non-schools budget.

Section 37 of the 2002 Education Act says:

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

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

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

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

Charge of dismissal/resignation costs to delegated school budget:

- If a school has decided to offer more generous terms than the authority's policy, then it would be reasonable to charge the excess to the school
- If a school is otherwise acting outside the local authority's policy

- Where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit
- Where staffing reductions arise from a deficit caused by factors within the school's control
- Where the school has excess surplus balances and no agreed plan to use these
- Where a school has refused to engage with the local authority's redeployment policy

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

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

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

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

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

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

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, but not from the delegated budget. Section 37 states:

(7) Where a local education authority incur costs:

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

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

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

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

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

ANNEX C

APPLICATION OF SCHEMES FOR FINANCING SCHOOLS TO THE COMMUNITY FACILITIES POWER

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

However, under s.28(1), the main limitations and restrictions on the power will be

- a. those contained in schools' own instruments of government, if any; and
- b. in the maintaining local authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

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

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.

ANNEX D LIST OF BANKS AND BUILDING SOCIETIES

Barclays
HSBC
Lloyds TSB
National Westminster
Nationwide Building Society
Royal Bank of Scotland
Santander UK

Appendix E

Section 27 of the Education Act 2002

Power of governing body to provide community facilities etc.

- (1) The governing body of a maintained school shall have power to provide any facilities or services whose provision furthers any charitable purpose for the benefit of —
 - (a) Pupils at the school or their families, or
 - (b) People who live or work in the locality in which the school is situated.

- (2) The power under subsection (1) includes, in particular, power for a governing body to—
 - (a) incur expenditure,
 - (b) enter into arrangements or agreements with any person,
 - (c) co-operate with, or facilitate or co-ordinate the activities of, any person, and
 - (d) provide staff, goods, services and accommodation to any person.

- (3) Subject to the provisions of Chapter 3 of Part 6 of the Education Act 1996 (c. 56) (charges in connection with education), a governing body may charge for any services or facilities provided under this section.

- (4) This section has effect subject to section 28.

Appendix F: Glossary of Terms

AVCs	Added Voluntary Contributions
BCM	Balance Control Mechanism
CFR	Consistent Financial Reporting
CIPFA	Chartered Institute of Public Finance and Accountancy
CIS	Construction Industry Taxation Scheme
DBS	Disclosure and Barring Service
DfE	Department for Education
EU	European Union
ISB	Individual Schools Budget
LA	Local Authority
PFI/PPP	Private Finance Initiative/Public Private Partnership
PRC	Premature Retirement Compensation
PSAA	Public Sector Audit Appointments Ltd
SBC	Slough Borough Council
SFVS	Schools Financial Value Standards
SLA	Service Level Agreement
SSFA	Schools Standards and Framework Act 1998
VA	Voluntary Aided
VAT	Value Added Tax

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SLOUGH SCHOOLS' FORUM

5th July 2018

Directorate of Children Learning and Skills

Early Years Centrally Retained 2018-19

1 PURPOSE OF THE REPORT

This report outlines the proposed use of centrally retained funds across the Early Years Block.

Background

- 1.1 Following the introduction of the Early Years National Funding Formula in 2018/19 this short report requests Schools' Forum approval for the use of centrally retained funds across the Early Years Block.

2 RECOMMENDATIONS

- 2.1 That Schools' Forum:
- Review and confirm the use of centrally retained funds across the Early Years Block.

3 REASONS FOR RECOMMENDATION

- 3.1 In 2018/2019, the DfE mandated a reduction in centrally retained funds for English local authorities from 7% to 5%.

SUPPORTING INFORMATION

- 4.1 The increase in the pass through rate across the sector has enabled Slough to implement the Early Years National Funding Formula (EYNFF) ahead of the implementation date, 1 April 2020.
- 4.2 The implementation of the EYNFF has seen rates rise across the range of Free Early Learning entitlements and above inflation.
- 4.3 The changes to the base rates and reduction in centrally retained funds are fully incorporated across the overall Early Years budget.
- 4.4 The in-year adjustments conducted by the DfE are based on participation rates. This may result in changes to the level of centrally retained funds available +/-.

4.5 The below table illustrates the proposed use of centrally retained funds and includes the accompanying detail.

EY Central budget	Base Allocation	Description
Early Years Adaptations / Practical Support	75,000	Work with providers to address the needs of children with lower level or emerging SEN; e.g. Providers can apply for grants to purchase equipment, training or other support needs to include children with SEND in their settings and remove barriers to access.
Early Years Strategic Financial Support	80,000	Financial contribution for the budget overview / management by DCS, Service Lead and Strategic Finance Officer.
Central Early Years Expenditure	91,200	Support the development of quality provision through advice, challenge and training; e.g.: mentor and validate the Bristol Standard quality improvement programme; prepare Focussed Improvement Partnership Plans (FIPP) for settings with an Ofsted categorisation of Requires Improvement or Inadequate; Promote and develop the ITalk programme to support best practice in developing children's communication skills.
Central Early Years Team Contribution		
Quality Care & Learning	187,360	Support the development of quality provision through advice, challenge and training; e.g.: mentor and validate the Bristol Standard quality improvement programme; prepare Focussed Improvement Partnership Plans (FIPP) for settings with an Ofsted categorisation of Requires Improvement or Inadequate; Promote and develop the ITalk programme to support best practice in developing children's communication skills.
3 & 4 year old funding and other statutory responsibilities	124,710	There are a number of administrative and development roles that combine to enable SBC to meet its statutory responsibilities regarding: safeguarding; the securement of free entitlement places including pass through of funding to providers; the promotion of partnership working including flexibility of provision; and information advice and training. For further details see the Provider Agreement 2017.
2 year Funding	83,570	Facilitation of all aspects of Funded Early Learning for 2 year olds, ensuring all checks take place and payments are made appropriately. Ensuring all parents have access to the appropriate 2 year funding including brokerage services.
Littledown School	42,000	Payment to Littledown school for a range of behaviour support services for children in specific settings across the borough inc the provision of training for practitioners.
Advisory Teachers	107,260	Settings in the Early Years Sector are supported with regular qualified teacher involvement, giving settings a chance to engage with a qualified teacher on a regular basis, thereby raising attainment levels
Total	791,100	

5 ALTERNATIVE OPTIONS CONSIDERED

5.1 Not applicable.

6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

6.1 Monitoring Officer

The relevant legal provisions are contained within the main body of this report.

6.2 Section 151 Officer – Strategic Director of Resources

The financial implications of the report are outlined in the supporting information.

6.3 Access Implications

There are no access implications.

7 CONSULTATION

7.1 Not applicable

Contact for further information

Michael Jarrett
Service Lead – Early Years
michael.jarrett@slough.gov.uk

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**SLOUGH SCHOOLS FORUM
TERMS OF REFERENCE
5-16 GROUP TASK GROUP**

Objectives

This Task Group is established in line with the Slough Schools Forum Constitution which states: *'The Forum will agree to establish, as and when appropriate, task related sub-groups to discuss specific issues, and to produce draft advice and decisions for the Forum itself to consider. These groups can, where it is considered appropriate, include wider representation to ensure that the necessary expertise is included in the group'* (paragraph 4.3: Slough Schools Forum Constitution, revised November 2017).

To advise and work with the LA on any proposed formula funding changes and other issues relating to the funding of 5-16 pupils.

To ensure financial probity, transparent consultation and decision making in relation to additional resources to meet identified needs as funded by 5-16 resources.

To fulfil the function of a Schools Forum 5-16 Task Group.

Decision Making/Consultation

The group will inform decision making, consultation and allocation of 5-16 Funding.

Governance

This group will report to Schools Forum as required with at least verbal feedback being provided at each Schools Forum meeting.

SBC Finance will provide financial acumen for the 5-16 budget.

Membership

- Chair
- SBC Finance category manager for 5-16
- Schools Forum members as advised by Schools Forum, ensuring balanced representation, across phases and types of provision with additional members invited as agreed by Schools Forum to ensure the full spread of expertise required to fulfil the function of the group.
- Observers by invitation only, eg school senior leadership team members, including school business managers.

Frequency

The Task Group will meet as required, with the agreement of the Schools Forum. Preferably termly to align with Schools Forum annual plan.

These Terms of Reference were approved at the Slough Schools Forum meeting held on < >, under minute number < > and will be reviewed annually.

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**SLOUGH SCHOOLS FORUM
TERMS OF REFERENCE
EARLY YEARS TASK GROUP**

Objectives

This Task Group is established in line with the Slough Schools Forum Constitution which states: *'The Forum will agree to establish, as and when appropriate, task related sub-groups to discuss specific issues, and to produce draft advice and decisions for the Forum itself to consider. These groups can, where it is considered appropriate, include wider representation to ensure that the necessary expertise is included in the group'* (paragraph 4.3: Slough Schools Forum Constitution, revised November 2017).

Inform and ensure consistent and appropriate decisions, to advise and work with the LA on any proposed Early Years formula funding changes and other issues relating to the funding of Early Years pupils.

To ensure financial probity, transparent consultation and decision making in relation to additional resources to meet identified needs as funded by Early Years resources.

To fulfil the function of a Schools Forum Early Years Task Group.

Decision Making/Consultation

The group will inform decision making, consultation and allocation of Early Years funding.

Governance

This group will report to Schools Forum as required with at least verbal feedback being provided at each Schools Forum meeting.

SBC Finance will provide financial acumen for the Early Years budget.

Membership

To include:

- HOS Early Years - Chair
- SBC Finance category manager for Early Years
- Schools Forum members as advised by Schools Forum, ensuring balanced representation, across phases and types of provision with additional members invited as agreed by Schools Forum to ensure the full spread of expertise required to fulfil the function of the group.
- Observers by invitation only, eg Early Years providers

Frequency

The Task Group will meet as required, with the agreement of the Schools Forum. Preferably termly to align with Schools Forum annual plan.

These Terms of Reference were approved at the Slough Schools Forum meeting held on < >, under minute number < > and will be reviewed annually.

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**SLOUGH SCHOOLS FORUM
TERMS OF REFERENCE
HIGH NEEDS BLOCK TASK GROUP**

Objectives

This Task Group is established in line with the Slough Schools Forum Constitution which states: *'The Forum will agree to establish, as and when appropriate, task related sub-groups to discuss specific issues, and to produce draft advice and decisions for the Forum itself to consider. These groups can, where it is considered appropriate, include wider representation to ensure that the necessary expertise is included in the group'* (paragraph 4.3: Slough Schools Forum Constitution, revised November 2017).

To inform and ensure consistent and appropriate decisions within the statutory framework for special educational needs and disabilities (SEND) meet the identified needs of children and young people.

To ensure financial probity, transparent consultation and decision making in relation to additional resources to meet identified needs as funded by High Needs Block resources.

To fulfil the function of a Schools Forum High Needs Block Task Group.

Decision Making/Consultation

The group will inform decision making, consultation and allocation of High Needs Block Funding.

Governance

This group will report to Schools Forum as required with at least verbal feedback being provided at each Schools Forum meeting.

SBC Finance will provide financial acumen for the High Needs budget.

The group will report annually to the Slough SEND/Inclusion Partnership Board.

Membership

To include:

- HOS SEND as Chair
- SBC Finance category manager for the High Needs Block.
- Schools Forum members as advised by Schools Forum, ensuring balanced representation, across phases and types of provision with additional members invited as agreed by Schools Forum to ensure the full spread of expertise required to fulfil the function of the group.
- HOS Education Standards and Inclusive learning.
- HOS Access and Inclusion.
- Observers by invitation only, eg social workers, SENCOs, other health professionals.

Frequency

The Task Group will meet as required, with the agreement of the Schools Forum. Preferably termly to align with Schools Forum annual plan.

These Terms of Reference were approved at the Slough Schools Forum meeting held on < >, under minute number < > and will be reviewed annually.

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Slough Schools' Forum: 2018/19
PROPOSED Forward Agenda Plan

Meeting 1 – Tuesday 9 October 2018

No.	Description	Lead
1	Schools Forum Membership	
2	Schools Outturn	Nic Barani
3	Early Years Block 2018/19 outturn including 2 Year Old Funding and update 2018/19	Nic Barani
4	High Needs Block 2018/19 outturn	Nic Barani
5	Centrally retained outturn 2018/19 and update 2018/19	Nic Barani
6	Update from Task Groups: 5-16, HNB and Early Years (verbal)	
7	HNB/SEN financial issues and implications including commissioning of SEN places and financial forecast for year ending 2018/19	Head of SEND
8	SEND commissioning of SEN and AP places	Vikram Hansrani
9	Report of Banding and Resource Base working groups	Nic Barani
10	Scheme for Financing Schools: results of consultation	TBC
11	High Needs Block Update on planned expenditure and Centrally Retained Budget clarifications	Head of SEND
12	PFI Funding Clarification / Contribution	George Grant
13	Proposed formula changes 2018/19: results of consultation with all schools	Nic Barani
14	Schools Improvement update on centrally retained budgets/ESG	Cate Duffy
15	2018/19 Forward Agenda Plan/Key Decisions Log	

Meeting 2 – Wednesday 5 December 2018

No.	Description	Lead
1	Update on national funding issues/local funding issues	Nic Barani
2	Budget timetable for 2019/20	Nic Barani
3	Budget monitoring report (maintained schools)	Nic Barani
4	High Needs and SEN budget monitoring report including QA report and High Needs Place Change Notification (submitted in November)	Nic Barani & Head of SEN
5	Early Years budget monitoring report	Nic Barani
6	Centrally retained budget 19/20 and 18/19 monitoring	Nic Barani
7	National Fair Funding Update	Nic Barani
8	Draft Schools Block 2019/20 and proposed formula changes / consultation outcome	Nic Barani
9	De-delegated Budgets 2019/20	Nic Barani
10	Virtual School Headteacher's update with KPIs	Virtual School Headteacher
11	Update from Task Groups: 5-16, HNB and Early Years (verbal)	
12	2018/19 Forward Agenda Plan/Key Decisions Log	

Meeting 3 – Wednesday 16 January 2019

No.	Description	Lead
1	Update on national funding issues/local funding issues	Nic Barani
2	Funding Formula changes for 2019/20: update on completed APT	Nic Barani
3	Budget timeline for 2019/20	Nic Barani
4	Schools Block and Schools' Budgets 2019/20	
5	School Improvement update on centrally retained items	Johnny Kyriacou
6	Growth fund allocations and issues	Tony Madden
7	Update from Task Groups: 5-16, HNB and Early Years (verbal)	
8	Early Years Block 2019/20 – Including Centrally Retained	
9	2018/19 Forward Agenda Plan/Key Decisions Log	

Meeting 4 –Tuesday 5 March 2019

No.	Description	Lead
1.	Update on national funding issues/local funding issues	Nic Barani
2.	Confirmation of indicative budgets	Nic Barani
3.	High Needs Places	
4.	Annual consultation on 2019/20 High Needs Block	
5.	Annual consultation on 2018/19 Early Years Block	Nic Barani
6.	Update on centrally retained items: all blocks	Nic Barani
7.	Update from Task Groups: 5-16, HNB and Early Years (verbal)	
8.	Growth fund allocations and issues update	Tony Madden
9	2018/19 Forward Agenda Plan/Key Decisions Log	

Meeting 5 – Wednesday 15 May 2019

No.	Description	Lead
1.	Update on national funding issues/local funding issues	Nic Barani
3.	Update from Task Groups: 5-16, HNB and Early Years (verbal)	
4.	Update from Schools Improvement and centrally retained areas	Cate Duffy/ Johnny Kyriacou
5	2018/19 Forward Agenda Plan/Key Decisions Log	

Meeting 6 –Thursday 4 July 2019

No.	Description	Lead
1.	Update on national funding issues/local funding issues	Nic Barani
2.	Update on growth allocations and issues	Tony Madden
3.	Centrally retained outturn reports 2019/20 (High Needs, Early Years and Schools Block)	Nic Barani
4.	Review of the Scheme for Financing Schools 2019/20	Nic Barani
5	Update on Closure of Accounts including indicative outturns	Nic Barani
6	Update from Task Groups: 5-16, HNB and Early Years (verbal)	
7	Special report on Early Years 30 hour provision	
8.	2019/20 Forward Agenda Plan/Key Decisions Log	

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Schools Forum Key Decisions Log September 2016 and ongoing

Issue and Decision	Schools Forum date	Schools Forum agenda item no.	School Forum Minute
Membership Update			
Kathleen Higgins attending as an observer now that Beechwood is an academy	13/10/2016	4	511
PFI Proposal			
Clarification of factor and SBC contribution to affordability gap deferred to December	13/10/2016	5	510
High Needs Block			
Significant pressure on High Needs Block with overspend in range of 800k. Range of recovery options being considered by SBC	13/10/2016	7	514
PFI Update			
£500k PFI contribution raised by the new finance officer (section 151). It was flagged up that the council may need to make a further request for contribution from the DSG. Other savings will be explored across the council but if a further request is made a full consultation will be employed with schools.	06/12/2016	5	524
High Needs Block			
Overspend has been reduced to £300k at the current time. Figure can still fluctuate. Detailed recovery plan will be drafted.	06/12/2016	6	525
Centrally Retained			
Recommendation agreed to retain £723,598	06/12/2016	7	526
Education Support Grant			
School improvement and statutory services noted and Schools Forum agreed the transfer of the £430k from ESG to centrally retained. Total supported functions amount to £1.036 million. Includes bridging post between STSA and SBC	06/12/2016	8	527
De-delegated items			
Behaviour Support Services (SEBDOS) approved but 5k for trade union activity NOT approved	06/12/2016	10	529
Growth Fund 2017-18			
£900k centrally retained support for primary and secondary 2017/18 approved.	06/12/2016	11	530
Matters arising			
SBC will not seek any portion of 500k PFI affordability gap for 2017/18. May present new proposals for 2018-19 following full consultation.	10/01/2017	2	537
ESG de-delegation			
45k ESG de-delegation paper approved by maintained schools.	10/01/2017	3	538
Schools Block Budget			
SBC consulted on requesting one-off 300k top slice from High Needs Block. Slough losing money overall as a result of change to National Funding Formula. Schools Forum encourages all schools to respond to Phase 2 of the DfE NFF consultation which closes 22nd March and will share response from Schools Forum once complete at March meeting.	10/01/2017	4 and 5	539
Forum membership			
Updated membership in light of academy conversions meant deleting two vacancies from maintained schools and need to recruit two new academy members.	10/01/2017	9	544
National Fair Funding Update			
DfE Stage 2 consultation: schools were encouraged to make individual responses (deadline 22nd March) in addition to collective Schools Forum response. https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/	09/02/2017	4	550
Growth Fund 2017-18			
2017-18 Growth Fund criteria agreed. Unit values were previously in line with 2015-16 AWPU values, but 2017-18 AWPU rates will now be used, with average of KS3 and KS4 for secondary. Agreed to fund numbers in bulge classes which open / fill after October census subject to costing and noted that Growth Fund criteria have to be confirmed by Schools Forum every year.	09/02/2017	6	552
High Needs Block			
Schools Forum consulted on draft High Needs Block and some outstanding clarifications pending. .	09/02/2017	7	553
Matters Arising			

Schools Forum Key Decisions Log September 2016 and ongoing

A firm commitment was made by the LA to bring a detailed report to the October Schools Forum meeting to explain all PFI identified within the DSG, particularly relating to the Council's contribution and to the High Needs Block.	06/07/2017	3	562
Review of Scheme for Financing Schools			
A review will be completed over summer with consultation (maintained schools only) in September and proposals for any amendments to come to Schools Forum in October.	06/07/2017	4	563
Early Years Funding Formula			
The hourly rates for 2 year olds, and for 3 and 4 year olds have been implemented following consultation; consultation will be carried out with regard to 2018/19 formula; required to move to full implementation of universal base rate for 3 and 4 year olds by April 2019.	06/07/2017	6	565
Membership			
Vacancies in academy membership and extensions of terms of office of a number of members to be progressed with relevant groups: academy proprietors and Chairs of Governors as appropriate.	06/07/2017	7	566
High Needs Block Centrally Retained			
Centrally retained budget of £2.4 million: work in progress with savings of £100k identified to date; further review over the summer and detailed breakdown will be provided for October Schools Forum including all references to PFI in High Needs Block.	06/07/2017	8	567
High Needs Group Terms of Reference			
Terms of Reference for High Needs Group were endorsed.	06/07/2017	9	568
Membership			
The membership of a number of members of Schools Forum was confirmed for a further term of office to July 2019 following consultation with academies and maintained schools: Maggie Waller, Navroop Mehat, Carol Pearce and Angela Mellish (maintained) and Helen Huntley, Gillian Coffey, Nicky Willis, Jo Rockall and John Constable (academies). Three academy vacancies: Kathleen Higgins and Valerie Harffey proposals have been agreed; one further nomination had been made: Peter Collins and this will be followed up.	10/10/2017	2	575
Chair and Vice Chair			
Election of Maggie Waller as Chair and John Constable as Vice Chair confirmed to June 2018	10/10/2017	2	575
Schools' DSG Out-Turn 2016/17			
Report noted with the 13 maintained schools carry forward balances.	10/10/2017	5	578
Early Years Funding			
Report noted and EY Task Group to meet as part of the development of the 2018-19 budget.	10/10/2017	6	579
High Needs Block			
Report noted including 2016/17 overspend in High Needs Block on £1,468,700. Aim is to balance the spend over two years and work is ongoing with further detail and clarification to be covered in High Needs Block group due to meet in October.	10/10/2017	7	580
National Funding Formula			
Update provided and Task Group to meet to look at modelling for 2018/19 transition to NFF.	10/10/2017	10	583
Langley Hall Primary Academy: Exceptional Premises Factor Request			
A request from Langley Hall Primary Academy for the creation of an exceptional premises factor to support payment of a school buildings lease was referred to all schools for full and detailed consultation. Following the consultation, as proposed in the report, Schools Forum will make the final decision about the factor, taking account of the results of the consultation.	10/10/2017	11	584
Scheme for Financing Schools			
Consultation with maintained schools to take place on changes to the Scheme for Financing Schools. Changes are to bring Scheme in line with DfE current guidance.	10/10/2017	12	585
School Improvement and Education Services Grant 2017/18			
Report corrected inaccuracies from December 2016 reports and re-profiled the ESG elements correctly. Implication is that funding of School Improvement supported by Schools Forum could be reduced for 2018/19.	10/10/2017	13	586
Minutes of Previous Meeting			
John Constable would write to academy proprietors requesting approval of the appointment of Peter Collins	09/11/2017	3	593
Clerk to draft letter to members who did not attend Schools Forum meetings regularly			
John Voytal to circulate table of Scheme for Financing Schools			
Schools National Funding Formula 2018/19			
NFF models to be submitted to 5-16 Task Group prior to consultation with schools	09/11/2017	5	595

Schools Forum Key Decisions Log September 2016 and ongoing

Schools Forum Constitution Update			
Slough Schools Forum Guidance update to be taken to full Council	09/11/2017	7	597
Matters Arising			
Noted closing date for election process for academy member noted: Friday 8 December 2017	06/12/2017	2	602
Formula Changes for 2018/19			
3 options presented at meeting, consultation to be sent to schools, agreed to extend closing date for responses to 9 January 2018.	06/12/2017	4	604
Scheme for Financing Schools			
Reported no issues following consultation. Consultation with maintained schools completed. Maintained schools' members of Forum approved the revised scheme.	06/12/2017	6	606
Report on Resources Base Task Group Proposal/High Needs Commissioning Places			
Review of bandings to be carried out and separate Task Group to be formed to focus on Resource Bases. High Needs Commissioned places summary presented and increase to places noted. List of applicable schools to be reviewed.	06/12/2017	8 and 9	608/609
High Needs Centrally Retained Clarification (budget codes and descriptors/Centrally Retained Budgets 2017-18)			
Updated centrally retained budget information presented with updated descriptors following meetings of High Needs Task Group; proportion of budget spent to date to be presented at next meeting of Schools Forum with further information.	06/12/2017	10 and 11	610/611
Matters Arising			
Peter Collins agreed as member of Schools Forum, representing academy schools.	17/01/2018	3	617
2017/18 DSG Monitoring Report			
Schools Forum noted DSG projected overspend of £3.4M across all three blocks – Schools, Early Years and High Needs with projected £4.1m cumulative overspend in High Needs Block.	17/01/2018	4	618
Funding Formula Changes 2018/19			
Consultation with schools closed, 41% response, majority in favour of Option 2. £165k additional funding available following transfer into CSSB agreed under agenda item 6; Forum endorsed SB Task Group recommendation to allocate this funding in proportion across the factors in the formula.	17/01/2018	5	619
Central Services Schools Block (CSSB)			
Forum approved transfer of £124,000 for licences and £52,000 for historical items to CSSB from Schools Block, to cover partial shortfall in DfE funding. Updated report subsequently posted on SBC website following meeting	17/01/2018	6	620
Early Years			
Forum noted EY Task Group recommendations regarding implementation of EYNFF for 2018-19	17/01/2018	7	621
Growth Fund 2017-18			
Forum approved approximately £90,000 from 2017/18 underspend to part-fund Grove Academy 'ghost places' places. Forum agreed Growth Fund criteria for 2018/19, with AWPU rates based on 2018-19 formula.	17/01/2018	8	622
De-delegation Report			
Maintained school members agreed de-delegation for SEBDOS Behaviour Support Service, subject to revised unit costs, to reflect rates for primary and secondary as agreed in December 2015.	17/01/2018	9	623
2017-18 Forward Agenda Plan and Key Decision Log			
Forum agreed appointment of Chair and Vice Chair be held at July 2018 meeting, prior to first meeting in the 2018-19 academic year.	17/01/2018	12	626
Confirmation of Indicative Budgets 2018-19			
Schools Forum agreed to transfer funding as follows: £17,325 from HNB to the CSSB £100,045 from HNB to the CSSB for ongoing responsibilities £548,000 from HNB to the SB for PFI	06/03/2018	5	632
Early Years Block			
The same level of activity and model for 2018-19 would be required to maintain a similar level of centrally retained spend. In principle, Schools Forum endorsed this and a detailed report would be presented at the next meeting for formal approval.	06/03/2018	6	633

Schools Forum Key Decisions Log September 2016 and ongoing

PFI Update Report			
The Schools Block contribution was confirmed as £297,000 for one academic year only, 2018-19 and would be reviewed for 2019-20 A table would be produced to show where contributions had been made to the sum of £297,000.	06/03/2018	8	634
High Needs Block Budget 2018-19			
Members approved the centrally retained element for 2018-19 of £2.3m, which was a slight decrease on 2017-18.	06/03/2018	9	635