

## SLOUGH SCHOOLS FORUM

### **SCHOOLS GROUP:**

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

### **OBSERVERS:**

Jamie Rockman, Neil Sykes and Councillor Shabnum Sadiq

### **LOCAL AUTHORITY:**

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

**DATE & TIME: WEDNESDAY, 10TH OCTOBER, 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 5 July, 2018

**(Pages 1 - 8)**

4. Schools Forum Membership/appointment of Vice Chair
5. Update on national funding issues/local funding issues
6. Consultation Results on the Scheme for Financing Schools and Licensed Deficit scheme **(Pages 9 - 74)**
7. SEND commissioning of SEN & AP Places **(Pages 75 - 78)**
8. Report of Banding and Resource Base working groups **(Pages 79 - 84)**
9. Update from Task Groups: 5-16, HNB and Early Years
10. Academies Update
11. 2018-19 Forward Agenda Plan/Key Decisions Log **(Pages 85 - 90)**

**Slough Schools Forum- Meeting held on Thursday, 5th July, 2018**

**Present:** Maggie Waller, Holy Family Primary School (Chair)  
John Constable, Langley Grammar School (Vice Chair)  
Peter Collins, Slough and Eton CofE  
Valerie Harffey, Ryvers Primary School  
Kathleen Higgins, Beechwood Secondary School  
Helen Huntley, Haybrook College/PRU  
Navroop Mehat, Wexham Court Primary School  
Eddie Neighbour, Upton Court Grammar School  
Carol Pearce, Penn Wood Primary School  
Kathy Perry, Mighty Acorns Day Nursery  
Jon Reekie, Baylis Court Trust MAT/Godolphin Infant School  
Jo Rockall, Herschel Grammar School  
Nicky Willis, Cippenham Primary School

**Observers:** Jamie Rockman, Haybrook College

**Officers:** Catherine Cochran, George Grant, Michael Jarrett, Tony Madden (part of meeting) and Susan Woodland

**Apologies:** Gillian Coffey, Philip Gregory, Jo Matthews, Angela Mellish, Domenico Barani, Cate Duffy, Johnny Kyriacou and Vikram Hansrani

**No Apologies:** Richard Kirkham

**The Meeting opened at 8.15am**

**640. Apologies**

The Chair welcomed everyone to the meeting. In particular, Jamie Rockman as an observer on this occasion, who would be replacing Helen Huntley at Haybrook College and Kathy Perry, new PVI representative member from Mighty Acorns Nursery, who had a wide knowledge of early years.

All those present introduced themselves.

Members noted that this would be Helen Huntley's last meeting and the Chair thanked her for her valuable contributions as both a member of Schools Forum and as a champion of children and young people with special needs.

Apologies had been received from Nic Barani, Gillian Coffey, Cate Duffy, Philip Gregory, Vikram Hansrani, Johnny Kyriacou, Jo Matthews and Angela Mellish. No apologies had been received from Richard Kirkham.

**8.17am: Navroop Mehat and Tony Madden arrived at the meeting**

**641. Declarations of Interest**

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

#### **642. Minutes of Previous Meeting held on 6 March 2018**

The minutes of the Schools Forum meeting held on 6 March 2018 were approved as a correct record.

##### **Matters Arising from those Minutes:**

**Minute 629 refers:** It was confirmed that the Schools Forum Constitution 2017 had been posted on Slough Borough Council's (SBC) website.

**Minute 631 refers:** George Grant was thanked for providing the information regarding SBC reserves, noting that the link to the website area had been provided in the minutes.

**Minute 635 refers:** Clarity had been requested about PRU top-ups and it was confirmed that Nic Barani had followed this up.

**Minute 639(b) refers:** George Grant thanked maintained schools for their support of the Local Authority (LA), following the LA's request to close accounts and provide information earlier than in previous years.

#### **643. Update on National/Local Funding Issues**

Susan Woodland advised that LA Finance staff had attended DfE workshops, and the DfE were scheduled to issue new guidance documents in July. These documents were expected to indicate the 'way forward' for schools' funding and the LA would share this information with members when it became available, with a supporting summary.

Susan Woodland provided a number of updates.

Growth for 2019/20 would be reviewed in line with spend over previous years. There would be an area for adjustments but what this would cover was unknown. The levels schools would be funded on, in addition to the Minimum Funding Guarantee (MFG), would be based on 2017/18 funding values but further information was expected in the guidance.

It was known the minimum per annum overall pupil levels would increase to £3,500 for primary pupils and £4,800 for secondary pupils in 2019/20.

There was to be a new audit tool to replace SFVS, effective from 2019, but there were no indications what this would entail.

There would also be a spending review but there was uncertainty over the time scale and the possible impact of Brexit. With effect from 2020/21 there was an expectation that the LA would need to start reducing historical elements of the Central Schools Services Block (CSSB). In Slough this currently affected the Virtual School (£100,000) and LSCB (£30,000) allocations. Alternative models would need to be explored for 2019-20 block allocation. It was queried whether these elements could be transferred into another funding block. Concern was expressed about any possible implications for the Virtual School and George Grant agreed to advise the Headteacher although it was noted that it would be important to identify all possible options of dealing with this change.

Complete contracts for purchasing were also being promoted. Information had been published and would be shared with schools, who would need to consider what best suited their setting.

Susan Woodland was thanked for advising Schools Forum of these forthcoming changes.

Susan Woodland further explained that a 50% move to National Funding Formula (NFF) had been agreed by Schools Forum for 2018/19. Schools Forum members were asked what their preferences were as the Finance team would be carrying out draft modelling for 2019/20 over the summer. It was pointed out there was uncertainty about when the full NFF would take place which could alter plans. It was suggested there should be modelling as per the current arrangement of the 50% move towards NFF (status quo), 75% and a maximum. With regard to the reallocations to different blocks agreed for 2018/19, it was noted that moving monies had been a decision taken for only one year. Susan Woodland noted that the baseline for 2017/18 would be used as the starting point by the DfE. George Grant explained that the first 5-16 Task Group meeting of the new academic year would consider this. Increased clarity would possibly be available later in July, with estimates and documents which should outline what the NFF would be for 2019/20. It was confirmed there remained a number of unknowns. It was suggested the 5-16 Task Group should meet in early September and report back to the first Schools Forum meeting of the new academic year. Susan Woodland agreed to circulate suggested meeting dates by email and information about when the consultation with schools was likely to take place.

Again, it was stressed that more detail was anticipated when the DfE documents were issued.

**The meeting moved to item 6 on the agenda:**

**644. Growth Fund 2017-18: update**

It was noted that Schools Forum had agreed the criteria for 2018/19 at their January 2018 meeting.

Attention was drawn to the supporting Appendix A showing there had been no change apart from the £90,000 towards the opening of Grove Academy, of which Schools Forum had agreed to fund up to 50%. This was not yet finalised, due to uncertainty about the cost of underwriting and would be reported to Schools Forum at the January 2019 meeting.

Tony Madden took Schools Forum through the Appendices setting out the out-turn for 2017/18 which was £85,000, after the contribution towards Grove Academy, and the estimates for 2018/19. The estimate was based upon agreed DSG £900,000 top slice, plus £85,000 carry forward and forecast an underspend of £200,000.

In Appendix B, any known changes including reductions in PAN were noted. James Elliman had been removed as it had been understood they were to reduce their admission number. However, this would not now happen until 2019, which Tony Madden was to discuss further with the School; if a fourth teacher had been appointed the issue would be referred to Schools Forum.

It was pointed out that there was pressure on schools due to a lack of funding after the first year of bulge classes where such classes failed to fill and this impacted year on year; the issue might be exacerbated by the recent drop in inward migration to the town. It was suggested this issue, and its implications, should be discussed further by Schools Forum at their January 2019 meeting.

The descriptor columns in Tony Madden's report were discussed and it was suggested the information be presented under one 'Growth Fund' column. Susan Woodland reminded members that the LA also had to fund academies 5/12s and advised caution. It was agreed that Tony Madden and Susan Woodland would review the layout of the report.

### **9.00am: Tony Madden left the meeting**

### **The meeting returned to the running order of the agenda:**

#### **645. Schools Forum Membership**

The Chair explained that Slough Schools Forum had comprised 20 members, with a broad representation across maintained schools, academies and other settings. The Children's Centre position had been deleted bringing the current membership to 19. As noted, Kathy Perry had joined as PVI representative, following the recent end of Sally Eaton's term of office. There was currently a vacancy for Arbour Vale as the only maintained special school in Slough, but the school was in the process of converting to academy status and therefore it was likely the full membership would become 18.

The Chair had reviewed the January census figures. The only change was to ask members to endorse the recommendation to review the vacancy for an academy representative from both special schools and Pupil Referral Units in the autumn term as there would be a vacancy created by Helen Huntley's retirement. Due to the current uncertainty about the academisation timescale for Arbour Vale, the headteachers of Arbour Vale and Haybrook would be invited to attend as observers until the situation became clear.

It was agreed that the situation should be reviewed in October 2018.

#### **646. Annual DSG Report 2017-18**

George Grant presented a comprehensive report on the 2017-18 DSG out-turn across Early Years, Schools and High Needs Blocks, together with a commentary on the impact of spending. Schools Block had broken even, Early Years showed a surplus and the High Needs Block had overspent (noted in Table 1 of the report).

Within the Schools Block the majority of funding was passed to schools hence the break-even position. The impact of the centrally retained expenditure was detailed in supporting Appendix C.

The Early Years Block underspend of £818,000 was primarily because of demand-led 30 hours provision, with slower than expected uptake (reflecting the national picture). The reasons for the variances were set out in paragraph 4.3.6.

High Needs was significantly overspent: this was not new information, but it was significant and of concern accounting for an accumulated deficit now of £5.5m.

The situation in Slough was reflected across the country and there was a national task group of Children's Services working on this issue, with a view to lobbying Government. There was not enough funding allocated to High Needs and it was not anticipated that this would lead to any developments in the short term, and possibly medium term. It was anticipated the deficit balance could increase before it improved.

The report outlined the main pressures and causes of overspend (see 4.4.6 and 4.4.7) and gave a year on year analysis within the report. The main factor was an increase in out-of-borough placements for complex needs.

It was noted that a range of initiatives was being explored to reduce the High Needs Block deficit over the next three years and a report would be presented to Schools Forum when potential savings had been quantified.

Members made it clear that the current reviews should focus on value for money and provision, not just savings.

Peter Collins stated clearly, on behalf of Headteachers involved in the Resource Base review group, that the group was assured the focus was about provision and ensuring that children were receiving the correct support in the right setting. On behalf of the LA, it was confirmed that the review was intended to ensure children were placed in the right provision for them whilst making the best use of the funding available.

It was noted that language was very important and that identifying this review as being about potential savings was not helpful.

With regard to the Banding Review, it was noted that schools felt that top up bandings did not recognise economies of scale, which should be given recognition. Schools could be in danger of going into deficit and the Forum had to be mindful of the pressures on schools.

It was noted that there had been overspending on 'hard to place' funding due to the lack of places available in Years 10 and 11; it was stressed these had not been vulnerable students, there had just not been enough places available. This should not have been funded from the High Needs Block and had amounted to approximately £200,000.

There was a strength of feeling among members that the High Needs Block required more attention at Schools Forum to ensure a high standard of provision was maintained.

Paragraph 4.6.6 contained a table giving an overview of maintained schools' balances; it was felt the majority were reasonable. It was noted that one was in deficit and following meetings with the LA, a plan had been put in place to deal with the situation; two schools highlighted had low balances and had agreed budget plans in place for the new academic year. The LA felt the schools would benefit from the support given.

A member asked what action was being taken for those schools that had a large surplus. George Grant explained the schools with high balances were approached by the LA to understand why. The schools quoted in the report had planned for specific projects i.e. premises etc.

It was queried whether the process was robust enough. George Grant confirmed that forward plans were known, the large expenditure was not in isolation and there should be long term planning to be aware of how resources were being used. There were time scales in place and the LA did challenge and address such schools. It was felt the system was robust and in line with academies. It was also noted that the DfE monitored school balances.

It was pointed out that the Growth Fund outlined in the report did not match that in Tony Madden's report. George Grant agreed to follow this up and would advise members accordingly (**Update:** the differences noted were in relation to back payments which had been honoured in 2017-18).

George Grant was thanked for his full and informative report and it was agreed that this should be an annual report to Schools Forum.

#### **647. Review of the Scheme for Financing Schools 2017-18**

It was noted that the DfE had published directed revisions for LAs to include in their local Scheme for Financing Schools. Changes to arrangements for loans were one issue. It was known that a number of LAs were making loans to schools. George Grant added that it had not been necessary to support schools in a deficit situation in this way previously but there now had to be a clear mechanism in place showing how the LA would operate. Loans could no longer be used by any LA to support a deficit. The report proposed putting in place a licensed deficit scheme. It was explained that if a school were in deficit there was a need to provide a scheme of support. There would be criteria in place if a school were to apply for the fund and details would be going out to maintained schools with the Scheme for consultation.

It was questioned whether the LA would be consulting on the principle only and it was confirmed that more detail would be included in the information sent to schools. It was pointed out that there were now a low number of maintained schools in Slough, with reduced funding and there could be a situation where there were no surpluses to fund such a scheme.

It was questioned whether the method of licensed deficits should be introduced for Slough schools and members felt that the full detail of any proposal for a consultation on such a change should have been presented to Schools Forum first, as it was the Schools Forum that ultimately agreed changes to the Scheme for Financing Schools. George Grant agreed a document outlining the detail of the proposed licensed deficit scheme would be circulated to members by email prior to the consultation with schools.

#### **648. Early Years Centrally Retained 2018-19**

Michael Jarrett presented a report outlining the proposed use of £791,000 centrally retained funds across the Early Years Block. It was noted that for 2018-19, the DfE had mandated a reduction in centrally retained funds for English LAs from 7% to 5%. It was noted that this was a pressure alongside the roll out of 30 hours' provision. It was noted that there could be changes depending on take up.

The details of the centrally retained Early Years funding for 2018-19 set out in the report, including paragraph 4.5, were noted and lines of expenditure approved.



It was noted that, during previous years, funding had been made available to Littledown for behaviour support but the take up had been poor. It was suggested this should be reviewed to possibly introduce a pay-as-used system and Michael Jarrett would discuss this further with the Headteacher of Littledown. In answer to a query, Michael Jarrett confirmed he did not understand why this was the case, querying whether there was a misunderstanding amongst providers, as it was advantageous to start such support in the early years. It was noted that there was a need to raise the profile and market the provision. It had been suggested this issue applied also to the Disability Access Fund and it was noted that work had already been carried out around this.

**649. Update from Task Groups (to include draft Terms of Reference)**

**5-16:** had not met.

**Early Years:** had not met.

**High Needs:** had not met although the two groups looking at Resource Bases and Banding were continuing.

Draft Terms of Reference for all three Task Groups had been circulated with the agenda and were **APPROVED** by Schools Forum.

**The meeting moved to item 12 on the agenda:**

**650. Academies update**

There was nothing further to report.

**651. Proposed Forward Agenda Plan 2018-19 & Key Decision Log**

The proposed Forward Agenda Plan 2018/19 & Key Decisions Log were noted and would be updated by the Chair and Clerk. Proposed dates for Schools Forum meetings were:

Tuesday 9 October 2018

Tuesday 4th December 2018 (**Update:** this is a change from the date listed in the Schools Forum papers which members are asked to note)

Wednesday 16 January 2019

Tuesday 5 March 2019

Wednesday 15 May 2019

Thursday 4 July 2019

The dates would be checked against Primary Headteacher and SASH meetings.

It was agreed the venue and start time would remain the same.

**The meeting returned to item 11 on the agenda:**

**652. Election of Chair and Vice Chair**

The Chair thanked Helen Huntley for her contributions to Schools Forum and all her hard work and support for vulnerable children and their needs, which was acknowledged by all present.

As noted at the previous meeting, the Chair would be standing down at the beginning of the new academic year and nominations for the position were invited:

John Constable was proposed by Peter Collins to be Chair of Schools Forum for two years, seconded by Helen Huntley.

Any member interested in taking on the role of Vice Chair was asked to contact John Constable or Maggie Waller.

A presentation was made to Maggie Waller, thanking her for all her work and dedication as Chair of Slough Schools Forum.

**Meeting closed at 10.05am**

**SLOUGH SCHOOLS' FORUM**  
**10 Oct 2018**

**Directorate of Children Learning and Skills**

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**Consultation Results on The Scheme for Financing Schools and Licenced Deficit Scheme**

**1 Purpose of Report**

To advise the Forum of the results of the autumn consultation on the changes to the scheme for financing schools and a licenced deficit scheme for schools (**Appendix 1**). If approved, the licenced deficit scheme will form part of the scheme for financing schools. This only applies to maintained schools as the ESFA is charged with supporting academies who find themselves in a deficit budget position and the Academies handbook governs the financial operation of academies.

**Background**

In 2018-19 a directed revision to the Scheme for Financing Schools was made by the Secretary of State for Education. The revision made it clear that Local Authorities could not operate a revenue loan system for schools who find themselves in a deficit budget position. As school budgets get more pressured and schools find it harder to achieve a balanced budget, the local authority requires a process in which it enables schools to receive funding to cover any deficit. The options for doing this were set out in the consultation document sent to schools. Directed revisions to the scheme for financing schools have been included into Slough's scheme along with a few other alterations in order to bring it in line with the DfE scheme for 2018/19. This will make it easier to cross reference any chapters referred to by the DfE.

**2 Licenced Deficit**

The proposals for a licenced deficit are contained within the main consultation document.

**2.2** The results of the consultation are as follows:

- All of the schools who responded voted for "C" Cash Advance only

**3 Scheme for Financing Schools**

A revised Scheme for Financing Schools can be found at **Appendix 2**. 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>

The summary of changes made to the scheme (excluding numbering revisions) can be found in **Appendix 3**.

**3.2** The results of the consultation are as follows;

- Two out of the three schools who responded voted to accept the revised scheme for financing schools.
- One school declined to accept the scheme due to areas within the scheme other than the directed revisions.

## **4 RECOMMENDATIONS**

**4.1** Forum Agrees:

- To note the outcome from the consultation and approves the adoption of the revised Scheme for Financing Schools that accompanies this report.
- Notes the outcome of the consultation for a licence deficit scheme and the preferred option; C – Cash advances.
- To review the Licenced Deficit scheme with a view to including it into the current scheme for financing schools once finalised.

## **5 ALTERNATIVE OPTIONS CONSIDERED**

**5.1** Not applicable

## **6 SUPPORTING INFORMATION**

**6.1** The results of the consultation are appended to this report

## **7 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS**

**7.1** Monitoring Officer

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

**7.2** Section 151 Officer – Strategic Director of Resources

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

**7.3** Access Implications

There are no access implications.

## **8 CONSULTATION**

**8.1** Consultation results are appended to this report.

Contact for further information

Susan Woodland  
DSG Consultant

[susan.woodland@slough.gov.uk](mailto:susan.woodland@slough.gov.uk)

## Results of Consultation

### Q1. Is your school happy to accept Slough Borough Council's Scheme for

Yes	No	Comment
2	1	<p>We do not agree because:</p> <p>Para 2.14 The £20k is inconsistent with para 2.10.2. Surely it is not appropriate to be discussing operational elements of the school devolved budget with the LA – e.g. the purchase of a mini bus or a suite of PC that come to say £25k is a school matter and not council based. As a minimum the two paragraphs outlined above should be consistent and at a sensible value i.e. £60k currently disclosed – but even this figure should be inflated – as it has remained £60k for a number of years.</p> <p>Para 4.22. If it is being suggested that 5% and 8% are recommend / good practise thresholds – and no supporting information is requested at these levels (or in deed below these percentages ) – then by default if a school has a higher percentage than the recommended figs – it's only the additional/ difference that requires explanation. Not the full amount. E.g. Secondary School A has 5% reserves – nothing is required as supporting information but Secondary School B has 5.5% and has to explain all the balance – that cannot be a pragmatic approach and way forward.</p>

### Financing Schools as outlined in Appendix 1?

### Q2. Schools are asked to express their view on the preferred approach to dealing with any school facing a deficit budget position.

**A – De Delegation, B – Schools Balances, C – Cash Advance**

**Please note option C can be utilised alongside either of the other two options and where possible will be utilised prior to either of the other two options**

A	B	C	Comment
		3	<p>I believe that with good budgeting and monitoring a school should not get into deficit. The Local Authority should be looking at schools' set budgets and quarterly monitoring. They should be aware of a school's situation, if correct reporting is being done and looked at. They should intervene and question schools if they can see that problems might occur. This would mean meeting with the school, finance staff, headteacher and governors; investigating and making suggestions. A school shouldn't be left unaided to get into a position of a continued deficit.</p> <p>Also why should a school that has budgeted well, making savings where needed, monitored quarterly checking on their position, bail out schools that are unwilling to make changes and look at ways to make savings, carrying on spending knowing they don't have funds available. Yes, we</p>

		should help others, but just giving money isn't always the answer
		We believe that any school that mismanages their finances should be tasked with the delivering corrective action without impacting on its peer schools
		We are not happy to accept options A and/or B due to the current uncertainty in schools funding as we would have concerns that we would not be in a position to contribute – discussed and agreed by the GB and Head
		Licensed deficits - My concern is that the impact on the maintained schools could be an issue as they are small in number and likely to decrease. I would also I would like to see a role for Schools Forum in agreeing any scheme annually and also in the decision re any individual school.

**Consultation Document  
Slough Borough Council  
Scheme for Financing Schools 2018/19**

**Purpose of the Consultation (Maintained schools only)**

At its meeting in July 2018, Slough Schools Forum agreed to consult all maintained schools on the 2018/19 Scheme for Financing Schools and the operation of a Licenced deficit scheme.

**Background**

In July 2018, Schools Forum was presented with a draft report (Appendix 1) outlining the proposed Scheme for Financing Schools for 2018/19. The scheme contains all directed revisions and updates from the latest Department for Education (DfE) document; “Scheme for financing schools – Statutory guidance for local authorities (Issue 9)”. A copy of the document is available on the Department for Education (DfE) website.

Whilst making the changes required for 2018/19 it was agreed that the scheme would be updated and revised inline with the DfE scheme guidance document. Schools forum requested that an appendix detailing the text changes be appended to the consultation to aid schools in their decision making. Please see Appendix 2.

Detailed below is the Directed Revision from the Secretary of State for Education (DfE) for the scheme for financing schools, along with additional updates to the guidance.

**Directed Revision 2018**

The Secretary of State may by direction revise the whole or any part of the scheme from such a date as may be specified in the direction. In order to make a directed revision to schemes, the Secretary of State is required, by provisions in the School Standards and Framework Act 1998, to consult the relevant local authorities and other interested parties. Following consultation, the Secretary of State directs that from 22 March 2018 the text below shall be incorporated into the scheme 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.

## Updates to the guidance

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)

### **Q1. Is your school happy to accept Slough Borough Council's Scheme for Financing Schools as outlined in Appendix 1?**

Yes – Accept

No – Decline

Comments:

## Licensed Deficit Scheme



The latest directed revision prohibits the local authority from loaning revenue funds to schools including loans to offset a deficit. A local authority is still permitted to grant a loan to a school for capital expenditure.

The Implementation of a licensed deficit scheme will allow schools in financial difficulty to plan for a deficit budget. However, the scheme will only be implemented when a school needs to set a deficit budget **and** has no revenue reserves.

A licensed deficit should specify;

1. the maximum length over which schools may repay the deficit (i.e. reach at least a zero balance), with appropriate mechanism to ensure that the deficits are not simply extended indefinitely. The maximum length allowed should not exceed three years.

**Slough will specify the repayment period to be over 3 years.**

2. the purposes for which the deficit arrangement may be agreed

**Slough will require any deficit arrangement agreed, be to support the operation of a school whose revenue budget, when deployed is insufficient to meet the operating costs of that school**

3. 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).

**Slough will determine this on the circumstances presented and on the available funding.**

4. the maximum proportion of the collective balances held by the authority which will be used to back the arrangement.

**This will depend on the sums or percentages of balances that schools in Slough are willing to volunteer to be part of the scheme**

5. the role of the Director of Children's Services and the Chief Finance Officer of the Authority in agreeing any arrangements for individual schools.

**This will be agreed with the both post holders prior to the issuance of the final licenced deficit scheme.**

Under a licensed deficit scheme the only effect on budget and out-turn statements is that in the latter, the balance goes into deficit because expenditure is at a higher level than the budget share, but this deficit reduces to zero by the end of repayment period. No 'payment' to the school is recorded. Historically the DfE have found the most common way to manage licenced deficits is to use schools revenue balances.

The proposed options for the operation of a licenced deficit are;

- a) De-Delegation - Utilise the de-delegation option in the schools funding formula. An authority is allowed to have an item under contingencies for schools in financial difficulty. This would operate along the same lines as the current behaviour support budget. A per pupil amount will be deducted from schools budget shares and held centrally in order to support schools. Funding is not lost to schools as the pot will be replenished by the repayments from the borrowing school. This option is perhaps the most logical as it is intended for maintained schools only and is specifically mentioned in the schools revenue funding operations guide 2019-20 (page 53 – De-delegation section 142.3). It also allows for primary and secondary rates to be set at differing values. If using just one value the following would apply, based on 2018/19 pupil data:
- a. £6.56 per pupil would create a pot of circa £50k
  - b. £13.12 per pupil would create a pot of circa £100k
  - c. £19.68 per pupil would create a pot of circa £150k
- b) Schools Balances – This would require a voluntary contribution from schools from their revenue balances. This is easier for cash schools as the authority makes the actual payments to creditors from centrally held funds. A school can go into deficit under a licenced deficit scheme because the authority would continue to make the payments to creditors and use the combined reserves of all schools to offset the deficit. This would be providing there are sufficient reserves at other schools to cover the deficit. Essentially a department within a company overspends but this is offset by the profit and underspends from other departments, so the company itself makes a profit. The value of the pot in this instance would be determined by the number of schools willing to contribute to it. Funds if agreed would be collected from budget schools via an invoice.
- c) Cash Advance – A schools budget share can be reprofiled to allow for them to draw an advanced payment on their school budget share with deductions in later months to enable time for the school to address the budget deficit. This option will only be suitable where a school who has a deficit and can make sufficient in year savings in order to end the year with a balanced budget.

**Q2. Schools are asked to express their view on the preferred approach to dealing with any school facing a deficit budget position.**

**Please note option C can be utilised alongside either of the other two options and where possible will be utilised prior to either of the other two options**

A – De Delegation

B – Schools Balances

C –Cash Advance (only)

Comments:

Schools are asked to complete and return the consultation document by **Midday on the 20<sup>th</sup> September 2018.**

- **Appendix 1 Draft Scheme for Financing Schools.**
- **Appendix 2 Table of Scheme changes**
- 

**Please send your completed consultation response to:**

[susan.woodland@slough.gov.uk](mailto:susan.woodland@slough.gov.uk)

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**DRAFT**

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

**Scheme  
For Financing Schools**

**2018/2019**

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***(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.).

- 1.1.5 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 CONTROLS**

### **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

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.

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

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.

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.

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 and/or used in support of the authority's balance control mechanism.

## **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**

- 2.9.1 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
- 2.9.2 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.
- 2.13.5 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 needs 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**

- 2.17.1 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.

<b>Option</b>	<b>Bank Account</b>	<b>Funds Paid Over</b>	<b>Accounting</b>	<b>Instalment</b>
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 be normally 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**

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

#### **3.3.1 Interest on late budget share**

Revised September 2018

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).

3.6.2 A 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 31<sup>st</sup> 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 31<sup>st</sup> 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

#### **4.2.2 Revenue Balance Control Mechanism (BCM)**

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.

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).

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%.

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 <sup>st</sup> January	Correspondence with LA officers
Planned reserves for provision of additional places	Correspondence, allocations

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.

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 31<sup>st</sup> May deadline for the return.

### **4.3 Interest on surplus balances**

- 4.3.1 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.

### **4.4 Obligation to carry forward deficit balances**

- 4.4.1 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.

### **4.5 Planning for deficit budgets**

- 4.5.1 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.
- 4.5.2 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.

### **4.6 Interest on deficit balances**

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

#### **4.7 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).

#### **4.8 Balances of closing and replacement schools**

- 4.8.1 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 Licensed deficits**

Slough does not currently operate licenced deficits. A proposed scheme is under consideration with a view to it being included in the scheme in December.

#### **4.10 Loans**

The local authority is prohibited from loaning revenue funds to schools including loans to offset a deficit. Loans for capital expenditure are still permissible.

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.

##### **4.10.1 Credit union approach**

- 4.10.2 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.

- 4.10.3 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.

## **5.6 Purposes for which income may be used**

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

# **SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES**

## **6.1 General provision**

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**

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.

- 10.2 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**

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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 / Disclosure and Barring Service**

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**

<b>School</b>	<b>Category</b>
<b>Primary</b>	
Baylis Court Nursery School	Community
Chalvey Early Years Centre	Community
Cippenham Nursery	Community
Claycots	Cc 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
<b>Secondary</b>	
Beechwood	Community
St Bernard's RC Grammar	Voluntary Aided
Wexham	Community
<b>Special</b>	
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:

Revised September 2018

(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

## Scheme for Financing Schools – 2018/19 changes

Section as per 17/18	Slough 2017/18 Scheme	Slough 2018/19 Scheme	DfE Scheme 2018/19
1.1.3	Local authorities may retain an unallocated reserve within the ISB but must otherwise 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 local authority in accordance with s.48 of the Act and approved by the Secretary of State	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	<b>1.1 The Funding Framework</b> The scheme should have an introductory section which describes the main features of the new funding framework. A specimen description is at Annex A. This may be amended, added to or replaced by a different version, but the scheme should aim for at least this level of detail. In particular, it should be made clear where the funding formula and details of centrally retained expenditure are set out, since these will no longer be in the scheme.
2.9	<b>2.9 Submission of Financial Forecasts</b> 2.9.1 Schools shall provide the authority with a financial forecast covering each year of a multi-year financial planning period for which schools have been notified of budget shares beyond the current year. This should	<b>2.3.1 Submission of Financial Forecasts</b> Schools shall provide the authority with a financial forecast covering each year of a multi-year period (usually a 3 year budget plan). This should be linked to any school improvement plan the authority require the school to implement.	<b>2.3.1 Submission of Financial Forecasts</b> The authority may require schools to submit a financial forecast covering each year of a multi-year period. Authorities should consider the extent to which such forecasts may be used for

	<p>be linked to any school improvement plan the authority require the school to implement.</p> <p>2.9.2 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.</p>	<p>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 and/or used in support of the authority's balance control mechanism.</p>	<p>more than just confirming schools are undertaking effective financial planning or not. For instance: they could be used as evidence to support the authority's assessment of Schools Financial Value Standards and/or used in support of the authority's balance control mechanism. However, the requirement to submit a financial forecast should not place undue burdens on schools and should be proportionate to need. In requesting such forecasts authorities should state the purposes for which they intend to use this forecast: such a forecast may be used in conjunction with an authority's balance control mechanism.</p>
2.22	<p><b>2.22 Schools Financial Value Standard (SFVS)</b></p> <p>2.22.1 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.</p> <p>2.22.2 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</p>	<p><b>2.16 Schools Financial Value Standard (SFVS)</b></p> <p>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.</p> <p>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.</p>	<p><b>2.16 Schools Financial Value Standard (SFVS)</b></p> <p>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 which time of the year they wish to complete the form.</p> <p>Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must</p>



	<p>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.</p> <p>2.22.3 All maintained schools with a delegated budget must submit the form to the local authority annually by the 31 March.</p>	<p>Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.</p> <p>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</p>	<p>include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner. Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines. All maintained schools with a delegated budget must submit the form to the local authority before 31 March 2013 and annually thereafter.</p>
4.9	<p><b>4.9 Balances of closing and replacement schools</b></p> <p>4.9.1 When a school closes, any balance (whether surplus or deficit) reverts to the local authority; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school. 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.</p>	<p><b>4.8 Balances of closing and replacement schools</b></p> <p>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</p>	<p><b>4.8 Balances of closing and replacement schools</b></p> <p>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.</p>
4.10	<p><b>4.10.2 Loans</b> may be granted by the Council to schools under specific circumstances and where there is a guaranteed income stream, external to the school's budget share, or other government funding, to pay off the loan. Granting of such loans will be exceptional.</p>	<p><b>4.10 Loans</b></p> <p>The local authority is prohibited from loaning revenue funds to schools including loans to offset a deficit. Loans for capital expenditure are still permissible</p> <p>Loans will only be used to assist schools in spreading the cost over more than one year of</p>	<p><b>4.10 Loan schemes</b></p> <p>It is open to an authority to include in its scheme a form of loan arrangement for schools that does not operate by way of a licensed deficit, but rather by way of actual payments to schools or expenditure by the authority in respect of a particular school on condition that a</p>

	<p>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.</p>	<p>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.</p>	<p>corresponding sum is repaid from the budget share. If so, the same parameters for the arrangement should appear in the scheme as listed at 4.9 above for licensed deficits. Again, an authority may wish to invite schools with balances in external accounts to use some or all of those balances to back a loan scheme, and the scheme should make clear on what basis this would occur. If there is a loan scheme on this basis the authority must show in its budget statements the amount centrally retained for what would be a devolved payment to schools, and the payment should appear in the out-turn statements. Loans must 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 must 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, 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</p>
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			transfer, either in full or part, to the new Academy school in individual cases.
5.6	Not included in the scheme for 17/18	<b>5.6 Purposes for which income may be used</b> Income from the sale of assets purchased with delegated funds may only be spent for the purposes of the school.	<b>5.6 Purposes for which income may be used</b> The scheme may have a provision that income from sale of assets purchased with delegated funds may only be spent for the purposes of the school.
6.2.14	Costs incurred by the authority in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with High Needs;	<b>6.2.15</b> 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 lowcost high incidence SEN and/or specific funding for a pupil with High Needs.	<b>6.2.15</b> 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.

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**SLOUGH SCHOOLS' FORUM**  
**10<sup>th</sup> October 2018**

**Directorate of Children Learning and Skills**

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**SEND Commissioning of SEN and AP places**

**1 PURPOSE OF REPORT**

**1.1 Purpose of report**

This report provides Schools Forum (SF) with an update on commissioned SEN and AP places for Academies for 2019/2020

**1.2 Background**

Each Local Authority is required to submit their SEN and Alternative Provision (AP) places for academies for the academic year 2019-2020 by November 2018.

**2 RECOMMENDATIONS**

2.1 Schools' Forum is asked to note this report.

**3 REASONS FOR RECOMMENDATIONS**

3.1 To respond to the demand in needs for children and young people with SEND in Slough

**4 SUPPORTING INFORMATION**

**4.1 COMMISSIONED PLACES for Academies 2019/2020**

4.1.1 The information below provides Schools Forum members with an understanding of the number of commissioned places that will be confirmed to the ESFA in November 2018. If there are any additional changes made prior to the submission to the ESFA, this will be reported to Schools Forum in December 2018.

A summary of the ESFA return for SEN and AP places is produced in Appendix 1.

**4.1.2 Summary of expected Academy SEN Changes 2019/20**

- Arbour Vale School – Increase from 290 to 304 SEN places
- Ditton Park Academy – Increase from 8 to 12 SEN places
- Foxborough Primary School – Decrease from 8 to 4 SEN places
- St Ethelbert's Catholic Primary School – Maintain 10 SEN places, however amend designation to include ASD.

### 4.1.3 Alternative Provision

#### PRU Places – Alternative Provision

Alternative provision (AP) is education for pupils who do not attend mainstream school for various reasons such as school exclusion, behaviour issues, school refusal or illness. Schools that provide AP are often called Pupil Referral Units or PRUs.

Slough's PRU provision is provided by 2 schools; Littledown School which caters for primary age children and Haybrook College which caters for secondary age pupils. Both are special schools and cater for both SEND and PRU pupils.

Based on recent experience the demand for PRU places is increasing roughly in line with the population growth. Slough has planned the expansion of this sector on this basis. The proposed growth in places over the next few years is shown below. Capital investment details are shown in Appendix 2.

	2017/18	2018/19	2019/20	2020/21
Littledown	13	15	17	19
Haybrook	92	112	122	132

## 5 ALTERNATIVE OPTIONS CONSIDERED

N/A

## 6 ADVICE RECEIVED FROM STATUTORY AND OTHER OFFICERS

N/A

## 7 CONSULTATION

Special schools and schools with resource bases.

## Appendix 1 SEN Place Funding for Academies 2019/20

Institution Name	Proposed changes for 2019-20	SCHOOL / ACADEMIES							SCHOOL / ACADEMIES			
		Pre-16 Places				16-18 Places			Total Places for Schools / Academies	16-18 Places	19-25 Places	Total Places for Post Schools
		AP Places	Special Places	SEN Units and Resourced Provision Places	Total Pre-16 Places	Special Places	Mainstream Places	Total 16-18 Places		Post Schools Only	Post Schools Only	
ARBOUR VALE SCHOOL (TBC)	Increase to 304 places	0.00	270.00	0.00	270.00	34.00	0.00	34.00	<b>304.00</b>	0.00	0.00	<b>0.00</b>
CASTLEVIEW PRIMARY SCHOOL	no change	0.00	0.00	22.00	22.00	0.00	0.00	0.00	<b>22.00</b>	0.00	0.00	<b>0.00</b>
COLNBROOK CHURCH OF ENGLAND PRIMARY SCHOOL	no change	0.00	0.00	10.00	10.00	0.00	0.00	0.00	<b>10.00</b>	0.00	0.00	<b>0.00</b>
FOXBOROUGH PRIMARY SCHOOL	Reduction of 4 places	0.00	0.00	4.00	4.00	0.00	0.00	0.00	4.00	0.00	0.00	<b>0.00</b>
GODOLPHIN INFANT SCHOOL	no change	0.00	0.00	10.00	10.00	0.00	0.00	0.00	<b>10.00</b>	0.00	0.00	<b>0.00</b>
GODOLPHIN JUNIOR ACADEMY	no change	0.00	0.00	8.00	8.00	0.00	0.00	0.00	8.00	0.00	0.00	<b>0.00</b>
HAYBROOK COLLEGE	Increase AP places from 112 to 122	122	0.00	59.00	181.00	11.00	0.00	11.00	<b>192.00</b>	0.00	0.00	<b>0.00</b>
LITTLEDOWN SCHOOL	Increase AP places from 15 to 17	17	38.00	0.00	55.00	0.00	0.00	0.00	<b>55.00</b>	0.00	0.00	<b>0.00</b>
MARISH PRIMARY SCHOOL	no change	0.00	0.00	45.00	45.00	0.00	0.00	0.00	<b>45.00</b>	0.00	0.00	<b>0.00</b>
RYVERS SCHOOL	no change	0.00	0.00	8.00	8.00	0.00	0.00	0.00	<b>8.00</b>	0.00	0.00	<b>0.00</b>
SLOUGH AND ETON CE BUSINESS AND ENTERPRISE COLLEGE	no change	0.00	0.00	23.00	23.00	0.00	0.00	0.00	<b>23.00</b>	0.00	0.00	<b>0.00</b>
ST ETHELBERT'S CATHOLIC PRIMARY SCHOOL	no change	0.00	0.00	10.00	10.00	0.00	0.00	0.00	<b>10.00</b>	0.00	0.00	<b>0.00</b>
THE LANGLEY ACADEMY	no change	0.00	0.00	6.00	6.00	0.00	2.00	2.00	<b>8.00</b>	0.00	0.00	<b>0.00</b>
THE WESTGATE SCHOOL	no change	0.00	0.00	13.00	13.00	0.00	2.00	2.00	<b>15.00</b>	0.00	0.00	<b>0.00</b>
WINDSOR FOREST COLLEGES GROUP (EBC)	no change	0.00	0.00	0.00	0.00	0.00	0.00	0.00	<b>0.00</b>	27.00	39.00	<b>66.00</b>

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**SLOUGH SCHOOLS' FORUM**  
**10<sup>th</sup> October 2018**

**Directorate of Children Learning and Skills**

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**Report of Banding and Resource Base working groups**

**1 PURPOSE OF REPORT**

This report provides Schools Forum (SF) with an update on both working groups relating to Special Educational Needs and Disabilities (SEND) within Slough. These were:

- An update on the Banding working group
- An update on the Resource Base working group

**1.2 Background**

In March 2018, two working groups were established with Head Teachers and SENDCos to re-evaluate Slough's Resource Bases and Banding model for individual top up for children and young people with SEND.

**1.2.1 Banding Working Group**

A small task and finish group of Local Authority officers and school leaders have been working on a revised SEND banding model for Slough designed to:

- Provide consistency: with the SEND Code of Practice – particularly the 4 main categories, the language used across categories and bands and expectations around specialist support and provision
- Offer a common banding structure across mainstream, resource base and specialist provision
- Provide transparency regarding assumptions that underpin how the Local Authority assigns monetary values at each Band
- Help shape how Local Authority officers and colleagues in schools understand SEND and specialist support/provision
- To deliver a transparent Top Up Banding structure which meets the needs of Children and families and is functional across educational settings and independent budgets.

### **1.2.2 Resource Base Working Group**

A small task group of Local Authority officers and school leaders were working on reviewing the current establishment of Resource Bases, of which there were 17, to help develop a strategic approach to best utilising existing provision within Slough.

The expected outcomes from this working group were:

- To 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 and transparent decision making in relation to additional resources funded by High Needs Block resources.
- To ensure Slough BC utilises additional resources and Commissions to ensure best Outcomes for all SEND children and their families.
- To ensure Resource Based provision promotes inclusion and promotes access to learning in mainstream settings for SEND children.

## **2 RECOMMENDATIONS**

**2.1** Schools' Forum is asked to note this report.

## **3 REASONS FOR RECOMMENDATIONS**

To provide Schools Forum members with an update of the work that is taking place and to provide an update regarding the expected timeline of completion for both activities.

## **4 SUPPORTING INFORMATION**

### **4.1 Banding Working Group – Update**

After acknowledging the issues regarding Slough's current banding model, including the five various monetary values that were attached to the same descriptor of need, group members explored banding models used by other Local Authorities.

The task and finish group based its approach on the Essex Model, as this was deemed as the most appropriate banding due to it being derived from the SEND Code of Practice (2015) and thus took into account the four areas of identified need.

It has completed work to customise the need descriptors to the Slough context and to set out expectations about the type of specialist support and provision needed at each band/level.

Four working groups were established during the latter stages of the summer term to support the developments of the banding matrix, consisting of groups responsible for:

- Communication and Interaction
- Cognition and Learning
- Social, Emotional and Mental Health
- Physical and or Sensory Difficulties

Officers within the Local Authority are now finalising proposals for consultation this term.

Officers are testing the customised descriptors and expectations against sample cases and working closely with colleagues in finance to assess the likely monetary values to be associated with each band level.

Officers expect to meet with colleagues from Essex in the coming weeks to share experiences and learning, particularly around:

- How best to weight the various descriptors (SEN categories and band levels) against each other to generate appropriate banding values
- The sophisticated macros that underpin the Essex matrix

The task and finish group will reconvene at the end of November 2018 to consider the draft proposals for wider consultation. Finalised proposals will be brought to Schools Forum in December 2018 in time to seek approval from education settings and parents/carers.

The new banding model will be implemented in time for the new financial year, April 2019 for new requests for assessments and phase transfers.

#### **4.2 Resource Base Working Group – Update**

It was established during the meetings throughout the spring and summer term that:

- There had been a lack of understanding from both Resource Bases and the Local Authority regarding the needs that each Resource Base were meeting.
- There had been a lack of monitoring over Resource Base provision from the Local Authority regarding transitional arrangements, place planning and quality assurance.
- Information on the Local Offer website from Resource Bases was outdated, thus not giving parents appropriate information about Resource Base provision within Slough.

- Service Level Agreements, for those that had one, were due to expire in March 2018.

A Resource Base event was held on 13<sup>th</sup> September, co-hosted by Slough Borough Council and Special Voices (Slough Parent/Carer Forum). The focus of the event was to provide parents/carers and children with an understanding of how each Resource Base operates.

Feedback regarding this event was positive from both schools in attendance and Special Voices. This event also provided an opportunity for schools to learn about current Resource Base provision within Slough and provided an opportunity for schools to network to share best practice.

Meetings are currently taking place with individual Head Teachers to discuss contractual arrangements for their Resource Bases as previous SLAs had expired in March 2018.

The purpose of these meetings are to:

- Agree to the entry criteria and designation of need for each Resource Base
- Confirm commissioned numbers of places for 2018-19 and 2019-20
- Establish robust commissioning arrangements to monitor the Resource Base provision (including; termly meetings with SBC officers, clear transition protocols, updating the Local Offer website and ascertaining appropriate progress monitoring reports)

## Appendix 1 – Timeline for Banding Work

Date	Milestones
July 2018	Sub groups established to support with developing a Slough centric model based on the four identified areas of need.
September 2018	SBC officers to develop and standardise information collated from sub-groups. SBC Officers to work with Finance colleagues to add monetary amounts to banding model.
October 2018	SBC officers to meet with Essex County Council to further support the development of new banding model.
November 2018	Task + Finish group reconvened to allow for members to model the new banding system with existing students.
December 2018	Finalised proposals to be provided at Schools Forum.
January 2019	Consultation with educational settings and parent/carers over new banding model to take place. This will include FAQ coffee morning with parent/carers.
March 2019	Update to be provided to Schools Forum.
April 2019	New banding model implemented for new requests for assessment and phase transfers.

## Appendix 2 –Timeline for Resource Base work

Date	Milestones
September 2018	Resource Base event held to support parents/carers prior to school applications for the following year.
September – October 2018	Service Lead SEND, to meet with individual schools regarding contracts/ SLAs, including confirmation of designation of need (where appropriate) and quality and performance measures.
October 2018	SLAs/Contracts in place for all Resource Base settings
November 2018	Slough Resource Base prospectus to be produced Local Offer for all Resource Bases is up-to-date and accurate Task group to be reconvened to provide all Resource Base heads with an update Confirmation of commissioned places for Resource Bases
February 2019	Deadline for naming children in Resource Bases for 2019/20. Named Resource Bases within EHCPs will correlate with agreed outcomes of working group

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

**Meeting 1 – Tuesday 10 October 2018**

No.	Description	Lead
1.	Schools Forum Membership/appointment of Vice Chair	
2.	Update on national funding issues/local funding issues	Sue Woodland
3.	Consultation Results on the Scheme for Financing Schools and Licenced Deficit Scheme	Sue Woodland
4.	SEND commissioning of SEN and AP places	Vikram Hansrani
5.	Report of Banding and Resource Base working groups	Vikram Hansrani
6.	Update from Task Groups: 5-16, HNB and Early Years (verbal)	
7.	Academies Update	
8.	2018/19 Forward Agenda Plan/Key Decisions Log	

**Meeting 2 – Tuesday 5 December 2018**

No.	Description	Lead
1.	Update on national funding issues/local funding issues	Nic Barani
2.	Draft Schools Block timetable 2019/20 and proposed formula changes/consultation outcome	Nic Barani
3.	DSG Budget monitoring report (all blocks)	Nic Barani
4.	High Needs and SEN budget monitoring report including QA report and High Needs Place Change Notification (submitted in November)	Vikram Hansrani
5.	High Needs Block Deficit Reduction Strategy and Centrally Retained Budget (line by line detail)	Vikram Hansrani
6.	Approval of Central Schools Services Block budget 2019/20	Sue Woodland
7.	Licensed Deficit Scheme final approval	Sue Woodland
8.	De-delegated Budgets 2019/20	Nic Barani
9.	Update from Task Groups: 5-16, HNB and Early Years (verbal)	
10.	Academies Update	
11.	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.	Schools Block Budget - Final Authority Proforma Tool (APT) for 2019/20	Nic Barani
3.	Budget timeline for 2019/20	Nic Barani
4.	Growth fund allocations and issues	Tony Madden
5.	Update from Task Groups: 5-16, HNB and Early Years (verbal)	
6.	Early Years Block 2019/20 – Including Centrally Retained and proposed formula	
7.	Academies Update	
8.	2018/19 Forward Agenda Plan/Key Decisions Log	

**Meeting 4 –Tuesday 5 March 2019**

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

**Meeting 5 – Wednesday 15 May 2019**

<b>No.</b>	<b>Description</b>	<b>Lead</b>
1.	Update on national funding issues/local funding issues	Nic Barani
2.	Update from Task Groups: 5-16, HNB and Early Years (verbal) To include annual review of Terms of Reference	
3.	Academies Update	
4.	2018/19 Forward Agenda Plan/Key Decisions Log	

**Meeting 6 – Thursday 4 July 2019**

<b>No.</b>	<b>Description</b>	<b>Lead</b>
1.	Update on national funding issues/local funding issues	Nic Barani
2.	Update on growth allocations and issues	Tony Madden
3.	Annual DSG Report 2018/19 including impact	Nic Barani
4.	Review of the Scheme for Financing Schools 2019/20	Nic Barani
5.	Update from Task Groups: 5-16, HNB and Early Years (verbal)	
6.	Early Years Update	Michael Jarrett
7.	Schools Forum Membership	
8.	Academies Update	
9.	2018/19 Forward Agenda Plan/Key Decisions Log	



Schools Forum Key Decisions Log September 2016 and ongoing

Issue and Decision	Schools Forum date	Schools Forum agenda item no.	School Forum Minute
<b>Membership Update</b>			
Kathleen Higgins attending as an observer now that Beechwood is an academy	13/10/16	4	511
<b>PFI Proposal</b>			
Clarification of factor and SBC contribution to affordability gap deferred to December	13/10/16	5	510
<b>High Needs Block</b>			
Significant pressure on High Needs Block with overspend in range of 800k. Range of recovery options being considered by SBC	13/10/16	7	514
<b>PFI Update</b>			
£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.	06/12/16	5	524
<b>High Needs Block</b>			
Overspend has been reduced to £300k at the current time. Figure can still fluctuate. Detailed recovery plan will be drafted.	06/12/16	6	525
<b>Centrally Retained</b>			
Recommendation agreed to retain £723,598	06/12/16	7	526
<b>Education Support Grant</b>			
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	06/12/16	8	527
<b>De-delegated items</b>			
Behaviour Support Services (SEBDOS) approved but 5k for trade union activity NOT approved	06/12/16	10	529
<b>Growth Fund 2017-18</b>			
£900k centrally retained support for primary and secondary 2017/18 approved.	06/12/16	11	530
<b>Matters arising</b>			
SBC will not seek any portion of 500k PFI affordability gap for 2017/18. May present new proposals for 2018-19 following full consultation.	10/01/17	2	537
<b>ESG de-delegation</b>			
45k ESG de-delegation paper approved by maintained schools.	10/01/17	3	538
<b>Schools Block Budget</b>			
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.	10/01/17	4 and 5	539
<b>Forum membership</b>			
Updated membership in light of academy conversions meant deleting two vacancies from maintained schools and need to recruit two new academy members.	10/01/17	9	544
<b>National Fair Funding Update</b>			
DfE Stage 2 consultation: schools were encouraged to make individual responses (deadline 22nd March) in addition to collective Schools Forum response. <a href="https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/">https://consult.education.gov.uk/funding-policy-unit/schools-national-funding-formula2/</a>	09/02/17	4	550
<b>Growth Fund 2017-18</b>			
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.	09/02/17	6	552
<b>High Needs Block</b>			
Schools Forum consulted on draft High Needs Block and some outstanding clarifications pending. .	09/02/17	7	553
<b>Matters Arising</b>			

## 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.	06/07/17	3	562
<b>Review of Scheme for Financing Schools</b>			
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.	06/07/17	4	563
<b>Early Years Funding Formula</b>			
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.	06/07/17	6	565
<b>Membership</b>			
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.	06/07/17	7	566
<b>High Needs Block Centrally Retained</b>			
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.	06/07/17	8	567
<b>High Needs Group Terms of Reference</b>			
Terms of Reference for High Needs Group were endorsed.	06/07/17	9	568
<b>Membership</b>			
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.	10/10/17	2	575
<b>Chair and Vice Chair</b>			
Election of Maggie Waller as Chair and John Constable as Vice Chair confirmed to June 2018	10/10/17	2	575
<b>Schools' DSG Out-Turn 2016/17</b>			
Report noted with the 13 maintained schools carry forward balances.	10/10/17	5	578
<b>Early Years Funding</b>			
Report noted and EY Task Group to meet as part of the development of the 2018-19 budget.	10/10/17	6	579
<b>High Needs Block</b>			
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.	10/10/17	7	580
<b>National Funding Formula</b>			
Update provided and Task Group to meet to look at modelling for 2018/19 transition to NFF.	10/10/17	10	583
<b>Langley Hall Primary Academy: Exceptional Premises Factor Request</b>			
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.	10/10/17	11	584
<b>Scheme for Financing Schools</b>			
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.	10/10/17	12	585
<b>School Improvement and Education Services Grant 2017/18</b>			
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.	10/10/17	13	586
<b>Minutes of Previous Meeting</b>			
John Constable would write to academy proprietors requesting approval of the appointment of Peter Collins	09/11/17	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			
<b>Schools National Funding Formula 2018/19</b>			
NFF models to be submitted to 5-16 Task Group prior to consultation with schools	09/11/17	5	595

**Schools Forum Key Decisions Log September 2016 and ongoing**

<b>Schools Forum Constitution Update</b>			
Slough Schools Forum Guidance update to be taken to full Council	09/11/17	7	597
<b>Matters Arising</b>			
Noted closing date for election process for academy member noted: Friday 8 December 2017	06/12/17	2	602
<b>Formula Changes for 2018/19</b>			
3 options presented at meeting, consultation to be sent to schools, agreed to extend closing date for responses to 9 January 2018.	06/12/17	4	604
<b>Scheme for Financing Schools</b>			
Reported no issues following consultation. Consultation with maintained schools completed. Maintained schools' members of Forum approved the revised scheme.	06/12/17	6	606
<b>Report on Resources Base Task Group Proposal/High Needs Commissioning Places</b>			
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.	06/12/17	8 and 9	608/609
<b>High Needs Centrally Retained Clarification (budget codes and descriptors/Centrally Retained Budgets 2017-18)</b>			
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.	06/12/17	10 and 11	610/611
<b>Matters Arising</b>			
Peter Collins agreed as member of Schools Forum, representing academy schools.	17/01/18	3	617
<b>2017/18 DSG Monitoring Report</b>			
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.	17/01/18	4	618
<b>Funding Formula Changes 2018/19</b>			
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.	17/01/18	5	619
<b>Central Services Schools Block (CSSB)</b>			
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	17/01/18	6	620
<b>Early Years</b>			
Forum noted EY Task Group recommendations regarding implementation of EYNFF for 2018-19	17/01/18	7	621
<b>Growth Fund 2017-18</b>			
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.	17/01/18	8	622
<b>De-delegation Report</b>			
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.	17/01/18	9	623
<b>2017-18 Forward Agenda Plan and Key Decision Log</b>			
Forum agreed appointment of Chair and Vice Chair be held at July 2018 meeting, prior to first meeting in the 2018-19 academic year.	17/01/18	12	626
<b>Confirmation of Indicative Budgets 2018-19</b>			
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	06/03/18	5	632
<b>Early Years Block</b>			
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.	06/03/18	6	633

**Schools Forum Key Decisions Log September 2016 and ongoing**

<b>PFI Update Report</b>			
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.	06/03/18	8	634
<b>High Needs Block Budget 2018-19</b>			
Members approved the centrally retained element for 2018-19 of £2.3m, which was a slight decrease on 2017-18.	06/03/18	9	635
<b>Membership</b>			
Kathy Perry from Mighty Acorns Nursery, was welcomed as the new PVI representative member.	05/07/18	1	640
The Chair thanked Helen Huntley (who was retiring at the end of the Summer Term) for her valuable contributions as both a member of Schools Forum and as a champion of children and young people with special needs.	05/07/18	1 & 11	640/652
<b>Annual DSG Report 2017-18</b>			
Schools Forum noted the comprehensive DSG annual report and requested this appear as an annual item on agendas	05/07/18	7	646
<b>Review of the Scheme for Financing Schools 2017-18</b>			
Schools Forum noted the consultation but requested that details of any licensed deficit scheme be circulated to Schools Forum prior to consultation	05/07/18	8	647
<b>Early Years Centrally Retained 2018-19</b>			
The details of the centrally retained Early Years funding for 2018-19 set out in the report were noted and lines of expenditure approved	05/07/18	9	648
<b>Update from Task Groups</b>			
Draft Terms of Reference for all three Task Groups were approved by Schools Forum	05/07/18	10	649
<b>Election of Chair and Vice Chair</b>			
The current Chair of Schools Forum would stand down at the end of the academic year: John Constable was proposed and duly elected to Chair of Schools Forum with effect from 1 September 2018, for a term of two years.	05/07/18	11	652