

## SLOUGH SCHOOLS FORUM

### **SCHOOLS GROUP:**

John Constable (Chair), Peter Collins, Philip Gregory, Ray Hinds, Kathleen Higgins, Navroop Mehat, Angela Mellish, Carol Pearce, Kathy Perry, Jon Reekie, Jo Rockall, Maggie Waller, Nicky Willis, Jamie Rockman and Neil Sykes

### **OBSERVERS:**

Jo Matthews, Eddie Neighbour and Councillor Shabnum Sadiq

### **LOCAL AUTHORITY:**

Domenico Barani, Cate Duffy, Michael Jarrett, Johnny Kyriacou and Neil Wilcox

**DATE & TIME: TUESDAY, 12TH NOVEMBER, 2019 AT 8.00 AM FOR 8.15AM  
BEECHWOOD RESEARCH AND CONFERENCE CENTRE, LONG  
READINGS LANE, SLOUGH, BERKSHIRE, SL2 1QE**

### AGENDA

### Page

#### Apologies

1. 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.*

2. Any Other Business

3. Update on Membership

4. Minutes of Previous Meeting held on 1 October 2019 **(Pages 1 - 6)**
5. Update on National/Local Funding Issues
6. Growth Fund 2020-21 **(Pages 7 - 18)**
7. Proposed Transfer from Schools Block to High Needs Block **(Pages 19 - 20)**
8. Schools Block 5-16 Formula Consultation Outcome **(Pages 21 - 22)**
9. Scheme for Financing Schools **(Pages 23 - 96)**
10. Update from Task Groups: 5-16, HNB and Early Years
11. Academies Update
12. 2019/20 Forward Agenda Plan/Key Decisions Log **(Pages 97 - 104)**
13. Any Other Business

**Slough Schools Forum- Meeting held on Tuesday, 1st October, 2019**

**Present:** John Constable, Langley Grammar School (Chair)  
Peter Collins, Slough & Eton Church of England Business and Enterprise College  
Philip Gregory, Baylis Court Nursery School  
Valerie Harffey, Ryvers Primary School  
Kathleen Higgins, Beechwood Secondary School  
Navroop Mehat, Wexham Court Primary School  
Angela Mellish, St Bernard's Catholic Grammar School  
Eddie Neighbour, Upton Court Grammar School (Observer)  
Carol Pearce, Penn Wood Primary School  
Jon Reekie, Godolphin Infant School  
Jo Rockall, Herschel Grammar School  
Maggie Waller, Holy Family Primary School  
Nicky Willis, Cippenham Primary School  
Jamie Rockman, Haybrook College  
Neil Sykes, Arbourvale School

**Observers:** Eddie Neighbour, Upton Court Grammar School  
Brenda Scott, Orchard Hill Academy

**Officers:** Catherine Cochran, Domenico Barani and Vikram Hansrani

**Apologies:** Ray Hinds, Kathy Perry, Johnny Kyriacou and Neil Wilcox. No apologies from Jo Matthews.

As noted, apologies for absence had been received from Ray Hinds, Kathy Perry, Michael Jarrett, Neil Wilcox and Johnny Kyriacou. There had been no apologies from Jo Matthews.

The Chair thanked everyone for attending and welcomed them to the first meeting of the academic year. An apology was extended to all those who had experienced problems receiving the supporting documentation; it had also been necessary to email a detailed spreadsheet, rather than publish it on the website and hard copies of the spreadsheet were available at the meeting.

**720. Declarations of Interest**

Apologies for absence had been received from Ray Hinds, Kathy Perry, Michael Jarrett, Neil Wilcox and Johnny Kyriacou. There had been no apologies from Jo Matthews.

The Chair thanked everyone for attending and welcomed them to the first meeting of the academic year. An apology was extended to all those who had experienced problems receiving the supporting documentation; it had also been necessary to email a detailed spreadsheet, rather than publish it on the website and hard copies of the spreadsheet were available at the meeting.

There were none.

**721. Any Other Business**

The Chair had one item under Any Other Business.

## **722. Minutes of Previous Meeting held on 4 July 2019**

The minutes of the Schools Forum meeting held on 4 July 2019 were agreed as a correct record, subject to the following amendment:

**Page 1:** Please note that Carol Pearce had sent apologies for absence.

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

**Page 3, minute 713, first paragraph:** The DSG Budget Deficit Recovery Plan had been submitted to the ESFA in June 2019 and sign-off was awaited.

It was confirmed that the ESFA had allocated one of their specialists to work closely with the Local Authority (LA) in monitoring recovery plans and making efficiency savings.

**Page 3, minute 713, fourth paragraph:** It was confirmed that the possible approach from the LA to Schools Forum, requesting a reassignment of £93,000 from the High Needs Block to Early Years (in relation to the Early Years Inclusion Fund) would not be pursued until the DSG Budget Deficit Recovery Plan had been agreed. The request for a transfer of £700,000 (0.5%) from Schools Block to the High Needs Block in Year 3 (2020/21) was on the agenda for this meeting.

**Page 3, minute 713, final paragraph:** Nic Barani would request clarification from Neil Wilcox on the historic origins of the £184,000 which related to the PFI Contribution for Arbour Vale.

## **723. Schools Forum Membership**

It was confirmed that, following due process, the following members of Schools Forum had been reappointed for a further two-year term of office:

John Constable, Headteacher, Langley Grammar School (Academy representative)  
Valerie Haffrey, School Business Manager, Ryvers School (Academy representative)

Kathleen Higgins, Headteacher, Beechwood School (Academy representative)  
Navroop Mehat, Headteacher, Wexham Court Primary School (Maintained representative)

Angela Mellish, School Business Manager, St Bernard's Catholic Grammar School (Maintained representative)

Carol Pearce, Governor, Penn Wood School (Maintained representative)  
Jo Rockall, Headteacher, Herschel Grammar School (Academy representative)  
Maggie Waller, Governor, Holy Family Primary School (Maintained representative)

Nicky Willis, Executive Principal, Cippenham Primary School (Academy representative)

The Chair thanked all those concerned for their willingness to renew their membership.

There remained vacancies for one further Academy representative and also a 16-19 Provider representative. The Clerk would make the necessary arrangements.

## **724. Update on National/Local funding issues**

It was noted that the main paper had been supplied in two parts. Part A requested Schools Forum approve the transfer of £500,000 from the High Needs Block to the Schools Block. This was to correct an historical error in the 2017/18 baseline and, although the request had also been made to the ESFA over the past two years, they had advised they were unable to make the correction. It was confirmed that the same request had been made to Schools Forum the previous year. The Chair invited comments.

A member queried whether Schools Forum could request that the ESFA make this transfer, but it was repeated that the LA had been advised the ESFA was unable to do so.

The funds would form part of the 2020/21 Schools Block allocation and it was therefore beneficial to action this transfer early in the term. Schools Forum **APPROVED** the transfer as outlined.

Part B of the report gave an update on national issues and feedback from the two recent 5-16 Funding Task Group meetings. Schools Forum was asked to note the options for the 2020/21 local formula, details of which schools would be consulted upon. It was known that a 3-year settlement was to be made by the DfE but, at this stage, it was unknown how much would actually be received at local level: this detail was expected later in the current month. However, it had been necessary for modelling work to commence.

DfE had indicated that the LA would receive a minimum 1.84% per pupil increase in overall funding. Nationally, DfE had stipulated that the per pupil primary sector minimum funding would increase to £3750 in 2020/21 and a minimum of £4,000 in 2021/22 and from £4,800 to £5,000 for secondary in 2020/21. It was noted that the majority of Slough schools were already receiving funding at these levels. There would also be a continuation of £1.5 billion for teachers' pensions, which was treated separately.

The supporting report highlighted the updates, including the National Funding Formula (NFF) factor rates which would increase by 4%, excluding FSM, which would increase by the rate of inflation. It was confirmed that the ESFA was moving towards a hard formula by fixing the minimum per-pupil funding rates. The MFG had also been changed, with a range from +0.5% minimum to a maximum of 1.8%, with capping and scaling for growth removed.

It was noted that LAs were authorised to transfer 0.5% from the Schools Block to other blocks, primarily to ease in-year pressures on the High Needs Block.

The LA was to issue a separate consultation regarding support for the High Needs Block. A number of options had been discussed and the first models had been drawn up prior to the ESFA releasing their data.

The LA had worked on three options for the 5-16 Schools Block in 2020/21: 65%, 85% and full NFF. The second Task Group meeting had agreed to reduce from three to two transition options, 65% and 85%. 65% represented the current position, and 85% essentially a half-way position between that and full NFF. Nic Barani emphasized that it was not advisable to move to 100% NFF as, although Slough could afford this within the current allocation, applying the full NFF formula could possibly result in a potential capping of current funding levels.. The models provided were based on actual or estimated pupil numbers; it was explained that an email

had been sent to schools requesting pupil numbers in order to model with more accuracy but there had only been approximately 50% response. Nic Barani emphasised again that the amount of funding in the Schools Block had been increased by 1.8% which would increase individual schools' funding.

It was noted that figures shared were as accurate as possible, based on the information provided by the DfE and by schools in respect of pupil numbers. Option 1 (65%) was based on MFG +0.5%, so any schools on full MFG protection would receive a minimum increase of 2% on the previous year when MFG was set at -1.5%. Option 2 would be 85% as part of the move towards NFF. It was added that Slough historically had high deprivation so schools which were more reliant on this factor would receive a smaller increase under this model. The circulated graph was a summary of change, indicating a mix between those gaining and losing. Nic Barani invited questions to be directed to himself or his team.

In answer to a query, it was confirmed there had been no indication from the DfE to date with regards to the continuation or amount of Pupil Premium funding going forward. It was added that it would be helpful for Headteacher colleagues to have this information as this funding could impact on budgets. It was not included in the figures presented and it was currently assumed it would continue.

In answer to a further question, Nic Barani indicated that column K in the modelling spreadsheet showed some schools with decreased rolls. It was confirmed again that not all schools had responded to the request for pupil numbers and it was known that not all Slough primary schools were full. The Annual Pupil Census would give more indication and the LA would receive this information from the DfE in early November.

The Chair thanked all those who had been involved in the work of the Task Group and their endeavors to formulate an approach which minimised potential issues for schools. The Task Group recommendation was that two options should be reviewed, being 65% NFF as in 2019/20 but inflated by the additional monies and MFG, or 85% NFF which was working towards full implementation. Schools Forum were asked whether the consultation should go out on both options or just one and, if so, which one?

Nic Barani agreed that consideration would be given to including the base model and it was pointed out that a lot of information was being shared in a short space of time. There would be an explanatory document accompanying the consultation: it was planned to send the consultation out during the current week, giving a two-week turn around period (**update: the consultation went live on Friday 4 October**).

It was **AGREED** that the 65% and 85% models should go forward to consultation, as recommended by the Task Group.

It was queried whether the final decision could be delayed until more information were available, particularly as there was a great deal of uncertainty for schools around High Needs funding. Nic Barani explained that due to the budget setting timeline, the deadline was November and this issue would be addressed at the next meeting of Schools Forum, which was scheduled for Tuesday 12 November. The LA was only able to work with the information available to them.

A Headteacher confirmed there was a considerable impact on school budgets for those supporting pupils with High Needs, particularly if the school concerned had falling rolls.

In regard to the request for a 0.5% transfer from Schools Block to the High Needs Block, it was noted that the LA was anticipating a total cumulative overspend in the region of £10.8m on the High Needs Block at the end of the current year. This was due to a number of contributory factors which had been shared with Schools Forum previously. The LA continued to do all it could to mitigate the pressures on the High Needs Block. Liaison continued with other LAs and work was ongoing to negotiate broker deals for placements. The requested top slice would be approximately 25% of the expected in-year deficit for 2020/21, not for the historic deficit.

Discussion followed about communicating the consultation information to schools and it was noted this was usually emailed via Headteachers and School Business Managers. It was pointed out that if The Link were used, not all schools now subscribed. It was agreed it was a good suggestion for the information to be shared via phase groups. Members were asked to urge colleagues to respond. A request was made for all Schools Forum members to receive notification.

The 5-16 Task Group was scheduled to meet on Monday 21 October to consider the results.

The Chair thanked Nic Barani for the comprehensive reporting provided and the detailed data made available at recent Task Group meetings.

#### **725. 5-16 Funding 2020-21**

This item had been covered under the above item.

#### **726. Proposal to transfer from Schools Block to High Needs Block**

A further consultation was to be circulated alongside the main consultation, requesting agreement to transfer 0.5% (£0.7m) from the Schools Block to the High Needs Block, as part of the SBC High Needs Deficit Recovery Plan. Schools Forum members noted that the LA was expected to make such a request by the DfE.

#### **727. Scheme for Financing Schools**

Nic Barani confirmed that the consultation on the Scheme for Financing Schools had now closed. The responses were being reviewed and updates would be presented at the next Schools Forum meeting.

It was noted that the consultation had been sent out to schools at the beginning of the current term.

#### **728. SEND Banding Update**

Vikram Hansrani confirmed that following approval by Schools Forum in March 2019, the LA's proposed new SEND banding model had been phased in from 1 April 2019. The LA was now in a position to start analysing data and would provide quarterly updates to Schools Forum.

It was acknowledged that the banding model was a complex document and there continued to be concerns about pressures on the High Needs Block: these would continue to be closely monitored.

The highlights to date showed a similar correlation between SEND panel decisions and SEND officers but there was some inconsistency between schools' assessments and panel decisions. The PVI sector had been supportive of the new banding model, the banding matrix was now being used by schools and had been positively received. Some settings had suggested levels were greater than offered by the banding model. Further training was to be made available and, as part of the DSG Plan, SEND officers required greater input.

A member pointed out that as it was early in the introduction of the new Banding model, impact was not yet evident. It was added that it continued to be difficult for Special schools and PRUs who did not receive the funding increases whilst block funding had remained the same for the past 5-6 years.

Schools Forum **NOTED** the update given on the new banding model and that quarterly updates would be presented to Schools Forum.

**729. Update from Task Groups: 5-16, HNB and Early Years**

As noted, the 5-16 Task Group had met twice and, as noted, was due to meet on Monday 21 October. The Early Years Task Group had also scheduled a meeting. The High Needs Task Group had not met.

**730. Academies Update**

There were no academy conversions to report but it was noted that Cippenham Infant and Primary schools had been given permission to merge.

**731. 2019/20 Forward Agenda Plan/Key Decisions Log**

Meeting dates within the 2019/20 Forward Agenda Plan were highlighted, which reflected a slight amendment to the usual pattern. The Key Decisions Log was noted for information.

**732. Any Other Business**

The Chair announced this would be Vikram Hansrani's last meeting and wished him well for the future in his new role in Hillingdon. On behalf of Forum, the Chair thanked Vikram Hansrani for his informative reports and hard work.

(**Note:** The Meeting opened at 8.15 am and closed at 9.20 am)



**SLOUGH SCHOOLS' FORUM**  
**12<sup>th</sup> December 2019**

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**Growth Fund 2020-21**  
**Directorate of Children, Learning and Skills**

**1 PURPOSE OF REPORT**

- 1.1 To ask that Schools' Forum review the allocation criteria for the Growth Fund, agree the maximum 'top slice' and agree the allocation model that will apply for 2020-21.
- 1.2 To provide Schools' Forum with an update of the Growth Fund expenditure for 2019-20, agree the level of support for Grove Academy for April to August 2020 and agree to carry forward the projected balance of funding.

**2 RECOMMENDATIONS**

- 2.1 That the Growth Fund will fund the following additional places at both primary and secondary schools, where expansion is requested and agreed in advance by Slough:
  - a) Bulge classes including at new schools;
  - b) Permanent expansions at maintained schools until a school is full in all year groups (and when new classes are opened); and
  - c) New places in excess of Planned Admission Numbers (PAN).
- 2.2 That the forecast outturn for 2019-20 in Appendix A is noted and the updated allocations of Growth Funding for 2020-21 as shown in Appendix B are agreed.
- 2.3 That consideration is again given to providing additional funding to academies in the second year after opening a bulge class to reflect the growth between October Censuses.
- 2.4 That consideration is given to utilising a percentage of the projected underspends in 2019-20 to contribute towards the Council's costs for underwriting places at Grove Academy for the period April 2020 to August 2020.
- 2.5 That consideration is given to the request from schools for a Falling Rolls Fund.

### **3 REASONS FOR RECOMMENDATIONS**

- 3.1 The birth rate for Slough rose by 48% over the 9 year period from 2006-7 to 2015-16. More than half of existing primary schools expanded over this period and a number of new schools opened. Birth numbers have reduced for 5 of the last 7 years since the peak and are now down to 2006-7 levels. Inward migration to Slough continues to affect in-year admissions; bulge classes and larger classes will be the main solution where local shortages emerge.
- 3.2 The population growth is impacting secondary schools and a large scale growth in provision is underway. A number of new free schools have opened in recent years and 2 non-selective schools plus one grammar school have seen or will see large expansion projects carried out on their sites funded by the LA. The other three grammar schools have all increased their PANs without capital funding from Slough Borough Council.
- 3.3 The prescribed methodology for calculating revenue funding for schools means that growing schools are not fully funded for the extra pupils attending the school. The reason for this shortfall in funding is due to the lag in the period from pupils starting until they appear on the School Census and funding is allocated at a later date. To support schools through this period of lag in funding while they are expanding the LA requests a sum of money through Schools' Forum called the "Growth Fund".
- 3.4 The methodology for qualification and allocation of the Growth Fund is reviewed and agreed by Schools' Forum on an annual basis. Schools' Forum is asked to consider the financial impact on schools of expansion and agree an affordable level of additional revenue support.
- 3.5 The funding criteria outlined in Section 5 below and proposed for 2020-21 is based on the criteria agreed by School's Forum in December 2018 and applied in 2019-20. No variations are suggested this year although the issue of falling rolls is considered.

### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 All options for creating new places are being explored by Slough including:
- Bulge classes – generally classes of 30 pupils, opened to provide capacity for new arrivals and supported by the Growth Fund;
  - Permanent expansions –full forms of entry added to an existing school by the LA. They require ongoing commitment from the Growth Fund to deal with the lag in revenue funding;
  - Increased class sizes or numbers above PAN – termly commitment from the Growth Fund where pupils are not recorded on the October School Census;

- New Free Schools – originally funded by the ESFA with no call on the Growth Fund, a different approach has been taken by the ESFA for Grove Academy. Bulge classes may be requested at new schools by the LA and will be treated the same as any other bulge class.

## 5 SUPPORTING INFORMATION

5.1 The Growth Fund is one of the centrally held budget areas that Schools' Forum has decision making powers over. Guidance on how the Growth Fund should be approved and allocated can be found in *Schools Revenue Funding 2019 to 2020 – Operational Guide* (July 2018). Paragraph 115 states:

*“The growth fund can only be used to:*

- *support growth in pre-16 pupil numbers to meet basic need*
- *support additional classes needed to meet the infant class size regulation*
- *meet the costs of new schools*

Paragraph 117 states: *The cost of new schools...will also include post-start-up and diseconomy costs...where they are created to meet basic need.*

### **Level of Funding – Age Weighted Pupil Unit (AWPU)**

5.2 The methodology for distributing funding is based on AWPU per pupil, reflecting the proportion of the year which is not funded within the school's budget share. As final 2020-21 AWPU levels have not yet been confirmed, the estimated AWPU's for next year will be used and allocations will be updated with final figures once they are known.

### **Bulge Classes**

5.3 Bulge classes must be agreed in advance by the LA.

5.4 Slough's maintained schools receive Growth Funding for September until March and academies receive funding for September through until August. The different funding periods reflect the difference in financial years for each category of school: maintained schools receive their funding from April to March, while academies are funded from September to August.

5.5 Over the last 4 years Schools' Forum has agreed to a one-off payment of additional funding in the second year of bulge classes at academies. Schools' Forum is asked to consider applying this again for 2020-21.

5.6 An issue that was first flagged in 2016 is that the lag for academies can be longer than 12 months if pupils are admitted after the October Census. If a bulge class were to open November 2016 for instance with 30 pupils, then an academy would not receive funding for this class until 22 months later.

- 5.7 This issue could also apply when an academy opens a class in September 2019 with a small number on roll. It is rare that a new bulge class will be full as its purpose is to provide capacity for the rest of the academic year for new arrivals; if it were full then the authority may look to open a further bulge class. The bulge class will fill up throughout the year with many pupils starting after the October 2019 Census. In the second year after opening the academy would only receive funding for the number on roll at the time of the October Census 2019. For a period of 10 months in the second year the school would absorb the full cost of the bulge class having received funding for a partial class.
- 5.8 A number of options for providing additional funding were originally considered by Schools Forum in 2017. It was agreed that funding would be allocated based on the following table. It should be noted that this methodology does not 'ghost fund' places and can still result in the school subsidising some of the cost of a teacher, however it ensures every pupil is funded while remaining affordable.

<b>Funding Calculation</b>
Fund the difference in number of pupils between the first year Autumn School Census and the second year.
For instance NOR Census 2017 = 10 NOR Census 2018 = 20 Fund (20 – 10) = 10 places

- 5.9 Only one bulge class opened in 2019-20, it had around half a class of pupils at the time of the 2019 Autumn Census. It is likely that the class will have more pupils by the time of the 2020 Autumn Census and will be entitled to additional funding if this criterion is supported by Schools' Forum. Appendix B assumes this class might be full by October 2020 and would be entitled to an additional payment of £58K.

#### **Expansion by a Form of Entry**

- 5.10 The Growth Fund provides financial support for all the years a school incurs a shortfall in funding whilst going through a permanent expansion. Where a school grows from Reception up to Year 6, they will receive funding for a full class for 7 years if they grow gradually by one class a year. Secondary schools will receive funding for 5 years as pupils move from Year 7 to Year 11. If a school does not have an additional class then it would not be entitled to funding, for instance a bulge class leaves the school in the top year while an extra class joins in the lowest year group. In this case the school will have the same number of classes for 2 consecutive years and Growth Funding is not necessary.

### **Larger Classes or Numbers in Excess of PAN**

- 5.11 The Growth Fund will provide financial support for schools that admit pupils in excess of their PAN for each whole term that they make each additional place available at the request of the Local Authority. For instance, where a school makes 96 places available into a year group instead of 90 at Slough's request, the school would be funded for 6 additional places for each full term the places are available.
- 5.12 Funding Mechanism - Schools will receive AWPU funding for 'the period' that they make each 'additional place' available at the request of Slough.

**Additional Place** – This is a school place that is over and above the PAN for that year group; it is also higher than the number of pupils in that year group as at the October Census for that academic year. This definition avoids double funding pupils, as schools will receive funding for the number on roll reported as part of this Census.  
Funding will only be provided for pupils in year groups Reception up to Year 11.

**The Period** - This will be agreed in units of whole terms as a minimum except in the first term which may already have started. This will allow revenue funding to be provided near the start of each term and avoid the need for claw back.

**Agreement** – The funding is not retrospective and will only apply where it is agreed by Slough that funding will be provided in advance.

- 5.13 Academies - There is an issue with funding of academies between April and August as the Education and Skills Funding Agency (ESFA) funds academies from April to August in arrears. The time to claim this funding is January each year at budget build time via the APT. Any decisions to create places after this date cannot be recouped from the ESFA. Therefore the Growth Fund will also fund this period for academies.
- 5.14 Non-Academies - As currently happens with bulge classes, the Growth Fund will support non-academy schools from September to March, thereafter funding is provided via the next School Census in October. This is because non-academies (maintained schools) are funded April to March.

### **Underwritten Places at Grove Academy**

- 5.15 Grove Academy opened for September 2017 but only after it was agreed with the ESFA that Slough would underwrite the following number of pupils for the first 3 years to ensure the viability of the

school. Without this agreement the school would not have opened and Slough would not have had sufficient capacity.

	Year Groups					Total
	R	1	2	3	7	
2017-18	30	30	30	30	120	240

	1	2	3	4	8	Total
	2018-19	30	30	30	30	120

	2	3	4	5	9	Total
	2019-20	30	30	30	30	120

The tables above can be compared to the tables below which show the actual numbers on roll in October each year. The underwritten classes have filled significantly between October 2017 and October 2019, with a net gain of 103 pupils in that time.

	Year Groups					Total
	R	1	2	3	7	
2017-18	31	13	8	8	49	109

	1	2	3	4	8	Total
	2018-19	48	31	24	25	78

	2	3	4	5	9	Total
	2019-20	49	27	26	29	81

- 5.16 For new Free Schools the ESFA only provide funding for the number of pupils on roll on the October Census of the relevant school year. For this reason Slough was asked to fund the empty places in each class to ensure the school has the revenue funding it needs to deliver a full curriculum.
- 5.17 Schools' Forum agreed to provide up to £90K for year 1 and Year 2 or 50% of the actual cost for underwriting places whichever was the lower figure. In the end the Growth Fund contributed £90K and £25K respectively.
- 5.18 Schools' Forum is asked to consider whether some of the underspend from the 2019-20 Growth Fund budget could be utilised to fund up to 50% of cost for a third/final year. Slough (not Schools' Forum) originally agreed to underwrite this cost as there was no time for discussion with Schools' Forum at the time. However, the guidance in para 5.1 demonstrates that use of Growth Funding to meet the costs of a new school is allowed and is one of the 3 key aims of the Fund. Any decision would need to first consider the level of funding and contingency sums available in 2019-20.

### **Falling Rolls and Half Classes**

- 5.19 Growth Funding is not permitted to support reductions or falling rolls. A separate fund called the Falling Rolls Fund can be set up from the DSG for this purpose. The explanation in the *Schools Revenue Funding 2019 to 2020 – Operational Guide* (July 2018) was circulated last year when this issue was first discussed.
- 5.20 Schools Forum did not support the introduction of a Falling Rolls Fund for 2019-20 but as the issue affects a growing number of primary schools it is right that Schools' Forum consider the matter.
- 5.21 The issue of falling rolls and the impact this can have on viability is taken very seriously by the LA. However, it is not clear, assuming Schools' Forum supports it, that a Falling Rolls Fund would be useful for many schools. The criteria that apply would mean that only Good and Outstanding Schools can apply for funding and a case would need to be made that the surplus places would be needed within 3 years. At this point Slough does not have any evidence that birth levels will raise again overall although there may be rises in specific localities.
- 5.22 One alternative to the Falling Rolls Fund could be a managed process between the school and LA Admissions Team to wind down classes that are no longer needed or have an unviable number of pupils. The Admissions Code would, however, limit the effectiveness of this tactic.

### **ESFA Growth Fund Settlement**

- 5.23 At this point it is uncertain how much funding Slough will be allocated by the ESFA for Growth in 2020-21. If Slough's final allocation is lower than expected then there may be a need to revisit the 'top slice' and allocation model, in which case a further paper will be brought to Schools' Forum for consideration.

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

### Borough Solicitor

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

### Section 151 Officer – Strategic Director of Resources

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

### Access Implications

- 6.3 There are no access implications.

## 7 CONSULTATION

### Principal Groups Consulted

- 7 School Organisation Group, Slough Schools Education Forum and all primary schools were consulted on the option of larger classes in late 2015. This has been reported to Schools' Forum in previous reports.

### Method of Consultation

### Representations Received

### Background Papers

None

### Contact for further information

Tony Madden (Principal Asset Manager)  
(01753 875739)  
[tony.madden@slough.gov.uk](mailto:tony.madden@slough.gov.uk)

Domenico Barani (Principal Accountant, ECS)  
(01753 690709)  
[Domenico.Barani@slough.gov.uk](mailto:Domenico.Barani@slough.gov.uk)



2019-20 Estimated Growth Fund Allocations (£)

Appendix A

Date: Oct 2019

<b>Primary AWPU (2019-20)</b>	<b>3,348.41</b>
Pupils per Class	30
Full Year Growth Funding Per Class	100,452.30
All schools (Sep 19 - Mar 20)	58,597.18
Academies (Apr 20 - Aug 20)	41,855.13

<b>Secondary AWPU (2019-20 average)</b>	<b>4,481.18</b>
KS3	4,254.20
KS4	4,708.15
Pupils per Class	30
Full Year Growth Funding Per Class	134,435.25
All schools (Sep 19 - Mar 20)	78,420.56
Academies (Apr 20 - Aug 20)	56,014.69

<b>2019-20 BUDGET (excluding funding claimed from the ESFA for academies)</b>		
CARRY FORWARD 2018-19 (agreed by School's Finance)	203,301	
TOP SLICE FROM 2019-20 SCHOOL BLOCK (agreed by Schools' Forum)	800,000	reduced from £900K
<b>TOTAL BUDGET</b>	<b>1,003,301</b>	

FORECAST EXPENDITURE 2019-20

	School	Status	New Pupils	No. of Classes	Remaining years	Sept 2019 - March 2020	April 2020- August 2020	TOTAL COMMITMENT
PRIMARY	Claycots School	Non-Academy	30	1	3	58,597		58,597
	St Mary's CE Primary School	Non-Academy	30	1	1	58,597		58,597
SECONDARY	Langley Grammar	Academy	30	1	3	78,421	56,015	134,435
	The Westgate School	Academy	60	2	4	156,841	112,029	268,871
	Wexham School	Non-Academy	45	1.5	4 / 5	117,631		117,631
<b>2nd Year of Academy Bulge Class</b>								
	Marish Primary School (numbers grew from 99 to 129 between Oct-18 to Oct-19)	Academy	30	1	1	100,452		100,452
<b>CONTINGENCY REQUIREMENTS</b>								
	Marish bulge class	Academy	30	1	1	58,597	41,855	100,452
	Provisional primary class or 15 x 'plus 2s'	50% Academy	30	1	1	58,597	20,928	79,525
	Grove Academy - underwriting support (final year - sum to be agreed)	Academy / FS				90,000	0	
	<b>Total</b>		<b>285</b>	<b>9.5</b>		<b>777,734</b>	<b>230,827</b>	<b>918,560</b>

Based on a PAN of 210 - to be confirmed

May change once finalised data known

ESTIMATED UNDERSPEND (FINANCIAL YR 19-20)

225,567

- Historically Slough has always ended up with an underspend at year end from the Growth Fund budget.
- This reflects the cautious approach that is taken with contingency requirements.
- The preference is to have a working surplus rather than risk unexpected growth mid-year which requires an additional contribution from the DSG.
- Schools' Forum agreed to reduce the top slice to £800K for 2019-20.
- Grove Academy underwriting request has increased from £60K to £90K and covers the period April 19 to March 20, following a reduction in 2018-19 from £90K to £25K.

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## 2020-21 Estimated Growth Fund Allocations (£)

## APPENDIX B

AWPU levels may change when final figures are published

Date: Oct 2019

<b>Primary AWPU (2020-21)</b>	<b>3,201.67</b>
Pupils per Class	30
Full Year Growth Funding Per Class	96,050.10
All schools (Sep 19 - Mar 20)	56,029.23
Academies (Apr 20 - Aug 20)	40,020.88

<b>Secondary AWPU (2020-21 average)</b>	<b>4,648.65</b>
KS3	4,387.99
KS4	4,909.30
Pupils per Class	30
Full Year Growth Funding Per Class	139,459.35
All schools (Sep 19 - Mar 20)	81,351.29
Academies (Apr 20 - Aug 20)	58,108.06

<b>2020-21 BUDGET (excluding funding claimed from the ESFA for academies)</b>		
CARRY FORWARD 2019-20 (to be agreed by School's Finance)	225,567	estimate
TOP SLICE FROM 2020-21 SCHOOL BLOCK (to be agreed by Schools' Forum)	600,000	reduced from £800K
<b>TOTAL BUDGET</b>	<b>825,567</b>	

### FORECAST EXPENDITURE 2020-21

	School	Status	New Pupils	No. of Classes	Remaining years	Sept 2020 - March 2021	April 2021 - August 2021	TOTAL COMMITMENT
<b>PRIMARY</b>	Claycots School	Non-Academy	30	1	2	56,029		56,029
<b>SECONDARY</b>	Langley Grammar	Academy	30	1	2	81,351	58,108	139,459
	The Westgate School	Academy	60	2	3	162,703	116,216	278,919
	Wexham School	Non-Academy	75	2.5	3 / 4	203,378		203,378
	2nd Year of Academy Bulge Class (estimated growth Oct-19-Oct-20)							
	Marish Primary School	Academy	18	1	1	57,630		57,630
<b>CONTINGENCY REQUIREMENTS</b>								
	Provisional primary academy class	Academy	30	1	1	56,029	40,021	96,050
	Provisional primary class or 15 x 'plus 2s'	50% Academy	30	1	1	56,029	20,010	76,040
	Provisional secondary academy class	Non-Academy	30	1	1	81,351		81,351
	Grove Academy - underwriting support (Apr-20 to Aug-20)	Academy / FS				47,000	0	
	<b>Total</b>		<b>303</b>	<b>10.5</b>		<b>801,501</b>	<b>234,356</b>	<b>988,857</b>
	<b>ESTIMATED UNDERSPEND (FINANCIAL YR 20-21)</b>					<b>24,066</b>		

To be finalised when Oct 20 Census data confirmed

- Historically Slough has always ended up with an underspend at year end from the Growth Fund budget.
- This reflects the cautious approach that is taken with contingency requirements.
- The preference is to have a working surplus rather than risk unexpected growth mid-year which requires an additional contribution from the DSG.
- Schools' Forum reduced the top slice to £800K from 2019-20.
- Unsure if further underwriting is required from Slough for April to August.

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**SLOUGH SCHOOLS' FORUM**  
**12<sup>th</sup> November 2019**

**Directorate of Children, Learning and Skills**

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**2020-21 Schools' Block 0.5% Top- Slice to High Needs Block**

**1 PURPOSE OF REPORT**

- 1.1 This report follows on from the paper presented at the October Schools' Forum and provides the outcome to the consultation concerning the Schools' Block top slice of 0.5% to be transferred into the High Needs Block to assist with supporting its in-year budgetary pressures.

**2 RECOMMENDATIONS**

- 2.1 That Schools' Forum **note** the level of responses to the consultation with all 44 schools:
- 31 responses (70%) of which;
  - 26 in favour of **OPTION 2** – Do not support the transfer of funds of 0.5% from the Schools' Block to the High Needs Block.
  - 5 in favour of **OPTION 1** – Do support the transfer of funds of 0.5% from the Schools' Block to the High Needs Block.
- 2.2 That Forum takes into consideration the outcome of the consultation and **decides** which option it wishes to implement.

**3 REASONS FOR RECOMMENDATION**

- 3.1 As prescribed within the Schools Operational Guide 2020 to 2021:

**Movements from the Schools Block**

*196. The schools block will again be ring-fenced in 2020 to 2021, but local authorities will retain limited flexibility to transfer funding as outlined below. Local authorities may transfer up to 0.5% of their schools block funding into another block, with the approval of their schools forum.*

**4 BACKGROUND AND NEXT STEPS**

- 4.1 Reiterated from the previous paper:  
 As part of the deficit recovery plan, previously presented to Forum, the ESFA has placed an expectation onto the LA to, at a minimum, balance any in-year pressures within any block, which for Slough and almost all other LAs nationally, sits within the High Needs Block.

One efficient mechanism in which to contribute to this expectation is by seeking support from its schools. Whilst the top-slice will not eliminate the funding pressure entirely, it would improve the eventual outturn of the High Needs Block by around £0.7m.

- 4.2 The LA, as in previous years', will uphold the decision of the Schools' Forum in regards to the top-slice request. The ESFA has indicated that the additional funding allocated to the HNB for 2020-21 will meet our original planning for income from the Schools Block and therefore that they would not expect the LA to submit a dis-application request to the Secretary of State (SoS) to overturn forum's decision.

## **5 ALTERNATIVE OPTIONS CONSIDERED**

- 5.1 Not applicable

## **6 SUPPORTING INFORMATION**

- 6.1 Not applicable

## **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 Finance and 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 Concluded on the 18<sup>th</sup> October 2019.

### Contact for further information

Domenico Barani

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**SLOUGH SCHOOLS' FORUM**  
**12<sup>th</sup> November 2019**

**Directorate of Children, Learning and Skills**

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**2020-21 Schools' Block Consultation Outcome**

**1 PURPOSE OF REPORT**

- 1.1 This report follows on from the paper presented at the October Schools' Forum and provides the outcome of the 5-16 Schools Revenue funding consultation for 2020.21 on the two agreed options endorsed by the Schools Task Group.

**2 RECOMMENDATIONS**

- 2.1 That Schools' Forum **note** the level of responses to the consultation with all 44 schools:
- 31 responses (70%) of which;
  - 24 in favour of **OPTION 2** – 85% movement to NFF factor rates with a +0.5% MFG.
  - 7 in favour of **OPTION 1** – 65% NFF factor rates 'as-is' with a +0.5% MFG.
- 2.2 That Forum takes into consideration the outcome of the consultation and **recommends** the implementation of the preferred option.
- 2.3 Under both options all schools will receive a per pupil increase over 2019-20 levels, which is separate to increases/decreases to numbers of pupils.

**3 REASONS FOR RECOMMENDATION**

- 3.1 This the third 'soft' year of the implementation of the National Funding Formula. The DfE are, in the third year, progressing this ambition by hardening parts of the formula such as the minimum per pupil values. Whilst the intention for a 'hard' NFF is still intended for 2021-22, the DfE has not formally confirmed that this will happen and based on this, the LA is adopting another stepped approach towards it rather than implement it fully. It is also unclear what implications there are to future levels of local funding if the NFF was implemented in full.

Until the DfE has made clear on any local implications, Slough should carefully consider the choice to move to it. Second to this, primary legislation needs to be amended and approved to implement the NFF, which needs to be factored into the timescales.

- 3.2 The Task Group meeting held on the 21<sup>st</sup> October 2019 agreed that Option 2 was the option that provided the least amount of overall turbulence to schools year- on- year illustrative budgets, whilst moving further towards the NFF and therefore was considered the most sensible option to adopt.

#### **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Various options were considered at the first two Task Group meetings, which were whittled down to the two that went to consultation as approved at the Third Task Group.

#### **5 SUPPORTING INFORMATION**

- 5.1 Not applicable

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

- 6.1 Monitoring Officer  
The relevant legal provisions are contained within the main body of this report.
- 6.2 Section 151 Officer – Strategic Director of Finance and Resources  
The financial implications of the report are outlined in the supporting information.
- 6.3 Access Implications  
There are no access implications.

#### **7 CONSULTATION**

- 7.1 Concluded on the 18<sup>th</sup> October 2019.

Contact for further information

Domenico Barani

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**SLOUGH SCHOOLS' FORUM**  
**12<sup>th</sup> November 2019**

**Directorate of Children Learning and Skills**

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**The Scheme for Financing Schools**

**1 PURPOSE OF REPORT**

- 1.1 To inform Schools' Forum of the revisions made by the Secretary of State for Education instructing an amendment to all authority schemes effective as of 5<sup>th</sup> February 2019. There are no new directive provisions from the Secretary of State for Education in this iteration.
- 1.2 To advise Schools' Forum of the consultation outcome to the proposed changes which ran from the 10<sup>th</sup> to the 24<sup>th</sup> September 2019. If approved, all of the changes consulted on will form part of the published version of the Scheme for Financing Schools. (Note that the scheme applies only to maintained schools. The ESFA is charged with providing financial operational support to academies).

**2 RECOMMENDATIONS**

- **Notes** the outcome of the consultation which lays out the process of the Licenced Deficit Scheme and other changes implemented by the DfE.
- That Forum members representing maintained schools **approve** the proposed amendments and changes to the scheme that accompanies this report.

**3 BACKGROUND**

- 3.1 Local Authorities are required to publish Schemes for Financing Schools setting out the financial relationship and associated issues, binding on both the authority and on the schools they maintain.
- 3.2 In making any changes to their schemes, local authorities must consult all schools in their area and receive the approval of the members of their Schools' Forum representing maintained schools. Local authorities must take this guidance into account when they revise their schemes, in consultation with the Schools Forum.
- 3.3 This guidance relates to the following legislation:
- Section 48 of the School Standards and Framework Act 1998, and Schedule 14 to the Act
  - Schools and Early Years Finance (England) Regulations 2018.

#### **4 Publication of the Scheme**

- 4.1 The Scheme must be published on a website which is accessible to members of the public, which can be found on the following link:

<http://www.slough.gov.uk/council/strategies-plans-and-policies/school-governance-management-and-finance.aspx>

#### **4 CONSULTATION**

- 4.1 All 17 of the LA's maintained schools were consulted on the proposed changes to this year's Scheme. The return rate of the consultation was 7 of 17 (41%).
- 4.2 Of the responses received, all accepted the proposals to be implemented, other than one school querying one minor DfE amendment.

#### **5 THE SCHEME FOR FINANCING SCHOOLS 2019.20**

- 5.1 A revised Scheme for Financing Schools can be found at Appendix A. This contains the minor changes to the scheme that bring it 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/schemes-for-financing-local-authority-maintained-schools>

#### **6 LICENSED DEFICIT**

- 6.1 The updates made in regards to the licensed deficit are contained within the main consultation document at Appendix B and C.

#### **7 ALTERNATIVE OPTIONS CONSIDERED**

- 7.1 No alternative options were considered.

#### **8 SUPPORTING INFORMATION**

- 8.1 Not applicable

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

- 9.1 Monitoring Officer  
The relevant legal provisions are contained within the main body of this report.
- 9.2 Section 151 Officer – Strategic Director of Resources  
The financial implications of the report are outlined in the supporting information.

9.3 Access Implications  
There are no access implications.

## **10 CONSULTATION**

Concluded on the 24<sup>th</sup> September 2019.

Contact for further information  
Domenico Barani  
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[Domenico.Barani@slough.gov.uk](mailto:Domenico.Barani@slough.gov.uk)

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

**Scheme  
For Financing Schools**

**2019/2020**

The logo for Slough Borough Council features a stylized 'S' shape on the left, composed of a thick black vertical bar and a thick black horizontal bar that curves downwards. To the right of this graphic, the text 'www.slough.gov.uk' is written in a small, sans-serif font. Below this, the word 'Slough' is written in a large, bold, sans-serif font. Underneath 'Slough', the words 'Borough Council' are written in a smaller, bold, sans-serif font.

[www.slough.gov.uk](http://www.slough.gov.uk)  
**Slough**  
Borough Council

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**Appendix F: Glossary of Terms**

Council Financial Regulations January 2000

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

## **SECTION 1: INTRODUCTION**

### **1.1 The Funding Framework: Main Features**

- 1.1.1 The funding framework which replaces Local Management of Schools is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act (SSFA), 1998.
- 1.1.2 Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget – although at a minimum an authority must appropriate its entire Dedicated Schools Grant to their schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the schools budget left after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).
- 1.1.3 Authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act and regulations made under that section. All proposals to revise the scheme must be approved by the Schools Forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority
- 1.1.4 Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school\* and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (\*Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if



they were amounts spent for the purposes of the school (s50(3A) of the Act.).

- 1.1.5 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 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 Head Teacher.
  - 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 Head Teacher 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 Head Teacher's 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 Head Teacher their powers in relation to any part of the delegated budget.

### Role and Responsibilities of the Head Teacher

1.2.6 Fair Funding gives Head Teacher's 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 formulates 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

1.31 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 Head Teacher 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.

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

### 1.5 Delegation of powers to the Head Teacher

1.5.1 The governing body shall consider the extent to which it wishes to delegate its financial powers to the Head Teacher, 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 Head Teachers, but the adoption of such recommendations is not mandatory on schools.

### 1.6 Maintenance of schools

1.5.1 The Council is responsible for maintaining schools covered by the scheme. This includes the duty of defraying all the expenses maintaining them (except in the case of a VA school where some expenses are, by statute, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in

place under sections 45 to 53 of the Schools Standards and Framework Act 1998.

## **SECTION 2: FINANCIAL REQUIREMENTS AND AUDIT**

### **2.1 General Procedures**

#### **2.1.1 Application of financial controls to schools**

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

#### **2.1.2 Provision of financial information and reports**

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

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

#### **2.1.3 Payment of salaries; payment of bills**

The school will be responsible for the correct payment of all salaries, bills and relevant taxes relating to its budget share unless the authority has agreed to perform this on behalf of the school through a separate service level agreement. Any costs including penalties, legal or administrative costs incurred by the authority as a result of a school's none 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 The scheme should encourage schools to register anything that is portable and attractive, such as a camera.

#### **2.1.6 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.

#### **2.1.7 Writing off of debts**

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

### **2.2 Basis of accounting**

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

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

### **2.3 Submission of budget plan**

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

- 2.3.2 The Approved budget plans should be notified to the authority in a standard format determined by the authority together with a copy of the relevant minutes of the governing body approving the plan by May 31 of the financial year to which the budget relates. The budget plan will include a statement of the School Development Plan financial implications underpinning the budget; planned use of historic balances and of the projected end of year balance. The authority may also require the governing body to submit revised budget plans once every three months, from the anniversary of 31 May
- 2.3.3 The governing body must also prepare and submit, if requested by the authority, any supporting financial schedules verifying the budget plan. This may include, for example, an analysis of salary expenditure.
- 2.3.4 The authority will supply schools with any income and expenditure data which it holds which is necessary for efficient budget planning by schools. The authority shall provide an annual statement of when this information shall be made available through the year.
- 2.3.5 Schools must accept responsibility for the proper allocation and coding of their income and expenditure to ensure the CFR standards are met.

### **2.3.6 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 School Resource Management**

- 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 to the LA Financial Regulations.

## **2.9 Register of business and other interest**

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

- 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 register should be kept up to date with notification of changes and the entries should be reviewed annually. The register should be available for inspection by the LA, governors, staff and parents and should be published, for example, on a publicly accessible website. The LA has a model 'Code of Conduct' for staff that covers this area and this has been recommended to schools (it suggests that all staff declare business interests – or at least those in a position to make financial decisions). Declaration of any pecuniary interests should also be made at governors meetings and minuted.

## **2.10 Purchasing, tendering and contracting requirements**

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

2.10.2 However, schools must not do anything incompatible with any of the provisions of this scheme, or any statutory provision, or any EU Procurement Directive.



Schools must:

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

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

## **2.11 Application of contracts to schools**

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

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

## **2.12 Central funds and earmarking**

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

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

2.12.3 There should be accounting mechanisms in place for schools to be able to demonstrate that these requirements have been complied with. Earmarked funds may include a condition that any funds not spent in

year or within the period, over which schools are allowed to use the funding if different, must be returned to the authority. The authority must not make any deduction from payments to schools of devolved or specific grant, in respect of interest costs to the local authority.

## **2.13 Spending for the purposes of the school**

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

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

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

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

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

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

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

## **2.14 Capital spending from budget shares**

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

2.14.2 The reason for these provisions is to help ensure compliance with the specific legislation.

## **2.15 Notice of Concern**

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

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

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

- Imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities
- 2.15.3 The Notice will clearly state what these requirements are, how it can be rectified and the date it must be rectified by, in order for the Notice to be withdrawn. It will also state the actions that the authority may take where the Head Teacher does not comply with the Notice, which will include issuing this Notice to the governing body stating the action that will be taken if they do not comply.
- 2.15.4 The purpose of this provision is to enable a local authority to set out formally any concerns it has regarding the financial management of a school it maintains and requires a governing body to comply with any requirements it deems necessary. The principal criterion for issuing a Notice, and determining the requirements included within it, must be to safeguard the financial position of the authority or school.
- 2.15.5 This provision is not intended to be used in place of withdrawal of financial delegation where that is the appropriate action to take; it is included to provide a way of making a governing body aware of the authority's concerns short of withdrawing delegation and identifying the actions a governing body should take in order to improve their financial management to avoid withdrawal.
- 2.15.6 Where the council has issued a Notice it will be withdrawn once the governing body has complied with the requirements it imposes.

## **2.16 Schools Financial Value Standard (SFVS)**

- 2.16.1 All local authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.
- 2.16.2 Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner. Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.
- 2.16.3 All maintained schools with a delegated budget are required by Slough to submit the form to the local authority annually by 18 December (or the last day of autumn term whichever is earlier). This earlier deadline will allow Slough sufficient time to audit the information prior to DfE deadline of 31 March

## 2.17 Fraud

2.4.2 All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets. The governing body and head teacher must inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them and the consequences of breaching those controls. This information must also be included in the induction for new school staff and governors.

## SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

### 3.1 Frequency of instalments and banking arrangements

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

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

#### Notes:

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

authority.

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

### **3.2 Proportion of budget share payable at each instalment**

3.2.1 The budget share payable will be calculated as follows:

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

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

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

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

### **3.3 Interest and Payroll**

- 3.3.1 For option 3 and 4 schools using the Council payroll service the gross cost of the payroll will be charged to the next monthly payment. No interest will be credited to schools for the interest earned by the Borough on the tax, National Insurance and superannuation contributions not due to be paid over until after the pay date

#### **3.3.2 Interest on late budget share**

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

### **3.4 Budget shares for closing schools**

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

### **3.5 Bank and Building society accounts**

#### **3.5.1 Restrictions on Accounts**

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

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

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

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

### **3.6 Borrowing by schools**

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

- 3.6.2 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 The use of procurement cards by schools is permissible and can be a useful means of facilitating electronic purchases.

- 3.6.5 Schools may use credit or charge cards. However, no interest charges should be incurred by the school, with balances fully cleared on a monthly basis

- 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

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

- 4.3.1 The local authority shall calculate by 30 April each year the surplus balance, if any, held by each school as at the preceding 31 March. For the purpose of the Balance Control Mechanism (BCM) the balance will be the total revenue balance as reported on the final Consistent Financial Report (CFR) return.
- 4.3.2 The revenue balance will be calculated as a percentage of the new financial year's budget share. This is purely to clarify the year that will be used for comparison. Budget share will consist of school block funding, high needs block funding and early years block funding (if appropriate) as well as Pupil Premium and EFA Sixth Form Funding (if appropriate).
- 4.3.3 The BCM threshold is set at 5% for secondary schools and 8% for primary and special schools. For any school exceeding the threshold, local authority officers will review the school's return on Planned Use of Balances. Amounts not fully supported by evidence will be considered as potentially subject to clawback. For example, if a primary school has a balance of 10% then it will be asked to supply evidence to cover all of that balance. If evidence is supplied for 8% then 2% would be recoverable, being the figure above 8%. Similarly, for a primary school with a balance of 10%, if evidence for 7% were supplied, 2% would be recovered, again being the amount above 8%. However there would be no recovery if evidence were supplied for 10%.
- 4.3.4 The following funds will be viewed as exempt from potential clawback if sufficiently supported by relevant evidence:

<b>Category</b>	<b>Evidence</b>
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

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

- 4.3.6 Any amounts that are clawed back will then be referred to the Schools Forum for a decision on their use. That decision will take into account the prevailing needs of Slough's schools as a group and extant DfE guidance. For example, clarification will be sought regarding the status of academies if funds are redistributed through the funding formula.

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

#### **4.4 Interest on surplus balances**

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

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

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

#### **4.6 Planning for deficit budgets**

- 4.6.1 The governing body cannot plan for a deficit budget, after taking into account carried forward balances. In the event of an unplanned budget arising during a financial year, maintained schools are required to review its financial priorities to ensure it can bring its expenditure back into balance within the current financial year. Schools should also plan for end of year contingencies of at least 8% (primary phase), and 5% (secondary phase) of its budget share to ensure it has sufficient cash flows to absorb unplanned for expenditure. Schools that submit a Governor Approved Budget Plan showing a deficit position will be asked to re submit a balanced budget. On exception, where the school's governors demonstrate that a balanced budget can only be achieved to the severe detriment of the functions of the school, the school can apply to the LA for a licensed deficit, and by demonstrating how it intends to balance its budget over a period longer than one year via a recovery plan.

#### **4.7 Interest on deficit balances**

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

#### **4.8 Writing off deficits**

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

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

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

#### **4.10 Licensed deficits**

- 4.10.1 Slough's licenced deficit scheme will operate on a 'cash advance' option only. This is where a schools budget share can be re-profiled 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.
- 4.10.2 If any school optimises the cash advance system, schools forum will be appropriately updated.
- 4.10.3 The request for a licensed deficit will be reviewed by LA finance officers and, if satisfied, be sent to the Director of Children, Learning and Skills and the Director of Finance and Resources (S151 Officer) for approval.
- 4.10.4 The maximum amount of time that a school can set a deficit budget is for 3 years, subject to approval, however this can be reviewed under exceptional circumstances.

4.10.5 The purpose of the Licensed Deficit process is to enable maintained schools to:

- Identify and acknowledge they are experiencing financial challenges;
- Agree with the LA a plan of action and to monitor progress against that plan;
- Take strategic action to improve the long term financial health of the school;
- Balance their budget over an agreed period of time, no longer than **3 years**.

The purpose of a recovery plan is to identify the actions that can be taken to bring a school budget back to a balanced position within an agreed period of time.

Schools with a licensed deficit agreement must produce a recovery plan that demonstrates they are able to achieve a balanced budget over the agreed licensed deficit period.

4.10.6 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 into balance.

4.10.7 Access to a deficit recovery agreement:

To apply for a licensed deficit a school must complete by the **31<sup>st</sup> May**;

- A licensed deficit application form. (Appendix A).
- A 3 year Governor approved budget plan.
- A recovery plan detailing how they will balance their budget. (For example, demonstrating cost reduction plans, and seeking new income sources).

Following the submission of a 'Governor Approved Budget Plan' and Recovery Plan, a number of validation checks will be completed by the Local Authority to ensure that the plans are reasonable. This will be achieved by:

- Comparing the current year's income and expenditure budgets with previous years' trends to identify any significant differences.

-Checking that the correct balances have been brought forward into the current year and all funding delegated by the LA have been taken in to account.

-Actions included in the recovery plan are realistic and that by implementing them the required level of savings can be achieved.

-Any areas that are unclear or simply not achievable will be queried with the school and clarification sought.

Where the plans are deemed to be suitable they will be passed to the Director of Children's Services and S151 for a decision to be made.

Written confirmation will be sent to the school on the outcome of the review. The LA will not unreasonably reject an application for a licensed deficit and will consider the following in reaching a decision:

The nature of the circumstances which gave rise to the deficit and specifically whether:

-They could have been foreseen, or if the decisions made by the school had financial consideration.

-The school's track record in financial management.

-The robustness of the deficit recovery plan and the appropriateness of the timescales proposed.

-Any other mitigating circumstances such as the size of the deficit.

#### 4.10.8 Live Agreements:

Where a timescale for the school to balance its budget has been agreed, it must demonstrate its commitment to achieving this.

4.10.9 A joint budget monitoring review programme will 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.

4.10.10 Schools will be contacted by telephone and in writing if there are any queries about the financial information or projected financial position, and if a projection is made that is worsening and/or contrary to the recovery plan, then it will need to demonstrate mitigating plans.

4.10.11 Where the school has a change of circumstances which results in a deviation from the agreed plan, the school must discuss the situation with the respective LA finance officer at the earliest opportunity.

4.10.12 In exceptional circumstances only, it may be possible to extend the recovery period. Such requests will need to be approved by the Director of Children, Learning and Skills and the Director of Finance and Resources (S151 Officer) who will need to be satisfied that the circumstances are indeed exceptional, and that all reasonable action will be taken to clear the deficit at the earliest opportunity.

4.10.13 Schools not engaging with the process or who are persistently in breach of the Scheme of Finance will be required to attend a financial review meeting with the LA to discuss their financial position.

#### 4.10.14 **Local Authority Intervention**

Local Authority intervention will apply where:

- The school is persistently in breach of the Scheme for Financing Schools.
- The school will not/cannot set a balanced budget.
- The school will not engage in the licensed deficit process.
- The deficit is worsening and no action is being taken by the school.
- There is evidence of financial mismanagement by the school.

Intervention is proposed to escalate at three levels. It is envisaged that deficit schools will engage with the LA well before the need for intervention as these arrangements are the last resort, for the protection of public monies. The levels of intervention are:

1. Financial Review Meeting
2. Notice of Concern
3. Suspension of delegated financial powers.

##### Level 1 - Financial Review Meeting

Schools that do not return a balanced budget or apply for a licensed deficit will be required to attend a Financial Review Meeting with the LA. A similar requirement will apply to schools with a worsening deficit and also for those schools who persistently are in breach the Scheme for Financing Schools.

The review meeting will include Senior Officers from the LA, the Head Teacher and Chair of Governors or representative Governor.

The meeting will:

- Review the financial position of the school.

- Seek an explanation from the school about the action being taken to safeguard the school's financial position.
- Assess what support the school may require.
- Agree an action plan to set a balanced budget.

#### Level 2 - Notice of Concern

A school that does not take the necessary action required under the Financial Review Meeting, will be required to attend a Notice of Concern meeting with the DCS and S151 Officers. They will be given a formal notice of the action the LA recommends they should take to bring the budget back in to balance. The school will be given a month to respond.

#### Level 3 - Suspension of Delegation

Where a school does not take the necessary action identified under the Notice of Concern review, a further meeting will be requested with the DCS, where the LA will seek to suspend delegation as described under 1.1.5 (Section 51 of the School Standard & Framework Act) within the Scheme for Financing Schools.

### **4.11 Loans**

- 4.11.1 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.

### **4.12 Credit union approach**

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



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

## **SECTION 5: INCOME**

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

### **5.1 Income from lettings**

- 5.1.1 Schools may retain income from lettings in relation to their agreed school premises, subject to alternative provisions arising from any joint use, PFI/PPP or similar arrangements. The school cannot enter into an agreement, where the authority is the owner of the premises, which gives a third party a substantial and/or long term interest in the premises (including land) without the prior written consent of the authority. Where the authority is not the owner of the buildings the school is required to consult with the authority before entering into such an agreement. If such an agreement could be reasonably foreseen to be detrimental to the supply of school places within the local authority and/or the advice of the authority is not heeded, and additional costs are incurred by the authority as a result of the need to make additional places available, then these costs may be charged to the school's budget share.
- 5.1.2 Schools can cross subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share, and the purpose of the cross subsidy must be of direct or indirect benefit to the school. However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land
- 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 'intact'. 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 maybe 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 where there is good reason to charge this to the school (see Annex B)
- 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 in cases where this would be allowable under the school and early years finance regulations or the dedicated schools grant (DSG) conditions of grant.
- 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 (to limit the term of agreement with a school to buy services or facilities from the authority) 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 a monthly 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 monthly return of salary and service to Teachers' Pensions and to



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

## **SECTION 9: PFI/PPP**

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

## **SECTION 10: INSURANCE**

### **10.1 Insurance cover**

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

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

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

## **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 a school is no longer required to consult before establishing community facilities, and there is no longer a need for a school to be mindful of a local authority's advice, under section 27 of the Education Act 2002

13.1.3 The main limitations and restrictions on the power are:

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

### **13.2 Implications for Delegated Budget**

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

### **13.3 Consultation with the authority – Financial Aspects**

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

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

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

#### **13.4 Funding Arrangements: Authority powers**

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

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

13.4.3 Although the authority does not have a general power of veto for these agreements, if an agreement has been or is to be concluded against the wishes of the authority, or has been concluded without informing the authority, which in the view of the authority is seriously prejudicial to the interests of the school or the authority, that may constitute grounds for suspension of the right to a delegated budget.

#### **13.5 Other Prohibitions, Restrictions and Limitations**

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

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

Community Plan, Education Development Plan and other Strategic Plans and Quality Frameworks.

### **13.6 Supply of Financial Information**

13.6.1 Schools which exercise the community facilities power must provide the authority every six months with a summary statement, in a form determined by the authority, showing the income and expenditure for the school arising from the facilities in question for the previous six months and on an estimated basis, for the next six months.

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

### **13.7 Audit**

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

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

### **13.8 Treatment of Income and Surpluses**

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

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

### **13.9 Health and Safety Matters / 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 School	Community
Holy Family Catholic Primary	Voluntary Aided
Iqra Slough Islamic Primary	Voluntary Aided
Khalsa Primary	Voluntary Aided
Lea Nursery	Community
Our Lady of Peace Catholic	Voluntary Aided
Penn Wood Primary & Nursery	Community
Pippins School	Foundation
Priory School	Foundation
Slough Centre Nursery	Community
St Mary's CoE	Voluntary Controlled
Wexham Court Primary	Community
<b>Secondary</b>	
St Bernard's Catholic Grammar	Voluntary Aided
Wexham School	Community

## **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 agrees, to support individual schools where "a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share".

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

(7) Where a local education authority incur costs:

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

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

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

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

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

## ANNEX C

### **APPLICATION OF SCHEMES FOR FINANCING SCHOOLS TO THE COMMUNITY FACILITIES POWER**

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

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

Under section 28(1), the main limitations and restrictions on the power will be those contained in the maintaining authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998 as amended by paragraph 2 of Schedule 3 to the Education Act 2002.

This amendment extended the coverage of schemes to include the exercise of the powers of governing bodies to provide community facilities.

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

Appendix B



Taking pride in our communities and town

**Scheme  
for Financing Schools**

**Consultation on Revisions**

**2019-20**

## **Introduction**

The Department for Education (DfE) requires each local authority to provide a Scheme for Financing Schools, setting out details of the financial relationship between the local authority and its maintained schools. This scheme does not apply to academies which are subject to separate arrangements.

The DfE has implemented some changes to the guidance, which the local authority is proposing to adopt. For 2019.20, the proposed changes are relatively minor, with the majority of these changes being small additions and re-phrasings. Also, included within the consultation is an update to the licenced deficits scheme, which outlines the process in which to apply for a licenced deficit, the internal checking undertaken when considering a request and the terms and expectations placed upon schools that have an agreed plan in place.

Local authorities must consult all maintained schools and then receive the approval of the members of their schools forum that represent maintained schools.

You will find at the end of this document the consultation response form and this should be returned to Domenico Barani, Group Accountant, Children and Schools, by **24/09/2019** (2 week consultation).

Please email responses directly to me: Domenico.Barani@slough.gov.uk

### **DfE changes to be locally adopted.**

<b>1</b>		
Addition to the scheme	<b>1.4 Revision to the Scheme</b>	<b>Agree: Y/N</b>
	<b>Added:</b> "It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of the direction"	

<b>2</b>		
Addition to the scheme	<b>2.1.4 Control of assets</b>	<b>Agree: Y/N</b>

<b>Added:</b> “The scheme should encourage schools to register anything that is portable and attractive, such as a camera”	
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<b>3</b>		
Change of title	<b>2.4 “Efficiency and Value for Money”</b>	<b>Agree: Y/N</b>
<b>Changed</b> title from “Efficiency and Value for Money” to “School Resource Management”		
<b>4</b>		
Change of title	<b>2.4 School Resource Management</b>	<b>Agree: Y/N</b>
<b>Changed</b> wording, including a change from “achieve efficiencies” to “effective management of resources”		

<b>5</b>		
Removal	<b>2.10 Purchasing, tendering and contracting requirements</b>	<b>Agree: Y/N</b>
<b>Removed:</b> “A scheme may invite schools to nominate suppliers for inclusion on lists of approved suppliers. 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 a certain threshold”		

<b>6</b>		
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Removal	<b>2.10 Purchasing, tendering and contracting requirements</b>	Agree: Y/N
<b>Removed:</b> “Authorities may issue lists of approved suppliers; but schools must not be compelled either directly or indirectly to use them.		

7		
Addition	<b>2.10 Purchasing, tendering and contracting requirements</b>	Agree: Y/N
<b>Added:</b> “Schools may seek advice on a range of compliant deals via <a href="#">Buying for schools</a> ”		

8		
Removal/ addition	<b>2.14 Capital spending from budget shares</b>	Agree: Y/N
<b>Removed:</b> generic references to legislation “School Premises Regulations and DfE Construction Standards, and health and safety legislation”, added references to specific legislation.		

9		
Addition	<b>3.6 Borrowing by schools</b>	Agree: Y/N
<b>Added:</b> “Schemes may also wish to permit the use of credit or charge cards. However, no interest charges should be incurred by the school, with balances fully cleared on a monthly		

basis”	
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<b>10</b>		
Addition	<b>5.2 Income from lettings</b>	<b>Agree: Y/N</b>
<p><b>Added:</b> “However, where land is held by a charitable trust, it will be for the school’s trustees to determine the use of any income generated by the land”.</p>		

<b>11</b>		
Change	<b>6.2.2 Circumstances in which charges may be made</b>	<b>Agree: Y/N</b>
<p><b>Changed:</b> “Other expenditure incurred to secure resignations where the school had not followed authority advice” to “Other expenditure incurred to secure resignations where there is good reason to charge this to the school (see Annex B)”</p>		

<b>12</b>		
Change	<b>8.1 Provision of services from centrally retained budgets</b>	<b>Agree: Y/N</b>
<p><b>Changed:</b> to explain the scheme should contain a provision barring the authority from discriminating in its provision of services on the basis of categories of schools, except in cases where this would be allowable under the school</p>		

and early years finance regulations or the dedicated schools grant (DSG) conditions of grant.	
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<b>13</b>		
Clarification	<b>8.2 Timescales for the provision of services brought back from the local authority using delegated budgets</b>	<b>Agree: Y/N</b>
<b>Clarification</b> provided on provisions to limit the term of agreement with a school to buy services or facilities from the authority		

<b>14</b>		
Revision	<b>8.4 Teachers' Pensions</b>	<b>Agree: Y/N</b>
<b>Revised</b> quoted legislation and updated expectation of monthly not annual returns		

<b>15</b>		
Addition	<b>10.1 Insurance cover</b>	<b>Agree: Y/N</b>
<b>Added:</b> "The evidence required to demonstrate the parity of cover should be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier".		

<b>16</b>		
Clarification	<b>11.10 Timescales for the provision of services brought back from the local authority using delegated budgets</b>	<b>Agree: Y/N</b>

<p><b>Clarification</b> on how to fund early retirement and redundancy costs; changed “If the authority proposes to depart from this, then the scheme should contain a provision setting out the circumstances in which exceptions will be made” to “If the authority proposes to make local arrangements in accordance with the act, then the scheme should contain a provision setting out how this will work”</p>	
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<b>17</b>		
Update	<b>Section 13 COMMUNITY FACILITIES</b>	<b>Agree: Y/N</b>
<p><b>Updated:</b> to reflect changes to the Children and Families Act 2014; a school is no longer required to consult before establishing community facilities, and there is no longer a need for a school to be mindful of a local authority’s advice, under section 27 of the Education Act 2002</p>		

<b>18</b>		
Amend	<b>4.6.1 Planning for deficit budgets</b>	<b>Agree: Y/N</b>
<p><b>From:</b> 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</p>		



<p>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.</p> <p><b>To:</b> The governing body cannot plan for a deficit budget, after taking into account carried forward balances. In the event of an unplanned budget arising during a financial year, maintained schools are required to review its financial priorities to ensure it can bring its expenditure back into balance within the current financial year. Schools should also plan for end of year contingencies of at least 8% (primary phase), and 5% (secondary phase) of its budget share to ensure it has sufficient cash flows to absorb unplanned for expenditure.</p> <p>Schools that submit a Governor Approved Budget Plan showing a deficit position will be asked to re submit a balanced budget.</p> <p>On exception, where the school’s governors demonstrate that a balanced budget can only be achieved to the severe detriment of the functions of the school, the school can apply to the LA for a licensed deficit (4.9), and by demonstrating how it intends to balance its budget over a period longer than one year via a recovery plan.</p>	
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<b>19</b>		
Amend	4.6.1 Planning for deficit budgets	<b>Agree: Y/N</b>
<b>Move to 4.10.9</b>		
<p>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.</p>		

<b>20</b>		
Addition	4.10 Licensed deficits	<b>Agree: Y/N</b>
<p>The request for a licensed deficit will be reviewed by LA finance officers and, if satisfied, be sent to</p>		

the Director of Children, Learning and Skills and the Director of Finance and Resources (S151 Officer) for approval.

The maximum amount of time that a school can set a deficit budget is for 3 years, subject to approval, however this can be reviewed under exceptional circumstances.

The purpose of the Licensed Deficit process is to enable maintained schools to:

-Identify and acknowledge they are experiencing financial challenges;

-Agree with the LA a plan of action and to monitor progress against that plan;

-Take strategic action to improve the long term financial health of the school;

-Balance their budget over an agreed period of time, no longer than **3 years**.

The purpose of a recovery plan is to identify the actions that can be taken to bring a school budget back to a balanced position within an agreed period of time.

Schools with a licensed deficit agreement must produce a recovery plan that demonstrates they are able to achieve a balanced budget over the agreed licensed deficit period.

The plan will include (from 4.5.1) 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 into balance.

21		
Addition	4.10.7 To Access a deficit recovery agreement	Agree: Y/N
<p>To apply for a licensed deficit a school must complete by the <b>31<sup>st</sup> May</b>;</p> <ul style="list-style-type: none"> <li>-A licensed deficit application form. (Appendix A).</li> <li>-A 3 year Governor approved budget plan.</li> <li>-A recovery plan detailing how they will balance their budget. (For example, demonstrating cost reduction plans, and seeking new income sources).</li> </ul> <p>Following the submission of a 'Governor Approved Budget Plan' and Recovery Plan, a number of validation checks will be completed by the Local Authority to ensure that the plans are reasonable. This will be achieved by:</p> <ul style="list-style-type: none"> <li>-Comparing the current year's income and expenditure budgets with previous years' trends to identify any significant differences.</li> <li>-Checking that the correct balances have been brought forward into the current year and all funding delegated by the LA have been taken in to account.</li> <li>-Actions included in the recovery plan are realistic and that by implementing them the required level of savings can be achieved.</li> <li>-Any areas that are unclear or simply not achievable will be queried with the school and clarification sought.</li> </ul> <p>Where the plans are deemed to be suitable they will be passed to the Director of Children's Services and S151 for approval.</p> <p>Written confirmation will be sent to the school on the outcome of the review. The LA will not unreasonably reject an application for a licensed deficit and will consider the following in reaching a decision:</p> <p>The nature of the circumstances which gave rise to the deficit and specifically whether:</p>		

<p>-They could have been foreseen, or if the decisions made by the school had financial consideration.</p> <p>-The school's track record in financial management.</p> <p>-The robustness of the deficit recovery plan and the appropriateness of the timescales proposed.</p> <p>-Any other mitigating circumstances such as the size of the deficit.</p>	
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<b>22</b>		
Addition	<b>4.10.8 Live Agreements</b>	<b>Agree: Y/N</b>
<p>Where a timescale for the school to balance its budget has been agreed, it must demonstrate its commitment to achieving this.</p> <p>(from 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. Schools are required to return a forecast year end outturn position each month which will be checked for accuracy, reasonableness and compared with the previous financial forecasts and the school's recovery plan. Chequebook Schools with a deficit budget are also required to monitor their cash flow position on a regular basis to ensure they do not overdraw their bank account. The authority will agree any appropriate management support that will be provided for the school.</p> <p>Schools will be contacted by telephone and in writing if there are any queries about the financial information or projected financial position, and if a projection is made that is worsening and/or contrary to the recovery plan, then it will need to demonstrate mitigating plans.</p> <p>Where the school has a change of circumstances which results in a deviation from the agreed plan, the school must discuss the situation with the respective LA finance officer at the earliest</p>		

<p>opportunity.</p> <p>In exceptional circumstances only, it may be possible to extend the recovery period. Such requests will need to be approved by the Director of Children, Learning and Skills and the Director of Finance and Resources (S151 Officer) who will need to be satisfied that the circumstances are indeed exceptional, and that all reasonable action will be taken to clear the deficit at the earliest opportunity.</p> <p>Schools not engaging with the process or who are persistently in breach of the Scheme of Finance will be required to attend a financial review meeting with the LA to discuss their financial position.</p>	
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<b>23</b>		
Addition	<b>4.10.14 Local Authority Intervention</b>	<b>Agree: Y/N</b>
<p>Local Authority intervention will apply where:</p> <ul style="list-style-type: none"> <li>-The school is persistently in breach of the Scheme for Financing Schools.</li> <li>-The school will not/cannot set a balanced budget.</li> <li>-The school will not engage in the licensed deficit process.</li> <li>-The deficit is worsening and no action is being taken by the school.</li> <li>-There is evidence of financial mismanagement by the school.</li> </ul> <p>Intervention is proposed to escalate at three levels. It is envisaged that deficit schools will engage with the LA well before the need for intervention as these arrangements are the last resort, for the protection of public monies. The levels of intervention are:</p> <ol style="list-style-type: none"> <li>1. Financial Review Meeting</li> <li>2. Notice of Concern</li> <li>3. Suspension of delegated financial powers.</li> </ol>		

### Level 1 - Financial Review Meeting

Schools that do not return a balanced budget or apply for a licensed deficit will be required to attend a Financial Review Meeting with the LA. A similar requirement will apply to schools with a worsening deficit and also for those schools who persistently are in breach the Scheme for Financing Schools.

The review meeting will include Senior Officers from the LA, the Head Teacher and Chair of Governors or representative Governor.

The meeting will:

- Review the financial position of the school.
- Seek an explanation from the school about the action being taken to safeguard the school's financial position.
- Assess what support the school may require.
- Agree an action plan to set a balanced budget.

### Level 2 - Notice of Concern

A school that does not take the necessary action required under the Financial Review Meeting, will be required to attend a Notice of Concern meeting with the DCS and S151 Officers. They will be given a formal notice of the action the LA recommends they should take to bring the budget back in to balance. The school will be given a month to respond.

### Level 3 - Suspension of Delegation

Where a school does not take the necessary action identified under the Notice of Concern review, a further meeting will be requested with the DCS, where the LA will seek to suspend delegation as described under 1.1.5 (Section 51 of the School Standard & Framework Act) within the Scheme for Financing Schools.

<b>24</b>		
Removal	<b>Annex A</b>	<b>Agree: Y/N</b>
<p><b>Removed</b> advice that each school must receive a copy of each year's budget and outturn statements so far as they relate to that school or central expenditure</p>		

<b>25</b>		
Update	<b>Annex C</b>	<b>Agree: Y/N</b>
<p><b>Updated to Guide version</b></p> <p>Schools which choose to exercise the power conferred by section 27 (1) of the Education Act 2002 to provide community facilities will be subject to controls. Regulations made under section 28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power.</p> <p>Section 88 of the Children and Families Act 2014, has removed the requirements in section 28(4) and section 28(5) of the Education Act 2002 for maintained schools in England. Under section 28(4) a school was obliged to consult its authority and under section 28(5) a school must have regard to advice or guidance from the Secretary of State or their local authority when offering this type of provision.</p> <p>Under section 28(1), the main limitations and restrictions on the power will be those contained in the maintaining authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998 as amended by paragraph 2 of Schedule 3 to the Education Act 2002.</p> <p>This amendment extended the coverage of schemes to include the exercise of the powers of governing bodies to provide community facilities.</p> <p>Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools. This part 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</p>		

adult and community learning.	
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**Scheme for Financing Schools – Consultation 2019-20 Response Form**

<b>Name</b>	
<b>School</b>	
<b>Role</b>	

**Commentary**

**Consultees on Changes to the Scheme for Financing Schools**

Heads and Chairs of Governors for maintained Slough Schools



## **Appendix C**

### **Application for Licensed Deficit**

***The governing body of ..... School wish to apply for a licensed deficit for 20..../20..... We:***

(Please tick the appropriate box)

Enclose a recovery plan that details what actions we will take to manage our deficit and balance within 3 years.

Enclose a 3 year Governor Approved Budget Plan

Require help in completing a recovery plan

#### ***We understand that we will:***

- Consult with LA Finance prior to advertising any new posts.
- Not commit the school to any further expenditure other than that included in our recovery plan without Children's Services Finance approval.
- Implement the savings within the timescale agreed.
- Notify LA Finance of any deviation from the recovery plan (once completed) for example long term sickness, disputes.
- Provide Year End outturn forecasts as at the end of each business month.
- Provide any other information as and when required by the LA.

Value of licensed deficit sought £ \_\_\_\_\_

Head Teacher's Signature \_\_\_\_\_

Print \_\_\_\_\_

Chair of Governor's Signature \_\_\_\_\_

Print \_\_\_\_\_

Date \_\_\_\_\_

Date approved by Full Governing Body

**Slough Schools' Forum: 2019/20  
Forward Agenda Plan**

**Meeting 3 – Wednesday 15 January 2020**

<b>No.</b>	<b>Description</b>	<b>Lead</b>
1	Update on National/Local Funding issues	Nic Barani
2	Schools Block Budget - Final Authority Proforma Tool (APT) and timeline for 2020/21	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	
5	Central Schools Services Block budget 2020/21 Approvals	
6	Growth fund allocations and issues	Tony Madden
7	Early Years Block 2020/21 – Including Centrally Retained and proposed formula	
8	Update from Task Groups: 5-16, HNB and Early Years	
9	Academies Update	
10	2019/20 Forward Agenda Plan/Key Decisions Log	

**Meeting 4 –Tuesday 3 March 2020**

<b>No.</b>	<b>Description</b>	<b>Lead</b>
1	Update on National/Local Funding issues	Nic Barani
2	Confirmation of Schools budgets 2020/21	Nic Barani
3	High Needs Places and Update on HNB 2020/21	
4	Update on centrally retained items: all blocks 2020/21	Nic Barani
5	Update from Task Groups: 5-16, HNB and Early Years	
6	Academies Update	
7	2019/20 Forward Agenda Plan/Key Decisions Log	

**Meeting 5 – Wednesday -13 May 2020**

<b>No.</b>	<b>Description</b>	<b>Lead</b>
1	Update on National/Local Funding issues	Nic Barani
2	Update from Task Groups: 5-16, HNB and Early Years	
3	Academies Update	
4	2019/20 Forward Agenda Plan/Key Decisions Log	

## Meeting 6 – Wednesday 1 July 2020

<b>No.</b>	<b>Description</b>	<b>Lead</b>
1	Update on National/Local Funding issues	Nic Barani
2	Update on growth allocations and issues	Tony Madden
3	Annual DSG Report 2019/20 including impact	Nic Barani
4	Review of the Scheme for Financing Schools 2019/20	Nic Barani
5	Early Years Update	Michael Jarrett
6	Update from Task Groups: 5-16, HNB and Early Years (verbal) To include annual review of Terms of Reference	
7	Schools Forum Membership	
8	Academies Update	
9	2020/21 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>			
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

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

<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
<b>Schools Forum Constitution Update</b>			
Slough Schools Forum Guidance update to be taken to full Council	09/11/17	7	597

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

<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
<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	06/03/18	8	634

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

A table would be produced to show where contributions had been made to the sum of £297,000.			
<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>			
<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.</b>	05/07/18	11	652
<b>Schools Forum Membership/appointment of Vice Chair</b>			
Noted that three members' terms of office due to finish 30 November 2018 and one further member had resigned.			
Forum agreed re-appointment of Jo Matthews as Special School/PRU Headteacher representative for a further year.			
Nominations to be sought from academy proprietors for the other three roles.			
One nomination for the role of Vice Chair and Nicky Willis, Executive Principal of Cippenham Primary School duly appointed for a two-year term.	10/10/18	4	656
<b>Update from Task Groups: 5-16, HNB and Early Years</b>			
Following 5-16 Task Group meeting, consultation to run with local schools from 15 October - 5 November 2018 regarding two options to move towards NFF (National Funding Formula of either 50% or 75%. Comments from schools to be invited. Task Group to meet again on 13th November following outcome of consultation.	10/10/18	9	658
<b>Consultation results on the Scheme for Financing Schools and Licensed Deficit Scheme</b>			
LA to write into the Scheme that maintained schools will be involved in discussions.			
Schools Forum approved the Scheme for Financing Schools.	10/10/18	6	659
<b>Schools Forum Membership</b>			
Following due process, Jon Reekie, governor at Phoenix Infant Academy reappointed, Susan Marsh, Headteacher Colnbrook Primary School and Ray Hinds, Baylis Court appointed, all for terms of two years. Eddie Neighbour, Upton Court Grammar School agreed to continue as an observer.	04/12/18	5	668
<b>Growth Fund 2019/20</b>			
DSG top slice for 2019/20 of £900,000 was requested. SBC was also asked to underwrite Year 7 places at Grove Academy: Schools Forum agreed to fund £90,000 for 2018/19, and to continue the underwriting into 2019/20 as the third and final year with a maximum of £60,000 or 50% of the cost, whichever was the lower.			
Schools Forum also agreed the criteria for accessing Growth Fund in 2019/20 as proposed. With all these commitments taken into account, SF agreed a reduced DSG top slice of £800,000, leaving an estimated carry forward of £130,000 at the end of 2019/20. Falling rolls were thought likely to really impact in the year 2021/22 and it was suggested a supporting paper be presented to Schools Forum in the summer 2019.	04/12/18	8	671
<b>DSG Budget 2019/20</b>			
A request was made to Schools Forum to approve re-allocation of funds to the correct blocks in order to correct DfE baseline errors.			
Schools Forum agreed to transfer £264,566 from High Needs Block to CSSB, £500,000 from High Needs Block to Schools Block, to re-allocate Virtual School funding of £100,000 from Historical commitment to Ongoing commitment within the CSSB, a move from 50% to 65% NFF in 2019/20 formula (following inconclusive consultation outcome). Schools Forum rejected SBC's proposal to transfer 0.5% (approximately £650,000) from 5-16 Schools Block to High Needs Block, based on the outcome of the consultation with schools.	04/12/18	9	672
<b>Banding (High Needs top-up funding) Working Group update</b>			
New Banding model to continue to be tested, with workshops and training sessions to be made available during the Spring term 2019.	04/12/18	10	673
<b>Minutes of Previous Meeting</b>			
Jo Matthews had stood down as Special School/PRU Representative but would continue as an Observer. The 3 special/PRU academies had confirmed that Neil Sykes would become Academy Special School member and Jamie Rockman Academy PRU member, both for 2 year terms of office w/e/f date of S/F meeting	16/01/19	4	681



## Schools Forum Key Decisions Log September 2016 and ongoing

S/F acknowledged the projected DSG outturn and approved the overall deficit should be carried forward into 2019-20	16/01/19	4	681
<b>De-delegated funding for behaviour support services</b>			
3 out of 4 S/F members representing maintained schools had voted against the de-delegation of funding from maintained school budgets for inclusion in the Schools Block APT	16/01/19	7	684
<b>Early Years Centrally Retained Funds 2019/20</b>			
Schools Forum members noted and agreed the use of Centrally Retained Funds 2019/20 for the Early Years block.	16/01/19	8	687
<b>High Needs Block - Deficit Reduction Strategy</b>			
The ESFA had requested that LAs inform them how deficits, particularly in High Needs, were being addressed. The LA had responded that it was doing all it could to address the issue and this work was ongoing. There was evidence of underfunding whilst demand was increasing. The link between High Needs and PFI was acknowledged and would be taken into account to reduce the deficit. A supporting paper would be presented to S/F for their March 2019 meeting.	16/01/19	10	685
<b>High Needs Block – Centrally Retained Budget 2018/19</b>			
New commissioned Speech & Language service commissioned to be available from Friday 1 February. Communication to be made re. launch.	16/01/19	11	686
<b>Any Other Business</b>			
Chair of S/F to write to the Education Secretary, on behalf of members, regarding the proposal to withdraw supplementary funding for maintained nursery schools.	16/01/19	15	692
<b>Minutes of Previous Meeting</b>			
S/F meeting scheduled for Wednesday 15 May cancelled.	05/03/19	3	695
<b>High Needs Funding - final proposal for banding model</b>			
Consultation was extended by 2 weeks, closing on 1 March. New banding model to be introduced 1 April 2019, agreed feedback be given July and December 2019, and April and July 2020. Some continuing concerns from special schools but work ongoing with Vikram Hansrani. Key monitoring reports to be shared with S/F.			
S/F approved the new banding model and agreed to receive feedback reports at the key stages noted.	05/03/19	6	698
<b>Update on Central School Services Block</b>			
Due to slight increase in copyright costs the amount required for transfer from High Needs to CSSB reduced by approximately £10,000.	05/03/19	8	700
<b>PFI Update</b>			
Noted Council reviewing High Needs Block and possible Section 106 funding.	05/03/19	9	701
<b>Schools Forum membership</b>			
Terms of office of nine members due to finish 31 July 2019. Clerk to arrange nomination process/elections (if appropriate)	05/03/19	12	704
<b>Matters Arising</b>			
Decision made taken by SBC to fund the £184,000 to 3 PFI schools and guarantee to be taken.	04/07/19	3	709
<b>Growth Fund 2018/19</b>			
Forum noted the contents of the Growth Fund 2018/19 outturn report and agreed the underwriting for Grove of £90,000 to £25,000 (2018/19) and maximum from £60,000 to £90,000 (2019/20)	04/07/19	5	711
<b>DSG Budget Deficit Recovery Plan</b>			
Neil Wilcox and Nic Barani to clarify whether historic £184,000 related to PFI contribution for Arbour Vale.	04/07/19	7	713
<b>Review of the Scheme for Financing Schools 2019/20</b>			
LA noted that maintained schools to be consulted on dates of publishing such consultations in future.	04/07/19	8	714
<b>Update from Task Groups</b>			
All Task Groups to meet before November 2019 Schools Forum meeting. A list of respective Task Group members to be drawn up for regular circulation to members.			
Terms of Reference for 5-16, HNB and Early Years Task Groups approved, without change, for academic year 2019/20	04/07/19	9	715
<b>Schools Forum membership</b>			
An email sent to all local schools, inviting nominations for membership	04/07/19	10	716
<b>Any Other Business</b>			
Forum approved the transfer of approximately £54,153 to Local School Improvement Board (LSIF) from Slough Primary Heads' Association (SPHA), being the remainder of £70,000 grant from DSG underspend agreed in 2016 to address issues around Recruitment and Retention.	04/07/19	13	719
<b>Schools Forum Membership</b>			
Following due process, it was confirmed that nine members of Schools Forum had been reappointed for a further two-year term.	01/10/19	4	723
<b>Update on National/Local funding issues</b>			
Schools Forum approved the transfer of £500,000 from HNB to Schools Block, to correct an historical error in the 2017/18 baseline.			
Schools Forum agreed that the consultation to schools should give two options for consideration, 65% and 85% National Funding Formula.	01/10/19	5	724

Schools Forum Key Decisions Log September 2016 and ongoing

<b>SEND Banding Update</b>			
Schools Forum noted that Forum was to receive quarterly updates on the new banding model.	01/10/19	9	728