



Thursday 16<sup>th</sup> May 2013  
2:00 pm to 5:00 pm

Conference Room, Northgate House  
Warwick

## Schools Forum

### Item

1. Apologies
2. Minutes from the last meeting and matters arising
3. New Schools Forum Membership and revised Terms of Reference (Sara Haslam)
4. Dedicated Schools Grant Outturn of 2012/13 (Simon Smith)
5. High Needs Funding – Overview (Sarah Callaghan)
6. Strategy to support the placement of pupils with severe and complex educational needs in local specialist provision (Liz Holt)
7. Primary Inclusion Support Groups (Sheila Dentith)
8. General Dedicated Schools Grant Update (Sara Haslam)
9. The Revised Section 48 Scheme for Financing Schools (Sara Haslam)
10. Academy Update (Sara Haslam)
11. Forward Plan (Simon Smith)
12. Chairs Business

### **Date of Next Meeting:**

- October 11th 2013 2pm Conference Room, Northgate House, Warwick

## Schools Forum

### March 7th 2013 - Minutes

<b>PRESENT:</b>	
Diana Turner	Governor
David Kelham	Governor
Peter Reaney	Governor
Latika Davis	Governor
Phil Clucas	Governor
Philip Johnson	Governor
Ramesh Sirvastava	Governor
Cllr June Tandy	Governor
Chris Smart	Governor
Stella Saje	Primary Headteacher
Chris Errington	Primary Headteacher
Rachel Gillett	Nursery School Headteacher
Gill Humphriss	Primary Headteacher
Karen Ferguson	Primary Headteacher
Ranjit Samra	Secondary (Maintained) Headteacher
Tony Wilmot	Secondary (Maintained) Headteacher
Patsy Weighill	Secondary (Academy) Headteacher
Iain Blaikie	Secondary (Academy) Headteacher
Philip Hamilton	Academy Headteacher
Judith Humphry	Special School Headteacher
Sybil Hanson	Diocesan Board of Education
Steve Dyke	PVI Representative
David Hazeldine	County Secretary ASCL
Sam Kincaid	County Secretary NASUWT
Ian Froggett	Union Representative NAS/UWT, Chair of ATP
Andy Summers	NUT Vice Chair TRP
Cllr Rickhards	Elected Member
Cllr Tomms	Elected Member
Wendy Fabbro	Strategic Director – People Group
Sarah Callaghan	Head of Service – Learning & Achievement
Julie Lessiter	Education Funding Agency
Simon Smith	Strategic Finance Manager
Sara Haslam	Schools Funding & Strategy Manager
Clare Morris	Budget Planning Officer, Schools Funding Team

#### 1. Apologies – Apologies were received from the following:

Laurel Penrose	14-19 representative
Cllr Robbins	Elected Member
John Collins	Trade Union Representative
Cathy Clarke	Primary Headteacher

The Chair welcomed Sarah Callaghan as the new Head of Service (Learning and Achievement) to her first Schools Forum Meeting.

## **2.0 Minutes from Previous Meeting and Matters Arising**

2.1 It was requested that the following amendments be made to the Minutes of the meeting on 5<sup>th</sup> December.

- Page 1 bullet point 1. Correction to name spelling - Iain Blaikie not Iain Blackie.
- Page 5 bullet point 2. Wording should be: *For cases of Primary expansion, Governors would be reluctant to accept expansion if there was an **adverse** effect on the budget.*
- Page 6, 8.2. To be revised as follows: *It was commented that although there would be no claw back, school balances **is** a key issue that should continue to be monitored. This is particularly important in the context of lobbying for reallocation of regional funding. We need to continue to show management of balances in a reasonable way.*
- Page 6, 8.3. To be revised as follows: *It was confirmed the reserves of the LA include **maintained** school reserves.*

2.2 The following matters were arising.

### **2.3 Out of County SEN Provision.**

2.4 At the meeting on 5<sup>th</sup> December Wendy Fabbro gave Schools Forum a verbal update on Out of County SEN Provision. Further to this a report was provided at the meeting (7<sup>th</sup> March) - WCC Placements of pupils with Independent Education Providers. This report was provided for information flow and a further report will be brought to the next meeting. It was requested that the further report include details of the direction in reviewing the provision and what ideas are being put forward.

2.5 Wendy thanked David Hazeldine for his assistance providing questions to be covered in the Out of County SEN Provision report.

2.6 The minutes of the previous meeting page 3, point 4.3 bullet point 1 state that the total cost of out of county residential care is allocated to Learning and Achievement. It was questioned whether some element is charged to Social Care. Wendy said this would be clarified in the future report.

2.7 **Balances Control Mechanism Policy 2012/13.** A comment was made that if reserves information is only available for maintained schools this

makes it difficult to review future formulas. If reserves rise then that is an indication that the formula is not allocating funding appropriately.

### **3.0 Questions to Education Funding Agency**

3.1 Julie Lessitier from the Education Funding Agency was introduced and presented a paper with responses to questions which had been put to the EFA prior to the meeting. A copy of the responses is attached to these minutes.

3.2 The EFA's response to question 1 regarding whether the National Funding Formula will address the issues of small rural schools, refers to 'unavoidably small but necessary schools' being considered in future national work. It was questioned when is a rural school 'necessary'? It was confirmed that the term "necessary" was in connection with travel implications.

3.3 It was stated that a national funding formula will be introduced in the next spending review (2015 – 2018). It was commented that LA formula reviews are costly and therefore it would be helpful if there are minimal changes to the current formula prior to the national formula being introduced. Julie said the EFA understood this view.

3.4 Julie confirmed there have been two Post-16 funding consultations with the opportunity to comment.

3.5 It was commented that following the raising of the participation age, Pupil Premium should be taken into post 16 as a matter of urgency.

3.6 Simon pointed out that John Betts sits on a national working group and therefore any further concerns/comments could be discussed with John who can voice these direct to the EFA.

3.7 Julie was thanked for her attendance at the meeting and answers to the questions that had been raised.

### **4.0 Review of 2013-14 School Funding Arrangements - Consultation Response**

4.1 As part of the national schools funding reforms the DfE had noted that a review of the impact of the changes would take place during the first year with the intention that if minor changes were required, these would be considered for 2014/15 onwards. Sara presented a report that suggests a joint response from the LA and Schools Forum to the consultation paper that has been issued. Schools Forum were requested to offer recommendations for additions or amendments to the response.

4.2 Question 4 – *Do you agree that local authorities should continue to use Early Years Foundation Stage (EYFS) data as attainment related proxy or should we consider use of a different indicator to identify low cost SEN in primary schools? If so, what indicator?* It was commented that KS1 data should be used in addition to EYFS. It was also pointed out that the EYFS data has changed.

4.3 The suggested response to question 5 was: *There seems merit in having a threshold over which mobile pupils are funded to avoid over funding for small pupil movements. It is suggested that this threshold level is set at 10%.* A comment was made regarding the movement of service troops from Germany and whether this will have any effect on the Warwickshire barracks and demand for places at schools.

4.4 Question 8 – *If there was still one lump sum for both primary and secondary sector, what would be the minimum level of cap needed to ensure the sustainability of necessary small schools? If there was a separate lump sum for primary and secondary schools, what would the minimum cap be needed for each in order to ensure the sustainability of necessary small schools?* It was suggested more guidance is required to understand necessary (or desirable) schools.

4.5 The following comments were also made:

- There is a range of funding per pupil in different LAs. The idea that funding follows pupils therefore doesn't apply for example if a pupil from Birmingham moves to Warwickshire they don't bring the same level of funding. Lobbying regarding national allocations is continuing.
- It is too early to make changes to the formula. We need to wait to see how the new formula affects schools before changes are made. Some schools have reserves to counter the effect of changes and therefore it will take time to see the full affect.

## **5.0 Disadvantaged 2 year old funding – extension to the EYSFF**

5.1 Sara presented a report.

**5.2 Agreed: To recommend the rate of £4.95 per hour for disadvantaged 2 year olds for a maximum of 15 hours/week to be included in Warwickshire's Early Years Single Funding Formula (EYSFF). This will be subject to final approval by Cabinet.**

5.3 Concern was raised regarding the identification of these disadvantaged pupils and it was noted that this would be part of the considerations in rolling out the new initiative.

## **6.0 Pupil Growth Fund**

6.1 Sara presented a report and Schools Forum were recommended to agree the criteria by which the Pupil Growth Fund is allocated to schools during 2013/14.

6.2 The DfE have made it clear that the criteria for allocating such funding should be based around the Local Authority's statutory duty to ensure that there are sufficient pupil places where required throughout the county. This means that the funding will be offered to schools where the LA has requested it to expand to such a degree that they incur additional costs.

6.3 Whilst the policy should only be relevant where additional costs have been incurred; some expansions can take place within the current teaching structures of the schools and additional costs are marginal. Funding should only be offered to schools when there is agreement with the Local Authority that an additional class is required. This will take into account the Infant Class Size Regulations and the physical size of the building to accommodate more pupils. However, the option to have mixed aged classes will always be considered.

6.4 There was discussion around the level of TA support that was appropriate for an additional class. It was suggested that 15 hours/week was more appropriate than 25 hours/week.

6.5 It was pointed out Special schools do not have admission numbers and therefore negotiations with the LA around taking additional pupils are not valid. When school requirements for new housing developments are considered, no account of the likely percentage of pupils with special needs is taken into account.

6.6 Also, such a policy would not provide interim funding to schools that are expanding as a result of parental choice. This would be the same for both academy and maintained schools but in particular is at odds with the government academy agenda that academies can free to expand should they want to.

6.7 Schools Forum voted on 3 options for the level of financial benefit that should be provided:

1. Teacher support funding only.
2. Teacher and 15 hrs/wk TA support funding.
3. Teacher, 15hrs/wk TA support and premises support funding.

**6.8 Agreed: A school will be eligible for Pupil Growth Funding when:**

- 1. The Local Authority requires the school to expand to meet its statutory duties regarding the provision of places, and**
- 2. There is agreement by the Local Authority that a new class structure is required**

### 3. The level of funding provided will be:

<b>£23,000</b>	<b>Representing the average cost of a classroom teacher in Warwickshire primary schools for a 7 month period (Sept to Mar) including NI and super on costs</b>
<b>£4,500</b>	<b>Representing 15 hours of an average TA in Warwickshire primary schools for a 7 month period (Sept to Mar) including NI and super on costs</b>
<b>£27,500</b>	<b>TOTAL ONE OFF CONTRIBUTION</b>

6.9 Whilst this allocation does not mean that these costs will always be incurred exactly by schools, the intention is that the funding is a contribution to additional costs, whatever they might be.

6.10 The policy will be applicable to both maintained and academy schools in 2013/14 and is expected to be allocated to schools in the autumn term. The core intention is that this funding offers a one off contribution towards the additional costs that are incurred by the necessary establishment of a new classroom. Some schools where there is an annual need to increase classrooms could access the funding over a period of years. However, it is expected that after this initial financial support, the schools funding formula will provide a budget to the school on a per pupil basis for these additional pupils.

6.11 The Schools Forum will be updated later in the year regarding the number of schools meeting the eligibility criteria.

## 7.0 Secondary Alternative Provision Allocations

7.1 A paper was presented and the following comments were made:

- Eastern area ABP support the de delegation of 7.8% as a short term action, however, in the long term the strategic picture needs to be resolved.
- The key issue is the fundamental context that there is insufficient provision for BESD. The de delegation of 7.8% of ABP funding is a short term response to a long term deep structural issue.
- Appendix A provided with the report shows the funding by area based on the current methodology and the proposed allocation method. The financial effect of revised allocations based on FSM ever 6 and the de delegation of 7.8% results in a loss of funding in the central and northern areas in particular.  
This significant variance in loss of funding was not considered reasonable.
- The current system has been successful and to remove funding could have negative effect.

- The report refers to 23 pupils with “complex and acute needs” who have since September 2012 come to live in Warwickshire having moved from another authority or has sought a school place after a period of elective home education. There is a need to know more about the provision for these pupils prior to September 2012 and how this was funded.
- Concern was raised on behalf of the central area ABP. The central area chair did not support the recommendations as due to the lateness of the proposals there had been no chance for discussion and there could be a major effect of the ability to deliver provision.

**7.2 Agreed: The way in which funding is allocated to ABPs will be based on FSM ever 6 years in 2013/14.**

**7.3 Agreed: 7.8% of ABP funding will be de delegated to pay for the education of pupils with complex and acute needs in 2013/14.**

## **8.0 Dedicated Schools Grant for 2013-14**

8.1 Simon presented a report.

**8.2 Agreed: Allocation to services as outlined in the report, including the reallocation of funding across the three blocks.**

8.3 It was noted that whilst a balanced budget had been set, there were high risk areas, especially around the High Needs Block and it was agreed that further analysis of the expenditure within the High Needs Block would be reported to the Forum in May and October.

## **9.0 Schools Forum Constitution and Election Process 2013-14**

9.1 New head teacher and governor elections will take place over the next month or so for the Schools Forum, ready for the May meeting. The change in the schools that pupils attend in Warwickshire means that there needs to be one less maintained secondary representative and one more primary academy representative.

9.2 Schools Forum were asked to agree the split of governors or head teachers in the maintained sectors.

**9.3 Agreed: Primary maintained sector will be represented by 5 Head teachers and 6 Governors. Secondary maintained sector will be represented by 2 Head teachers and 1 governor.**

**9.4 Agreed: Extend the term of office to 2 years for members other than the primary and secondary sector representatives, inclusion of a Trade Union representative as a non-schools member, current schools**



**forum member to nominate themselves for re-election if required, Local Authority to facilitate elections on behalf of the academy representatives.**

9.5 The suggestion that the election process is carried out electronically was welcomed.

## **10.0 Academies Conversion Update**

10.1 A current Position Statement on Status of Warwickshire Schools was provided.

## **11.0 Schools Forum - Forward Plan**

11.1 A Forward Plan containing a provisional programme of possible issues for Schools Forum to consider over the next year was provided.

11.2 The change of date for the October meeting was highlighted. This is on Friday 11<sup>th</sup> October.

11.3 A review of BESD provision and out county update will be provided at the May meeting.

11.4 Further analysis of the High Needs Block will also be provided at the May and October meetings.

## **12.0 Chairs Business**

12.1 None.

## **13.0 Next Meeting**

13.1 The next meeting will be held on 16<sup>th</sup> May 2013, Conference Room, Northgate House, Warwick at 2pm.

## **Schools Forum**

**16<sup>th</sup> May 2013**

### **Schools Forum Membership and Terms of Reference**

This report relates to maintained schools and academies

The Schools Forum is recommended to:

- Agree to the revised Terms of Reference attached as Appendix B

#### **1.0 Introduction**

1.1 At the Schools Forum meeting in March, the change in the make-up of the schooling sectors in Warwickshire was noted and that this meant that the membership of the Schools Forum needed to be amended accordingly. It was also agreed that a representative of the Teachers Unions would be elected as a non-schools member.

1.2 It was agreed that an election process would take place and that a revised membership would be agreed for the May meeting.

#### **2.0 New Membership**

2.1 As has been the case in the past, nominations for election were distributed to head teachers. The Governor Steering Group were asked to consider and vote for governor representation and, following no objections from the Chair of Governors of academy schools, academy head teachers were contacted for volunteers.

2.2 The membership structure of the Warwickshire Schools Forum for 2013/14 was agreed as follows:

#### **Schools Members**

- 5 Primary head teachers
- 2 Maintained Secondary head teachers
- 3 Academy head teachers
- 1 Special School Head teacher
- 1 Nursery School Head teacher
- 10 members of the Governors Steering Group or Governor Patch Representatives and agreed by the Governors' Forum, which will include 3 academy representatives, 1 maintained secondary schools and 6 maintained primary schools.

## Non-school Members

- A representative of each of the Church of England and the Roman Catholic Church appointed by the Local Authority
- A representative of Private, Voluntary and Independent sector Early Years nursery education providers appointed by the Local Authority
- A representative of Local Authority 14-19 partnerships appointed by the Local Authority
- A representative from the Teachers Representative Panel, nominated by the panel

2.3 As the number of nominations equalled the number of representatives require, there was no need for an election process. Appendix A details the names of the current membership for 2013/14.

2.4 At the time of writing this report, there is still a vacancy for an academy representative, preferably a head teacher to retain the 50/50 split of head teacher to governor ratio. Both secondary and primary head teachers have been emailed to generate nominations but with no further volunteers. However, one primary academy head teacher may be willing to take on board the role in September. It is suggested that whilst Local Authority Officers attempt to fill this vacancy before the May meeting, if unsuccessful, then the primary head teacher is contacted again in the Autumn Term.

## 3.0 Terms of Reference

3.1 With the change in the make-up of the Schools Forum and the recent legislative changes to the role and responsibilities of the group, it has been necessary to update the Terms of Reference. These are detailed in Appendix B.

3.2 These have now also been expanded to detail the considerations that should be undertaken by authors of Schools Forum reports to ensure consistency and encourage inclusion of sufficient details and options to maximise the effectiveness of decision making.

	<b>Name</b>	<b>Contact Details</b>
<b>Report Author(s)</b>	Sara Haslam	<a href="mailto:sarahaslam@warwickshire.gov.uk">sarahaslam@warwickshire.gov.uk</a>
<b>Head of Service</b>	Sarah Callaghan and John Betts	sarahcallaghan@warwickshire.gov.uk johnbetts@warwickshire.gov.uk
<b>Strategic Director</b>	Wendy Fabbro	wendyfabbro@warwickshire.gov.uk
<b>Portfolio Holder</b>	Cllr Heather Timms	cllrtimms@warwickshire.gov.uk

**PRIMARY HEADS**

Gill Humphriss	Haselor School
Richard Hawkins	Bishops Itchington
Cathy Clarke	Cubbington CE Primary School
Stella Saje	Glendale Infant
Chris Errington	St Michaels CE Primary School and Childrens Centre

**SECONDARY HEADS**

Tony Wilmot	Queen Elizabeth School
Ranjit Samra	Southam College

**ACADEMY HEADS**

Patsy Weighill	Bilton School
Philip Hamilton	Polesworth School
Vacant	

**SPECIAL SCHOOL**

Judith Humphry	Welcombe Hills
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**NURSERY SCHOOL**

Rachel Gillett	Kenilworth Nursery
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**ACADEMY GOVERNORS**

Peter Reaney	Rugby High School
David Kelham	Myton School
Diana Turner	Bilton School

**SECONDARY GOVERNORS**

Ramesh Sirvastava	The Avon Valley School
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**PRIMARY GOVERNORS**

Philip Johnson	Whitestone Infant
June Tandy	Chilvers Coton Infant and Wembrook Primary
Latika Davis	Kingsway Primary
Larry Granelly	Wellsbourne C of E Primary School
Phil Clucas	St Mathews Bloxam
Chris Smart	Our Lady's Princethorpe

**NON SCHOOL MEMBERS**

Sybil Hanson	Church of England Diocese
Margaret Buck	Catholic Church Schools
Steve Dyke	EY PVI
Lisa Capper	14-16
Andy Summers	TU rep

**TERMS OF REFERENCE**

The Warwickshire Schools Forum was established in November 2002 as required by the Education Act 2002.

**Purpose**

The following powers and responsibilities relate to the Schools Forum

1. Consulted on funding formula changes, including redistributions (voting restricted to school members plus PVI members)
2. Gives a view on significant contracts to be let by the LA paid out of the schools budget
3. Gives a view on financial issues relating to the arrangements for pupils with SEN, pupil referral units, early years provision, allocation of central government grant
4. Informs governing bodies of all consultations in connection with the above 3 areas
5. Gives a view regarding the Minimum Funding Guarantee
6. Makes a decision regarding de-delegation for mainstream schools for contingencies, administration of free school meals, insurance, licences, staff costs (supply cover), support for ethnic pupils/under achieving groups, behavioural support services and library and museum services. Primary and secondary school members will make a decision for their own sector.
7. Makes a decision to retain funding for central spending on pre 16 significant pupil growth, equal pay back pay, places in independent schools for non SEN pupils and early years expenditure.
8. Decides the budget set aside for admissions, servicing of schools forum and carbon reduction commitment up to a maximum committed in 2013/13.
9. Decides the carry forward of a deficit on central expenditure to the next year to be funded from the schools budget
10. Approves the Scheme of financial management changes
11. Gives a view on the length of membership of the schools forum members
12. Gives a view on membership of non-schools members.
13. Determines the voting procedures
14. Elects the chair of the Forum.

## **Membership**

The Forum consists of “school” and “non-school” members. School members and academy members must together comprise at least two thirds of the membership of the forum.

The membership of the Forum is as follows:

### ***Voting Members***

#### **School members:-**

5 Primary head teachers, voted for by head teachers from the Primary Sector

2 Maintained Secondary head teachers, voted for by head teachers from the Secondary Sector

3 Academy head teachers voted for by head teachers from the Academy Sector

1 Special School head teacher voted for by the Special School head teachers

1 Nursery School head teacher voted for by the Nursery School head teachers

10 members of the Governors Steering Group or Governor Patch Representatives and agreed by the Governors’ Forum, which will include 3 academy representatives, 1 maintained secondary schools and 6 maintained primary schools.

Members will be appointed to the Forum for a one-year period.

#### **Non-school Members**

A representative of each of the Church of England and the Roman Catholic Church appointed by the Local Authority

A representative of Private, Voluntary and Independent sector Early Years nursery education providers appointed by the Local Authority

A representative of Local Authority 14-19 partnerships appointed by the Local Authority

A representative from the Teachers Representative Panel, nominated by the panel

Members will be appointed to the Forum for a two-year period.

### ***Non-voting Members***

The following persons may speak at meetings of the Forum, even though they are not members of the Forum: The Director of Children’s Services, The Chief Finance Officer, any elected member of the authority who has

primary responsibility for children's services or education, any elected member who has primary responsibility for the resources of the authority, any person invited to offer technical advice to the Forum, any observer appointed by the Secretary of State and any person presenting a paper (but their input will be restricted to this paper only)

### **Election of Chair and Vice Chair**

The Chair and Vice Chair will be elected by the membership of the Forum to serve for a one-year period. Should a vacancy arise for Chair or Vice Chair the person elected to fill the vacancy will serve to the end of that period.

### **Frequency of meetings**

The Schools Forum will meet at least four times in an academic year.

### **Conduct of meetings**

Any member of the Forum may ask for items to be placed on the agenda of the Forum by writing to the Strategic Finance Manager (Resources and Schools).

Agendas and papers to be considered by the Forum will be sent out five working days in advance of the meeting. Late items may be considered at the discretion of the Chair. Draft minutes will be circulated within 10 working days of the meeting.

Substitute representatives may attend meetings if the appointed representative is unable to attend. Substitutes will be able to vote on behalf of the member they are representing. However, attendance of appointed representatives is strongly encouraged.

Substitutes for 'schools' representatives can be another Headteacher or senior member of staff, that is a Deputy Headteacher, Assistant Headteacher, Bursar or person responsible for the financial management of a school.

Meetings of the Schools Forum will be open to members of the public who may observe but not take part. The Forum may move into private session for confidential items, which, for example identify individuals or individual schools, at the discretion of the Chair.

The Clerk to the Schools Forum will be the Strategic Finance Manager (Resources and Schools).

## Schools Forum reports

A Schools Forum is expected to:

- Include the authors contact details so that they can be contacted for further information before the meeting
- Be presented at the Schools Forum by the author
- Be presented in a consistent template to encourage familiarisation of data and ease decision making

As the Schools Forum is a funding decision making body, it is imperative that the financial analysis included within the reports is robust. As such, the following checks will have been undertaken before any reports are issued to the Schools Forum for consideration:

- Are there stakeholders who would have a view on this funding decision? Their views should be sought before the report is finalised and their feedback detailed in the report. Stakeholders could be head teachers, governors, local authority officers policy groups, steering groups etc.
- What are the options for allocating the DSG funding? Have all of the options been detailed? Where an approach is recommended, this should be clearly explained
- How does this funding decision change previous funding levels? Could transitional protection be applied? If so, at what level, for what period of time and how much will this cost?
- Has the wider impact on schools or the services provided to schools been considered? Is there a knock on effect of this funding decision that will impact on other provision?
- Has local or national research regarding this funding decision been taken into account? Is this referenced in the report?
- Have both revenue and capital costs been taken into account and shown clearly in the report?
- How will the funding decision impact on outcomes for children and young people in Warwickshire?
- How does this funding decision relate to the priorities of the Local Authority?
- How does this funding decision relate to any regional working?
- How does this funding decision relate to the national DSG funding direction?
- What is the impact of the funding decision on the relationship between the Local Authority and schools?



## **Voting**

It is expected that most decisions of the Forum will be by consensus. If a vote is required, the decision will be by simple majority of those voting. The Chair of the Forum will exercise a casting vote in the event of a tied vote.

Generally, only members (both school and non-school) may vote. On matters regarding schools funding, only schools members may vote. On matters regarding the de-delegation of centrally retained funding, voting is on a sector basis.

The quorum for the meeting is two fifths of the voting membership (11).

## **March 2013**

## Schools Forum

16<sup>th</sup> May 2013

### Dedicated Schools Grant Outturn 2012/13

This report relates to maintained schools and academies

#### Recommendation

The School Forum is recommended to:

- Comment on the financial outturn position of the Dedicated School Grants (DSG) as included as part of the authority's financial accounts for 2012/13.
- Agree that the General DSG Reserve is retained in full to assist in offsetting some of the spending pressures in 2013/14.

#### 1. Introduction

1.1 The total DSG allocation for 2012/13 was £264.042m of which £219.921 (83.3%) was allocated to WCC maintained schools. While this is a slight reduction against the 2011/12 percentage, this change relates to DSG funding being recouped by the Department for Education for those schools that transferred to Academy status during the year. Early Years providers were allocated £11.860m for 3 & 4 year old education, while centrally managed services were allocated £32.261m.

#### 2 DSG Outturn Position

2.1 Based on the latest draft accounts, the final expected expenditure position against these allocations is included in the table below. It illustrates that WCC Maintained schools overspent their allocations by £1.247m, while there was also an over spend against non-school budgets (including 3 & 4 year old provision) of £1.459m. Both of these balances are offset against DSG / School Reserves.

Description	2011/12 Budget £m	2011/12 Out-turn £m	Variance £m
Schools ISB	219.921	221.168	1.247
3 & 4 Year Old Provision	11.860	12.079	0.219
Centrally Managed Services	32.261	33.501	1.240
<b>Total DSG</b>	<b>264.042</b>	<b>266.748</b>	<b>2.706</b>

### 3 Individual School Balances (ISB) - WCC maintained schools

3.1 The Individual School Balances began the year at £20.131m, as a result of the final out-turn position with Individual School Budgets (ISB) the WCC Maintained school balances at year end are £18.884m and are the balances for schools that were maintained by WCC on 31<sup>st</sup> March 2013.

### 4 Centrally Managed Expenditure

4.1 Overall, including 3 & 4 year old provision, the 2012/13 outturn against non-ISB budgets was an over-spend of £1.459m. The over-spend (which will be met from earmarked DSG reserves) is the result of planned use of reserves as well as the increased unit cost of educating small numbers of very specialised and unique needs children in out of county settings. There has also been a higher than expected take up of the additional hours of free education for 3 & 4 year olds, these DSG over-spends were offset by under-spends within the Teaching & Learning service within the Integrated Disability Service as well as lower than expected levels of Hospital Tuition demand.

<b>Detail of the Centrally Managed Services</b>	<b>2012/13 Budget £m</b>	<b>2012/13 Outturn £m</b>	<b>Variance £m</b>
In year Statements	3.531	3.850	0.319
Out of County	9.890	11.276	1.386
Hospital Tuition	0.473	0.197	-0.276
Early Years	1.317	1.390	0.073
Admissions	0.599	0.508	-0.091
IDS	3.319	3.115	-0.204
ABP's & Residual PRU	3.187	3.109	-0.078
One Offs & Forum Agreements	2.088	3.659	1.571
Central Management Overheads	1.933	1.933	0.000
Other	5.924	4.464	-1.460
<b>Centrally Managed Services</b>	<b>32.261</b>	<b>33.501</b>	<b>1.240</b>
3 & 4 Year Old Provision	11.86	12.079	0.219
<b>TOTAL</b>	<b>44.121</b>	<b>45.580</b>	<b>1.459</b>

4.2 It should be noted that while there are compensating variances across these budgets that has helped reduce the over spend, some of these e.g. hospital tuition, will not be available during 2013/14. Reports elsewhere on the agenda provide more information about these budget pressures and efforts that are on-going to manage them. Furthermore, the £78,000 under spend in relation to the Area Behaviour Partnership budget will be earmarked for use within 2013/14.

## 5 Reserves and Balances

5.1 As mentioned above, the effect of the outturn financial position on school related reserves is as below:

<b>Reserve</b>	<b>Opening Balance £m</b>	<b>Movement £m</b>	<b>Closing Balance £m</b>
Schools Reserve	20.131	-1.247	18.884
General DSG reserve	1.688	-1.459	0.229
<b>Total</b>	<b>21.819</b>	<b>-2.706</b>	<b>19.113</b>

5.2 It is proposed that the General DSG reserve is maintained as a general contingency at this stage. Other reports included on this agenda note the potential overspend in the DSG in 2013/14 and so it is prudent to retain this reserve to assist in offsetting these pressures.

## 6 Conclusion

6.1 Whilst the figures include in this report are still to be finalised through the year end process, for the second time in consecutive years both ISB and centrally managed DSG services have reduced their balance levels. In particular, centrally managed reserves were reduced by more than 90% with particular planned overspends being agreed with the School Forum.

6.2 There continues to be significant spending pressures in 2013/14 and a degree of uncertainty regarding both spending and funding patterns for 2014/15. As such, it is proposed that the general DSG reserve is retained to mitigate this financial risk.

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## **Schools Forum**

**16<sup>th</sup> May 2013**

### **Update of the Review of the High Needs Block for 2013/14**

This report relates to both maintained and academy schools

## **Recommendation**

The Schools Forum is recommended to:

- 1) Note the progress being made to review the spending from within the Dedicated Schools Grant (DSG) High Needs Block for 2013/14 with a view to identifying savings
- 2) Offer any comments for further analysis to be included in the review schedule

## **1.0 Introduction**

1.1 A report was brought to the Schools Forum in March regarding allocation of the DSG in 2013/14 and it was noted that there were significant spending pressures, especially in terms of high needs funding.

1.2 The intention of this report is to update Forum members on the work being undertaken by Local Authority officers of spending within the High Needs Block and the options being considered to ensure that services funded from these budgets are commissioned following a structured approach to ensure value for money.

## **2.0 High Needs Block - Sub Group Reviews**

2.1 The High Needs Block budget allocation, as reported to the Forum in March, totals £46.232m. However, £43.083m (93%) can be grouped into 6 parcels of related spending that are being used as the basis of a set of reviews.

2.2 A High Needs Funding Officer Group has been established to analyse the spending pressures and Appendix A indicates these 6 key budget areas, provides narrative regarding the key issues and risks associated with the spending area, the current potential overspend without intervention, the review plan and the time scales for final reporting.

### **3.0 Mitigating over spends**

3.0 The High Needs Block funds services to vulnerable children and, as such, any reductions must be carefully assessed and the impact fully understood. The nature of the spending is varied; there is a statutory nature of some services, others span more than a single year (such as college and school placements) where there are on-going commitments that need to be honoured and others can involve careful pupil placement where specialist provision is both expensive and, to a degree, is at a cost dictated by providers.

3.1 As the appendix indicates, without any intervention, the High Needs Block may be over spent to the value of £3.876m. As noted in the report elsewhere on this agenda, there few DSG reserves remaining from previous years under spends to offset any overspends in 2013/14. As such, an over spend will inevitably impact on the DSG funding available for 2014//15.

3.2 As such, to remain within the 2013/14 High Needs Block allocation may be difficult. Whilst the intention of the review work is to reduce the expenditure in 2013/14, where commitments are on-going or contracts let, changes may not be viable in year.

3.3 As the Schools Forum are aware, following the introduction of the new funding blocks, there is still the flexibility to transfer funding between them where necessary. The Early Years Block includes £1m trajectory funding to develop the offer for 2 years old in free 15 hours entitlement. Local Authority officers are working to develop this market to ensure maximum participation but if this funding is not required in full in the 2013/14 financial year, it may be that this can assist the DSG cash flow. Of course, the agreement will be that the funding is made available within 2014/15 to promote the Early Years provision if still required. Any High Needs Block savings would be required to both repay this funding and to ensure the core High Needs Block funding is not overspent in 2014/15.

3.4 The Department for Education has not yet released details of how the High Needs Block DSG will be calculated in 2014/15. As such, it is not clear whether the settlement is cash flat. Local Authority officers are working where possible to both inform the department on the increasing pressures on this funding and to determine the methodology of the 2014/15 budget allocation.

3.3 Whilst there are separate reports included on this Forum agenda in relation to complex needs pupils requiring support out of the Local Authority maintained provision and the primary inclusion support work, further reports will be brought to the next Schools Forum in October to detail the progress of the reviews, the potential savings identified along with a clear impact assessment on any funding reduction decisions.

## 4.0 Conclusion

4.1 There is a need to have a structured review process of the spending from within the High Needs Block of the DSG and an officer group has been established to oversee this review. Several sub groups have been working on specific areas with the intention of understanding the spending pressures and assessing the options for efficiencies whilst bearing in mind pupil outcomes.

4.2 It is expected that for the October Schools Forum meeting, there will be a greater level of analysis to report to the Forum of where costs savings may be achieved.

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	<b>Work Stream</b>	<b>DSG allocated for 2013/14</b> <b>£</b>	<b>Lead Officer</b>	<b>Potential Over Spend without Intervention</b> <b>£</b>	<b>Comments on the nature and progress of the review</b>	<b>Timescales</b>
1	Special Schools Funding	<b>17,519,358</b>	Nick Williams		The new funding arrangements offer place funding of £10,000 per pupil in these schools and a top up funding based on the needs of the pupil. The matrix used to determine the top up level needs to be updated to offer a consistent approach to all special schools in Warwickshire and, if possible, on a regional basis. This is planned for implementation from April 2014. It will need to be costed in such a way that provides the support within the current budget. A project team and plan is being established by the Schools Funding and Strategy Team which will involve special school heads and specialist Local Authority officers.	Project start May 2013  Consultation and financial analysis June  Regional agreement July 2013  Schools Forum recommendation October 2013  Cabinet approval December 2013  Implementation April 2014
2	Top Up Funding for Post 16 SEN (Independent Specialist Providers and Further	<b>2,607,041</b>	Yvonne Rose	<b>600,000</b>	The new funding arrangements offers £11,000 per post 16 student and top up funding based on the needs of each individual student. Due to an increase in learner numbers (both continuing into a second year and new applications) and in light of a potential shortfall	Funding arrangement effective from September 2013  Outcome on specialist provision to be



	Education Colleges)				in budget we will be systematically negotiating with independent specialist providers a lower rate of funding based on the existing national matrix. We are also working with regional colleagues on a funding rate/banding system for general FE colleges as this funding is now a new area of responsibility for the LA. We are actively working in partnership with Coventry LA to identify and develop local provision in order to reduce the number of out of county specialist residential placements. Work is ongoing with the Schools Funding and Strategy Team to promote synergy between pre 16 and post 16 processes and systems.	communicated to parents by 17 June.  Next meeting to discuss local provision to be held on 25 June
3	Out of Local Authority **	<b>10,595,900</b>	Liz Holt	<b>2,946,000</b>	See separate report on the Schools Forum agenda	
4	Top Up Funding for SEN pupils in mainstream schools	<b>4,540,185</b>	Helen Kendall	<b>330,000</b>	A task and finish group has completed Phase 1 of improving statutory processes (capturing statutory assessment evidence); proposed framework for efficient use of Main School fund and for evaluating school requests for top up funding is complete. The High Needs Group needs to decide if it will proceed with the action plan - dated April 30 2013. The action plan includes review of revised processes. This needs to be scheduled.	Sept. 2012  May 2013  November 2013
5	Central SEN Support	<b>3,962,375</b>	Jayne Mumford		Initial analysis of Integrated Disability Service teaching and learning indicates the distribution	August 2013 start

	Services (including Early Intervention Services and Integrated Disability Services)				<p>of funding needs to be adjusted across the teams within Teaching and Learning.</p> <ul style="list-style-type: none"> <li>* increasing the proportion of funding for Autism should positively impact on the need for specialist school placements;</li> <li>* finalising the allocation for sensory impairment (hearing, vision)</li> <li>* consider delegating the Speech, Language and Communication Needs units to professional learning communities.</li> </ul> <p>Such changes to Teaching and Learning provide more effective use of the Dedicated Schools Grant resource, they could realise savings because less staff are centrally managed therefore management structures can be revised.</p>	
6	Support for Inclusion (Including the Alternative Behaviour Partnership and the primary early intervention funding **)	<b>3,858,016</b>	Nick Williams		<ul style="list-style-type: none"> <li>• Strategic commissioning support for the Assessment, Statementing and Review Service to review its Service Level Agreements - with School Early Intervention Service, with Integrated Disability Service Autism, with River House School. This would benefit from direct involvement by Link Improvement Officer, since evaluating Service Level Agreement outcomes needs to be based on current Ofsted performance indicators.</li> </ul>	<p>Timescales:</p> <p>June 2013 - identify strategic commissioning support</p> <p>June to September 2013 – Review commissioning arrangements to ensure provision is value for money and fit for purpose</p>

						October 2013 – report to Schools Forum on progress  April 2014 – Implement revised specification
	<b>TOTAL</b>	<b>43,082,875</b>		<b>3,876,000</b>		

\*\* Related reports included elsewhere on this Schools Forum agenda

## **Schools Forum**

**16<sup>th</sup> May 2013**

### **Strategy to support the placement of pupils with severe and complex educational needs in local specialist provision**

This report relates to both maintained and academy schools

#### **Recommendation**

The Schools Forum is recommended to:

- Note the need to develop local provision to support pupils with severe and complex educational needs
- Note the options suggested to manage the Out of Authority DSG allocation within the High Needs Block in relation to:
  1. changes to internal processes that will reduce expenditure engagement with the market to secure additional local, high quality provision that represents best value
  2. and the timescales for action
- Comment on further options to consider in order to manage this element of the DSG

#### **1.0 Introduction**

- 1.1 The allocation of the High Needs Block, with projected overspends, is detailed in a separate report elsewhere on this Schools Forum agenda. There is a projected overspend in High Needs Block funding for 2013/14 and no balances from previous years to offset this. Therefore action needs to be taken to both curtail growth and reduce spend in specific areas during 2013/14. This report considers the Out of Local Authority allocation within the DSG that is currently forecast to over spend by £xxm.

The Local Authority's over reliance on out of authority placements is not appropriate or sustainable; the placements are not necessarily securing the best outcomes for young people, the approach is not supporting investment and capacity building in local provision, nor is it financially viable.

- 1.2 The Local Authority recognises that too many children and young people with the most severe and complex special educational needs and disability are

unable to access local provision to meet their needs. Some travel considerable distance, which affects the development of social relationships for the pupil, adversely impacts effective monitoring and multi-agency support and adds travel costs. In extreme cases, residential costs are added for practical rather than educational or social reasons because the distance is too far to travel on a daily basis.

- 1.3 The LA has a statutory duty to provide appropriate educational provision for pupils who have a statement of special educational need. This is the imperative that drives the commissioning of independent out of authority provision in the absence of increased, local places.
- 1.4 In almost all cases out of authority placements start with a Statement of Special Educational Needs (SEN). A number of children and young people move to out of authority places via Warwickshire's special schools, some directly from mainstream and some as an outcome of tribunal. A very small number of pupils start their educational careers in out of authority placements. In 2012–13, the Educational Psychology Service worked with providers to return pupils to local placements but if we are to make a significant impact on the out of authority budget, energy must be directed at reducing the number of pupils taking up new places by intervening early, using evidence of what works best and reducing the need for a statement of special educational need.
- 1.5 To achieve this ambition for our pupils and to secure improved outcomes for them, WCC is looking to further develop in-house provision and encourage the development of the external market.
- 1.6 Our firm commitment to Champion the Learner is underpinned by the following values and principles:
  - ✓ We are clear about the outcomes we want to see from our investment
  - ✓ We are clear about our statutory duties and responsibilities
  - ✓ We will ensure that investment is in evidence-based practice and offers best value
  - ✓ We will challenge the quality of provision accessed by children and young people in Warwickshire, and ensure swift and timely access to support
  - ✓ We will seek to close the gaps between groups of vulnerable children and young people and their peers
  - ✓ We will use feedback from stakeholders to ensure effective development of services

- ✓ We will build strong partnerships to ensure effective collaboration across agencies
- ✓ We will agree clear processes for the delivery and monitoring of our strategy through the formation of Boards so that our decision making is transparent
- ✓ We will monitor the progress of pupils to ensure that, where possible, they can access local mainstream provision

1.7 The Market Position Statement, produced by Nigel Exell, Strategic Commissioning, provides details of our approach to commissioning provision (see Appendix 1). The document contains intelligence, information and analysis of benefit to current and potential future independent service providers of education services for Warwickshire's pupils with Special Educational Needs (SEN). It is the key document through which WCC initially engages with providers to increase the availability of good quality local provision. It provides information about gaps in the market and should allow providers to assess if there are opportunities which are attractive to them.

## **2.0 How will we know that we have met our specific ambitions?**

2.1 Our aim must be to have sufficient, good quality, specialist, local provision that can meet a range of pupil need. Thresholds for the allocation of funding and placement decisions need to be clear and supported by a robust monitoring and evaluation programme.

2.2 We are clear about the specific outcomes the provision is intended to achieve:-

- pupils would be motivated to attend, experiencing learning opportunities that are meaningful, stimulating and relevant
- accelerating progress in Literacy and numeracy, alongside building knowledge and skills across a broad and relevant curriculum
- improving achievement overall, narrowing the gap with peers
- strong relationships and a collaborative approach that results in effective multi professional support
- self-awareness, identity, independence, and positive destinations for pupils
- engaging parent/carer from outset which is integral to planning and reviews
- access to the most appropriate placement, informed by on- going and accurate assessment

## **3.0 Out of Authority placements**

3.1 The spend for independent specialist out of authority provision has shown a consistent increase, year on year:

	Independent Specialist Provision (includes other LA special school placements) total expenditure
2009 / 2010	£8,550,722 actual
2010 / 2011	£9,889,586 actual
2011 / 2012	£10,779,445 actual
2012 / 2013	£10,948,072 budget £12,485,720 forecast Overspend of £1,537,648

3.2 The LA is committed to funding those pupils for whom it has agreed funding until such time as they leave school or their needs are such that they can be catered for in local provision. It is essential that this is addressed and local provision is developed.

#### **4.0 Increase in Referrals for Statutory Assessment**

4.1 In recent years there has been a considerable increase in the number of pupils referred for statutory assessment. Over the last three calendar years there has been an increase of 59.4%.

4.2 Not all referrals proceed to statutory assessment, and not all statutory assessments will result in a statement being issued. However, the high number of referrals inevitably leads to more children with statements, and consequently more funding to mainstream schools, demand on state funded special school provision, or, for some, an independent out of authority placement.

<b>Year</b>	<b>Referrals Received</b>	<b>Assessments Started</b>	<b>Final Statement Issued</b>
<b>2011/12</b>	448	413	351
<b>2010/11</b>	361	338	299
<b>2009/10</b>	291	263	269
<b>2008/9</b>	348	321	317
<b>2007/8</b>	373	332	331

- 4.3 A report to the Schools Forum in March has already demonstrated that areas of greatest need are Autistic Spectrum Disorder (ASD) and Behavioural, Emotional and Social Difficulties (BESD).
- 4.4 To meet the growing need Warwickshire has placed an increasing number of pupils in independent day provision. Limited local specialist provision, together with an increasing number of referrals for statutory assessment, are contributory factors. In January 2013, 2689 pupils had a statement of special educational need
- 1385 were accessing appropriate mainstream provision
  - 1074 were accessing specialist provision in state funded special schools
  - 230 pupils were placed with independent specialist providers
- 4.5 Costs associated with the provision of transport for pupils with SEN are included here for information but are not funded from the DSG. A project board has been established to reduce overall transport costs across the People Group and to align transport services with the personalisation and supporting independence agendas.

<b>SEN Transport</b>						
	2010/11	2010/11	2011/12	2011/12	2012/13	2012/13
	Budget	Actual	Budget	Actual	Budget	Forecast
Gross Expenditure	5,361,764	5,205,812	4,987,211	5,049,120	4,597,211	5,304,721
Income	-58,000	-106,672	-100,000	-94,328	-100,000	-147,945
Net	5,303,764	5,099,139	4,887,211	4,954,792	4,497,211	5,156,776

## 5.0 Proposals

- 5.1 Reduce the number of requests for statutory assessment and the number of statements of special educational need** - It is essential that we have in place a systematic response to requests for statutory assessment. All requests will be evaluated by a multi-professional panel and criteria will be clear and transparent. The panel will meet from September 2013 and we will want to see a reduction in referrals for statutory assessment and new statements.



## **5.2 Enhance local mainstream provision - Primary sector**

For primary aged pupils, £405,000 of devolved funding has been used to establish Inclusion Support Groups (ISGs) in a pilot group of mainstream schools with support from Early Intervention Service. A related report is included elsewhere on the agenda for this Schools Forum meeting which recommends continuation of this provision and proposes the development of additional specialist provision in mainstream primary schools.

## **5.3 Enhance local mainstream provision - Secondary sector**

- The Local Authority will devolve £2.2m in 2013/14 to secondary schools through Area Behaviour Partnerships (ABPs). Funding has been used to support early intervention practice in schools and ABPs have invested devolved funding into schools' own provision such as Learning Support Units. This represents a shift in the use of funding from crisis management following a permanent exclusion of a pupil to early intervention to better meet need. ABPs have also re-launched the managed move process to ensure that any pupil currently in a Warwickshire school requiring a fresh start remains in mainstream education. As a result, there has been a significant reduction in the number of pupils permanently excluded from school.
- WCC has established a Framework Agreement for Alternative Education Provision identifying five full time alternative education providers and 26 part time alternative education providers. This contract became live on 1st September 2012. In March 2013 there were 171 pupils in part-time or full-time alternative provision. There is a need for market development in this area so that schools are able to access diverse provision from a wider provider base.
- We will develop enhanced provision in Warwickshire schools to address social, communication and interaction needs and challenging behaviours, targeted in areas of the county where there is greatest need. A number of schools have already registered interest in this area. Using expertise within the IDS and EPS, enhanced provision could be developed to provide outreach support in a pilot school during Autumn term 2013 and at least one secondary school per area by Sept 2014. We should also look for opportunities to link to the Priority Families agenda. There will be further discussion at the Strategic Policy Group.

## **5.4 Review special school provision (state funded provision)**

- 5.4.1 The January 2013 census recorded 1074 Warwickshire pupils attending the 9 state funded special schools in Warwickshire, 2 of which are now Academies. A small number of Warwickshire pupils attend state funded special school provision in other Local Authorities.

- 5.4.2 The number of special school places in existing schools has not increased in line with the increase in the birth rate and despite the increasing numbers of pupils with a statement of SEN.
- 5.4.3 The demand for provision for pupils with challenging behaviour and social communication and interaction needs has been evidenced. The LA has 8 places per year for boys at River House for pupils with BESD in key stages 3 and 4. There is no secondary provision for girls. In the last two years the Authority has placed 63 pupils in independent sector BESD provision.
- 5.4.4 The LA has negotiated with Warwickshire's state funded special schools to modify their admission criteria in order to secure local specialist provision for pupils with ASD, where their needs can be met without compromising outcomes for their original cohort. However, the limitations of this local arrangement are that those pupils whose disability means they present with challenging behaviour cannot be accommodated. The IDS Autism Team is also commissioned to provide Flexible Learning Packages for individual pupils at a total cost of £332,000.
- 5.4.5 A review of existing specialist provision and the need for capital investment will be evaluated and decided by the Capital and Access Board during the Autumn Term 2013.
- 5.4.6 As part of the Capital Bid for Targeted Basic Need a bid has been made for a new school for 80 pupils in Key Stage 3 and 4 with additional needs. Our needs assessment demonstrates demand for places for pupils with BESD and ASD in the north of the county. This would be a purpose built school and any proposal to develop a new school needs approval from the Secretary of State. Any new school would need to be an Academy or Free School. The choice of provider would be subject to an appropriate commissioning, procurement and contracting process and would include formal consultation with key stakeholders. A bid has been submitted and the outcome will be known in June. The average cost of placement of a pupil at River House School is £36,300 in 2013/14 against average £48,000 for Out of Authority (£11m/230 pupils) therefore increasing our capacity in special school places in this way represents better value for money, better outcomes for pupils accessing local provision and supports capacity building.
- 5.5 Top up funding for Schools** - Thresholds for the allocation of this funding need to be clear and supported by robust monitoring and evaluation by a multi professional panel or there is a risk that schools will indicate individual high level needs cannot be met within the existing funding allocation, and there is a risk that more pupils will require specialist placements. The panel will meet from September 2013, the criteria for the allocation of funding will be clear

and transparent and there will be evidence of improved outcomes where additional investment is made.

- 5.6 Use of out of authority placements** - It is essential that the number of out of authority placements reduces. Out of authority educational placements should only be secured where all options for providing for a pupil's educational needs within Warwickshire's provision have been exhausted and an out of authority placement becomes the only choice.

**Historically the level of placements may have been unnecessarily high due to several reasons:**

- Misidentification of need and inappropriate support in earlier years
- Misinformation about the provision available
- Lack of Warwickshire schools' confidence in their ability to provide an appropriate provision.
- Lack of existing specialist provision within Warwickshire
- Lack of coordinated discussion between LA services to consider how else needs could be addressed

The Local Authority needs to learn from this and all services must work together to identify the most appropriate local provision that will secure the best outcomes for a pupil. The use of a standardised framework for resource allocation and placement decision will support this process.

New Out of Authority placements made in 2012/13 were as follows:

KS1 - £58,282 = 3 pupil placements

KS2 - £819,044 = 33 pupil placements

KS3 - £885,873 = 32 pupil placements

KS4 - £259,086 = 11 pupil placements and

Post 16 - £14,448 = 2 pupil placements

- 5.7 Negotiate contract costs for pupils placed in out of authority placements**

We will continue to evaluate pupil outcomes via Annual Reviews for those pupils placed with independent specialist providers to improve value for money. Savings have been realised as a result of negotiating contract costs but this is only part of the commissioning cycle and should not be relied upon to realise the majority of the savings.

## 5.8 External Providers

- 5.8.1 The Witherslack Group is an independent provider with whom Warwickshire currently commissions 19 places for pupils with BESD. They have purchased a vacant school site in Rugby and aim to open their new 70 place school for pupils with a range of complex needs, including BESD and ASD, in November 2013.
- 5.8.2 Negotiations with Warwickshire commissioners are on-going as this provides an excellent opportunity for pupils to access appropriate local provision. Placements for pupils currently attending Witherslack Group provision out of authority will be reviewed to see if their needs can be met in this new local provision. The Witherslack Group is also interested in developing partnership arrangements with local Warwickshire schools, including curriculum planning, training and capacity building.
- 5.8.3 The Capital Access and Organisation Board will consider other appropriate vacant sites that could be sold or leased to external providers

**5.9 Ensure that improved outcomes for individual pupils drives decision making** - All providers, including state funded and independent schools, must be held to account for improving pupil outcomes, and reviews must include evidence of how resources have been used appropriately to target need. The LA must systematically scrutinise the response of providers before acceding to statutory assessment, an increase in resources or an alternative placement. This will be managed by the multi-professional panel from September 2013. The outcome we want to see is more pupils having their needs met from within the Main School funding Block or from the High Needs Block in a way that demonstrates more effective use of the funding..

**5.10 Review current use of the Dedicated Schools Grant** – The current funding allocations to service areas should be subject to regular review to ensure they are delivering good outcomes for children and young people, that they represent good value for money and that the commissioning arrangements on behalf of schools remain fit for purpose. A review cycle should be developed with an agreed programme of reporting outcomes and investment to the Schools Forum.

## 6.0 Conclusion

The need to develop cost effective local provision is clear. The growing number of requests for statutory assessment is driving the need for increased resource and must be tackled through a system wide approach that supports investment in effective early intervention, enhanced specialist provision in mainstream schools and a review of the use of special school provision,

alongside more robust monitoring and evaluation of pupil outcomes. This must include a cycle for review, with clear timescales for action.

In summary, the Local Authority will:

Ensure that all requests for statutory assessment and/or an increase in provision are considered by a multi-professional panel against clear criteria. There is an expectation that the allocation of funding in the Main School Block will enable schools to meet pupil need through effective early intervention and the objective will be to reduce the number of new statements of special educational need.

Invest in enhanced provision in local mainstream primary and secondary schools

Review existing state funded specialist provision and the need for capital investment where there is evidence of demand

Cease arranging new placements in out of authority independent provision

Review existing placements in out of authority independent provision, with additional investment in Educational Psychology Services to undertake this review. The objective will be to identify pupils whose needs could be met in local provision with the appropriate package of support.

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## **Schools Forum**

**16<sup>th</sup> May 2013**

### **Primary Inclusion Support Groups**

#### **Recommendation**

The Schools Forum is recommended to:

- Comment on the progress made around the ISGs and the early considerations taken to a longer term position.
- Agree to an extension of existing funding to 31 March 2014 to enable provision to continue this year.
- Agree that a full evaluation of the pilot and options appraisal for future provision, including funding requirements, be brought to the next meeting for agreement.

#### **1.0 Introduction**

- 1.1. In February 2011, the Cabinet of Warwickshire County Council approved a proposal to close primary section (Reception – Year 6) of the Warwickshire Pupil Referral Unit (PRU). This recommendation was made by the Children and Young People’s Overview and Scrutiny Committee. The primary section of the PRU was closed in July 2011.
- 1.2. As a result, primary head teachers and officers of the local authority have been working together to develop models of educational provision that avoid the need for permanent exclusion from the primary phase.
- 1.3. Using the funding previously allocated to the primary PRU, two separate commissions were put in place, each for a pilot period of two years:
  - Funding six Professional Learning Communities (clusters of primary schools), where trends of permanent exclusion were highest, to establish Inclusion Support Groups (ISG) comprising of 46 schools. Six service level agreements were put in place for £40,000 per annum per ISG (total £240,000);
  - A service level agreement with the WCC Early Intervention Service for £165,000 to support the establishment and development of ISGs;

1.4. The two year pilots will come to an end on 31 August 2013, including the corresponding funding. Since it was recognised that some provision will continue to be required beyond August, a full year funding allocation of £405k for preventing exclusions from the primary phase was approved at the meeting of the Schools Forum on 7 March 2013. However, this was subject to a further report being brought back to this meeting.

## 2.0 **Value for money**

2.1 It is worth noting the distance that has been travelled within two years. In 2011, £405k was allocated to support 11 pupils in the primary section of the PRU. This was an undesirable destination as the PRU was in special measures and, as Members of the Overview and Scrutiny Committee concluded, the PRU was 'not an appropriate environment for primary school children'. The unit cost of provision, at that time, was £36,818 per pupil.

2.2 In comparison, in 2012/13 the ISGs collectively supported 59 primary children, in an appropriate environment. Whilst it is not appropriate to provide a comparative unit cost (as primary schools have contributed significant investment themselves), it is reasonable to say that the £405k is now supporting more pupils and leading to interventions at an earlier stage. The monitoring reports show that pupils are making measurable progress in attendance and behaviour. Permanent exclusions have dropped from an average of 12 per year in the primary phase to 5 in 2011/12 and 4 in 2012/13.

2.3 The new arrangements have led to better provision and earlier intervention at lower unit cost.

## 3.0 **Monitoring provision**

3.1 ISGs have been set up in a variety of ways depending on the local need. There has been a range of substantial training for staff in schools involved in ISGs on 'nurture provision'. This provision focuses on the social and emotional needs of children, impacting on their behaviour as they learn to build the social skills necessary to deal with difficult emotional situations. The provision enables children to access training in ways of managing their own behaviour when faced with difficult situations. The ISGs also provides a safe place for children with specific needs to learn so they have better achievement outcomes and therefore better life-chances.

3.2 Some ISGs have appointed family / learning mentors and set up a network of support so that the learning mentors are able to meet on a regular basis to share good practice. Staff in ISGs have also received 'Triple P' and 'Team Teach' training. Other training has been accessed by ISGs includes Forest schools, Assertive Discipline, Yoga, Play therapy, Counselling, ICT and

gardening. This training has been opened to other schools not in the pilot or cluster, therefore extending the influence of the ISGs beyond their cluster to schools across the county. This is an area that could be further developed.

- 3.3 Ofsted have stated at one ISG that: 'The ISG is managed well. Staff provide a safe learning environment that motivates self-confidence and raises self-esteem'.
- 3.4 Further to this, the number of exclusions has reduced in 2011/12 and 2012/13 following the introduction of ISGs with EIS support. Data on fixed term exclusions is still awaited from the DfE for 2011/12.

<b>Year</b>	<b>Permanent Exclusions</b>	<b>Fixed Term Exclusions</b>
2008/9	14	476
2009/10	13	455
2010/11	11	422
2011/12	5 (Local data)	377 (Local data)
2012/13	4 (Local data to 26 April 2013)	<i>Data release due July 2014</i>

- 3.5 Representatives of ISGs attend the Access to Education Steering Group, alongside secondary Area Behaviour Partnerships, with regular reports presented on the performance of ISGs.
- 3.6 Termly monitoring reports are currently completed by WCC. Due to reduced resources within WCC, it is now intended that monitoring is primarily conducted via self-evaluation, peer review and external observations commissioned on an annual basis. This is in line with arrangements for Area Behaviour Partnerships in the secondary phase. Monitoring focuses on attendance, behaviour and achievement.
- 4.0 Task and Finish Group**
- 4.1 A task and finish group including primary head teachers from ISGs and non-ISG Professional Learning Communities was set up, alongside officers of the local authority.
- 4.2 The group is keen to embed and strengthen the current arrangements. ISGs are seen as a better model of working than previous arrangements as the pupil remains part of the school community, schools work together in the interest of the pupil and it is bringing about positive behaviour change.



- 4.3 The group has also identified that it would be beneficial for further ISGs to be established. Rather than using historical exclusion data, it is now considered that the allocation should be based upon those Professional Learning Communities with the highest FSM average for the last 6 years (consistent with other allocation methods).
- 4.4 Some concerns with the current arrangements have also been raised. First, there is minimal alternative provision available in the primary phase (in contrast to the provision available in the secondary phase). This can be a particular issue when a pupil arrives from out-of-county and mainstream school is not appropriate. The alternative provision that does exist mainly consists of SEN providers with high unit costs. There is a particular need for specialist support for pupils at risk of exclusion who are awaiting statement or who have been statemented that require short-term interventions.
- 4.5 In light of this, the group then considered how to allocate the current funding (£405k) to address the above pressures and gaps in provision. It is now clear that the pupils supported by ISGs, some of the vulnerable and challenging in the County, are receiving packages of support made up of a number of different streams of DSG funding.
- 4.6 It is proposed that these additional funding streams (eg. SEN, EIS) should be in the review of ISG funding. This is consistent with the aims of the Vulnerable Children's Strategy to join up funding around the child and would allow for more sustainable arrangements to be proposed. Consequently, it is proposed that this review is extended until October to allow further consultation with primary head teachers, officers and members of the Forum. The existing arrangements are to be extended until March 2014.

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**APPENDIX 1: ISG PERFORMANCE OVERVIEW****Pupils supported in ISG**

<b>ISG</b>	<b>No of pupils supported 2011 -2012</b>	<b>No of cases closed July 2012</b>	<b>No of new cases 2012 - 2013</b>	<b>Total supported 2012 - 2013</b>
Atherstone	13	8	4	9
Bedworth 6	4	4	8	8
Bedworth	6	0	4	10
Rugby	9	0	13	22
Stockingford	4	0	0	4
Whitnash	6	0	0	6
<b>Total</b>	<b>42</b>	<b>12</b>	<b>29</b>	<b>59</b>

**Academic Progress (March 2013)**

G – Good, S – Satisfactory, I -

Inadequate

<b>ISG</b>	<b>No of pupils data available for</b>	<b>Progress</b>
Atherstone	8	G -1, S - 4, I - 3
Bedworth 6	8	G- 6, S - 2
Bedworth	5	S - 5
Rugby	9	S- 3, I - 6
Stockingford	3	S - 3
Whitnash	1	S - 1
<b>Totals</b>	<b>34</b>	<b>G – 7, S – 18, I - 9</b>

**SEBD Progress (March 2013) I – Improved, W - Worse**

<b>ISG</b>	<b>No of pupils data available for</b>	<b>Progress</b>
Atherstone	8	I – 6, W - 2
Bedworth 6	8	I - 8
Bedworth	0	n/a
Rugby	5	I – 4, W - 1
Stockingford	3	I - 3
Whitnash	1	I - 1
<b>Totals</b>	<b>25</b>	<b>I – 22, W - 3</b>

## **Schools Forum**

**16<sup>th</sup> May 2013**

### **General Dedicated Schools Grant Update**

This report relates to maintained schools and academies

#### **The Schools Forum is recommended to:**

- Note the latest update on the Dedicated Schools Grant (DSG) funding for 2014/15

#### **1.0 Introduction**

1.1 In light of the significant changes recently to both the way that the Dedicated Schools Grant (DSG) is calculated (the new block system, the different census date for the schools block etc) and the school funding reforms and central funding regulations, this report is intended to keep the Forum members abreast of further changes that are taking place with regard to DSG funding.

#### **2.0 Carbon Reduction Commitment**

2.1 In 2010/11, the Carbon Reduction Commitment (CRC) was introduced as a levy on fuel consumption in organisations as a means of encouraging energy efficiency. This new scheme included both schools and non-school buildings and the regulations were amended so that the schools CRC could be paid from the DSG. However, the DSG was not increased to take account of this new spending burden.

2.2 In 2012/13, a budget allocation of £411,000 was included and the actual charge was £360,000.

2.3 The regulations are changing from April 2014 and schools will no longer be required to pay the CRC levy. However, a reduction is being made to the DSG to reflect that this charge has been removed. Whilst the argument that the funding was not increased within the DSG when the levy was introduced and therefore reducing the DSG when the levy has ceased has been made to the Department for Education (DfE) by Local Authorities, their stance, as yet, has not changed.

2.4 A national reduction of £50.5m will be made to the DSG available to Local Authorities in England which is a figure agreed by the DfE based on certain

assumptions of schools energy costs. The cost per tonne of the levy is currently £12 but this is set to increase to £16 in April 2014 and the deduction from school budgets is based on the higher future cost, not the current cost.

2.5 The manner in which the CRC reduction is being calculated is being discussed with Local Authorities via strategic policy groups. The current options are to use either a per pupil methodology or using the budget information provided by each Local Authority on the section 251 returns. Using the former methodology Warwickshire could lose £519,000 and using the latter methodology Warwickshire could lose £476,000. Both amounts are in excess of both our current budget and actual costs. However, if the levy had not been withdrawn from schools, it is likely that in 2014/15, our charge would have been £480,000 based on the new costs per tonne.

2.6 The implication of this is that the DSG will be reduced in 2014/15 in the region of £500,000 which is a reduction of £89,000 compared to our current budget assumptions and £140,000 more than the 2012/13 actual spend.

2.7 The methodology to be used is still out to informal consultation with Local Authorities and Warwickshire, along with others, are encouraging the DfE to use actual costs as the basis of any reduction.

### **3.0 Recent Schools Funding Reforms Consultation**

3.1 The Forum will recall that at the last meeting the DfE consultation regarding the new school funding reforms was discussed. Warwickshire submitted a response and the outcome of the overall feedback is expected to be released by the DfE in early June. The DfE will be attending a meeting at Warwickshire in mid-June whereby the results will be explained and discussed.

3.2 However, initial feedback from the DfE is that the following changes will be made to the regulations:

- A change to the prior attainment data used for secondary schools to include pupils who have not achieved level 4 in either maths or English rather than maths and English. This is due to the increase in performance and the subsequent reduction in the pupil data set.
- The introduction of a sparsity factor to take account of the distance from a child's home to the second nearest school. There are no specific details as such but it may be that this is on a sliding scale; the further the second school is away from the pupil's home, the more money that pupil or nearest school would attract.
- Allowing a different level of lump sum in the primary and secondary sectors but that the ceiling of the lump sum is reduced if the sparsity factor is included

- Probably a 10% threshold on the mobility factor, therefore only those schools with significant levels of mobile pupils could attract additional funding.
- Extension of the use of the Pupil Increase Funding to include support for schools who require financial support in the run up to a pupil bulge
- The option for federated schools to retain their separate lump sums for a number of years after federation to avoid sudden financial penalties for more efficient structures

3.3 The implication of these changes to the regulations is that further modelling can be undertaken over the summer months to understand the impact of any prescriptive changes and also the potential impact of any voluntary changes to schools in Warwickshire. Once firmer details are announced, analysis will be undertaken and reported to the Schools Forum in October.

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## **Schools Forum**

**16<sup>th</sup> May 2013**

### **Scheme for Financing Schools (Section 48) Revisions for April 2013**

This report relates to maintained schools only

#### **Recommendation**

The School Forum is recommended to:

- **Approve the revisions to the Scheme for Financing Schools (section 48)**

#### **1.0 Introduction**

1.1 One of the roles and responsibilities of the Schools Forum is to approve the schools' Scheme of Financial Management, regulations that dictate the financial management in schools. This is also known as Section 48 of the School Standards and Framework Act 1998.

1.2 The Department for Education (DfE) has recently released an update of these regulations to take effect from 1<sup>st</sup> April 2013. This paper summarises the changes.

#### **2.0 The Changes**

2.1 A copy of the revised Scheme for Financing Schools is attached at Appendix A.

2.2 The changes are as follows:

- Confirmation that legislation has been amended to put maintained Pupil Referral Units (PRU's) in the coverage of the regulations
- Only Schools Forum members representing maintained schools should now approve scheme changes
- Clarification that place-led funding for special schools is included in arrangements for payments by instalment.
- Clarification that SEN top up payments should be made monthly unless otherwise agreed
- Funding to support schools in financial difficulty can only come from a de-delegated contingency for mainstreamed schools, or a central budget for special schools and PRU's.
- Clarification around bought in meals service, not centrally maintained
- Clarification that Schools Forum can agree de-delegation

- Amended wording in relation to charging the school budget share if appropriate support has not been made for a High Needs pupil
- Restriction to existing commitments for redundancy / PRC payments and removal of reference to non-provision of LA services where funding has been provided to some schools only
- Deletion of references to optional delegated funding
- Removal of provision for LA's to retain central money for repairs and maintenance of school kitchens where funding for school meals has not been delegated
- Clarification that detailed school by schools budgets are no longer included in the Section 251 statistical returns to the DfE
- Restriction of termination of employment costs funded from central schools budget to value of previous year and existing commitments; clarity that contingency for schools in financial difficulty will need to be de-delegated

2.3 In addition to these changes, the section on surplus balances has been updated to reflect the local agreement to freeze the Balances Control Mechanism Policy.

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# Scheme for the Financing of Schools

SECTION 48 of the  
School Standards and Framework  
Act 1998

April 2013

Produced by the Schools Funding and Strategy Team



## THE OUTLINE SCHEME

The School and Early Years Finance (England) Regulations 2012 state that this scheme must deal with the following matters:

1. The carrying forward from one funding period to another of surpluses and deficits arising in relation to schools' budget shares.
2. Amounts which may be charged against schools' budget shares.
3. Amounts received by schools which may be retained by their governing bodies and the purposes for which such amounts may be used.
4. The imposition, by or under the scheme, of conditions which must be complied with by schools in relation to the management of their delegated budgets and of sums made available to governing bodies by the authority which do not form part of delegated budgets, including conditions prescribing financial controls and procedures.
5. Terms on which services and facilities are provided by the authority for schools maintained by them.
6. The payment of interest by or to the authority.
7. The times at which amounts equal in total to the school's budget share are to be made available to governing bodies and the proportion of the budget share to be made available at each such time.
8. The virement between budget heads within the delegated budget.
9. Circumstances in which a local authority may delegate to the governing body the power to spend any part of the authority's non-schools education budget or schools budget in addition to those set out in section 49(4)(a) to (c) of the 1998 Act.
10. The use of delegated budgets and of sums made available to a governing body by the local authority which does not form part of delegated budgets.
11. Borrowing by governing bodies.
12. The banking arrangements that may be made by governing bodies.
13. A statement as to the personal liability of governors in respect of schools' budget shares having regard to section 50(7) of the 1998 Act.
14. A statement as to the allowances payable to governors of a school which does not have a delegated budget in accordance with the scheme made by the authority for the purposes of section 519 of the 1996 Act.

15. The keeping of a register of any business interests of the governors and the head teacher.
16. The provision of information by and to the governing body.
17. The maintenance of inventories of assets.
18. Plans of a governing body's expenditure.
19. A statement as to the taxation of sums paid or received by a governing body.
20. Insurance.
21. The use of delegated budgets by governing bodies so as to satisfy the authority's duties imposed by or under the Health and Safety at Work etc Act 1974.
22. The provision of legal advice to a governing body.
23. Funding for child protection issues.
24. How complaints by persons working at a school or by school governors about financial management or financial propriety at the school will be dealt with and to whom such complaints should be made.
25. Expenditure incurred by a governing body in the exercise of the power conferred by section 27 of the 2002 Act.

## **1. INTRODUCTION**

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

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

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget – although at a minimum an authority must appropriate its entire Dedicated Schools Grant to their schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their School 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).

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.

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.)

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)

Each authority is obliged to publish each year a statement setting out details of its planned Schools Budget and other expenditure on children's services, showing the amounts to be centrally retained and funding delegated to schools. After each financial year the authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State, but each school must receive a copy of each year's budget and out-turn statements so far as they relate to that school or central expenditure.

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 Scheme for Financing Schools**

This Scheme sets out the financial relationship that exists between Warwickshire County Council (WCC) and the maintained schools that it funds. The Scheme contains requirements relating to financial management that are binding on both the LA and its schools.

### **1.3 Application of the Scheme to the LA and its Schools**

The scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and pupil referral units (PRU's) maintained by the authority, whether they are situated in the area of the authority or situated elsewhere. It does not apply to schools situated in the authority's area which are maintained by another authority. Nor does it apply to Academies. The names of the schools to which this Scheme applies are contained in Annex A to this Scheme.

### **1.4 Publication of the Scheme**

The scheme will be published on the WCC website and any revised versions will be published by the date the revisions come into force, together with a statement that the revised scheme comes into force on that date.

### **1.5 Revision of the Scheme**

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

### **1.6 Delegation of Powers to the Headteacher**

The governing body of each school is required to consider the extent to which it wishes to delegate its financial powers to the headteacher and to record its decisions and any revisions in the minutes of the governing body.

It is the responsibility of the head teacher and the governing body to draw up the first formal budget plan of each financial year and for this to be approved by the governing body, or by a committee of the governing body.

### **1.7 Maintenance of Schools**

The LA is responsible for maintaining the schools covered by the Scheme. This includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary aided school where some of the expenses are, by statute, payable by the governing body; and in the case of foundation schools where there is a power but not a duty to meet capital expenditure). 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.

## **2. FINANCIAL CONTROLS**

### **2.1 Application of Financial Controls to Schools**

In the management of their delegated budgets, schools must abide by the LA's requirements on financial controls and monitoring contained in this Scheme, the Financial Policy and Procedures Manual, the County Council's Financial Standing Orders and Contract Standing Orders and in any other documentation produced by the

LA on matters of financial administration. These are binding on Schools in so far as they are consistent with the provisions of this scheme.

## **2.2 Provision of Financial Information and Reports**

Schools are required to provide the LA with forecasted details of the anticipated income and expenditure on a quarterly basis, the dates of which are issued to schools at the start of each financial year.

## **2.3 Payment of Salaries and Bills**

This Scheme allows for the arrangements made to vary according to the governing body's decision either to have its own bank account or to purchase the service from the LA. The Financial Policy and Procedures Manual details the arrangements applying in both cases.

## **2.4 Control of Assets**

Each school must maintain an inventory of its moveable non-capital assets and follow proper procedures for the disposal of assets. Details are set out in the Financial Policy and Procedures Manual. Schools may determine their own arrangements for keeping a register of assets worth less than £1,000. However, they must keep a register in some form.

## **2.5 Accounting Policies (including year-end procedures)**

Schools are required to follow procedures set out in the Financial Policy and Procedures Manual and any year end instructions issued by the Schools Finance and Support Service.

## **2.6 Writing off Debts**

The LA will support schools seeking the recovery of any debt. If recovery proves impossible governing bodies are authorised to write off debts up to £500. Debts in excess of this must be referred to the LA and dealt with in the context of prevailing County Council Financial Standing Orders.

## **2.7 Basis of Accounting**

Reports and annual accounts prepared by the school for the LA will be on an accruals basis i.e. on the basis of income and expenditure. This means that where the school has provided goods and services during the year, the income will be recorded in the accounts, whether or not the cash has actually been received. Similarly, where the school has received goods or services during the year, these will be charged in the accounts as expenditure, whether or not the supplier has been paid.

Schools will be free to choose which system they adopt for internal accounting.

## **2.8 Submission of Budget Plans**

Each school must submit an initial budget plan to the LA by May 1<sup>st</sup> showing its intentions for the expenditure in the current financial year and the assumptions underpinning the budget plan, including the use of estimated balances. The governing body must approve the initial budget plan. The LA may require schools to submit revisions to a budget plan but no more than 4 times in any one year. The LA will ensure that all information relevant to school budget planning is issued in a timely manner, in accordance with the timetable published annually.

## **2.9 Submission of Financial Forecasts**

The authority requires schools to submit a financial forecast covering each year of a multi-year period for which schools have been notified of budget shares beyond the current year.

## **2.10 Efficiency and Value for Money**

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

It is for heads and governors to determine at school level how to secure better value for money.

*Schools may want to refer to the DfE website for further information at <http://www.education.gov.uk/schools/adminandfinance/financialmanagement/b0069984/vfm/>.*

## **2.11 Virement**

Schools are allowed to vire freely between budget heads in the expenditure of their budget shares.

## **2.12 Audit: General**

Schools are required to operate co-operatively within the audit regime determined by the LA with regard to internal audit and within the external audit regime as determined by the Audit Commission. Schools should provide access to school records for both internal and external auditors.

## **2.13 Separate External Audits**

If schools wish to seek an additional source of assurance, at their own expense, they may use funds from their budget share to obtain external audit certification of accounts separate from any LA internal or external audit process.

## **2.14 Audit of Voluntary and Private Funds**

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

## **2.15 Register of Business Interests**

The governing body of each school is required to maintain a register that lists for each member of the governing body, the headteacher and any member of school staff with budget management responsibility, any business interests held by them or by any member of their immediate family. This register must be kept up to date with notification of changes and through annual review of entries. The register must be available for inspection by governors, staff, parents and the LA. Further guidance is provided in the Financial Policy and Procedures Manual.

## **2.16 Purchasing, Tendering and Contracting Requirements**

Advice and guidance in matters relating to purchasing, tendering and contracting are given in the Financial Policy and Procedures Manual. There is a requirement to assess in advance, where relevant, the health and safety competence of contractors, taking into account LA's policies and procedures. In these matters schools are required to follow the County Council's Financial Standing Orders and Contract Standing Orders except where these would require schools:

- To do anything incompatible with any of the provisions of this Scheme, or any statutory provision, or any EU Procurement Directive
- To seek LA officer countersignature for any contracts for goods or services for a value below £60,000 in any one year
- To select suppliers only from a County approved list
- To seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year, subject to specific listed exceptions.

*If* these 4 conditions above existed in County Regulations, then the schools in this Scheme are not required to follow them. It should be noted, nevertheless, that County Council Financial Standing Orders and Contract Standing Orders are regularly revised in order to keep abreast of English and European Statute. The intention is to promote the effectiveness of delegated management responsibility within the context of the proper and prudent expenditure of the public's money. (In many cases Schools enter into contracts on behalf of the LA as the maintainer of Schools and the owner of funds in the budget share. However, other contracts will be made on behalf solely of the Governing Body where the statutory obligations rest with the Governing Body, for example in respect of staff employment in respect of aided or foundation schools.)

## **2.17 Procurement Cards**

Schools are encouraged to use procurement cards as a means of payment to reduce transaction costs and increase the opportunity to gain discounts on goods or services.

## **2.18 Application of Contracts to Schools**

Schools can opt out of LA-arranged contracts. However, where schools have entered into contracts with or arranged by the LA they are bound by the terms of the contractual agreement.

## **2.19 Central funds and Earmarking**

LAs are authorised to, and in some cases will be required to, make sums available to schools from central funds in the form of allocations which are additional and separate from the school's (formula-generated) budget share.

Such allocations will be subject to conditions setting out the purpose or purposes for which these funds will be used, and will not be subject to clawback in respect of interest foregone by the LAs.

Earmarked funding from centrally retained LA funds must be spent only on the purposes for which it has been given. Earmarked funds may be vired to the extent permitted by the earmarking arrangement but must not be vired into the school's budget share. Schools are required to maintain accounting procedures that demonstrate this condition has been complied with.

Such allocations might, for example, be sums for initiatives funded from the central expenditure of a LA's Schools Budget or other LA budget.

## **2.20 Spending for the Purposes of the School**

School budget shares must be spent for the educational purposes of the school as defined by prevailing statute. By virtue of section 50(3A), which came into force on April 1<sup>st</sup> 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. In addition, the Secretary of State also allows schools to spend their budgets on pupils who are on the roll of other maintained schools.

## **2.21 Capital Spending from Budget Shares**

Governing bodies are permitted to spend budget shares to meet the cost of capital expenditure on the school premises providing that, if the amount allocated to capital expenditure from the budget share exceeds £3,000 for primary schools and £6,000 for secondary schools in any one year,

- The governing body notifies the LA of its plans
- The governing body takes into account any advice from the Head of Service, Learning and Achievement as to the merits of the proposed expenditure
- The governing body obtains consent from the owner of the premises.

Permission also extends to governing bodies of voluntary aided and special agreement schools where such work is their responsibility under paragraph 3 of Schedule 3 of the School Standards and Framework Act. In voluntary aided and special agreement



schools, the grant aid returned to governors for projects financed from delegated funds must be transferred back to the budget share.

Any such expenditure would not affect any formula capital allocations that may be provided by the LA to schools outside of the delegated budget.

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

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

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

All maintained schools with a delegated budget must submit the form to the local authority before 31<sup>st</sup> March 2013 and annually thereafter.

## **2.23 Fraud**

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

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

## **2.24 Notice of Concern**

The authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Head of Service, Finance and the Head of Service, Learning and Development, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local authority or the school.

Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it.

These may include:

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;

- insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
- placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the local authority;
- insisting on regular financial monitoring meetings at the school attended by local authority officers;
- requiring a governing body to buy into a local authority's financial management systems; and
- imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

The notice will clearly state what these requirements are and the way in which and the time by which such requirements must be complied with in order for the notice to be withdrawn. It will also state the actions that the authority may take where the governing body does not comply with the notice.

### **3. INSTALMENTS OF BUDGET SHARE AND BANKING ARRANGEMENTS**

For the purpose of this section, budget share includes any place-led funding for special schools or pupil referral units.

#### **3.1 Bank and Building Society Accounts**

All maintained schools may have external bank accounts into which the budget share instalments are paid. Where schools have such accounts all interest payable on balances in that account shall be retained by the school and all charges incurred sustained by the school.

Schools may only make new bank account arrangements:

- At the start of a financial year
- Where there is no deficit balance with the LA

Where the balance is currently held by the LA, then an immediate transfer of the estimated balance will be made to the new account.

#### **3.2 Restrictions on Accounts**

Annex C shows the WCC approved investment institutions as stated in the 2013/14 Treasury Management Policy. The list of specifically approved banks and building societies is constantly being amended; if a school wishes to change their existing bank or building society account, they should contact the Treasury Management Team. Any money paid to the school by the LA should only be invested in one of these approved institutions.

Money paid by the LA and held in such accounts remains LA property until spent. (Section 49(5) of the Act). However, accounts may be held by the school in the name of the school, rather than the LA, if it so chooses.

The LA is entitled to receive bank statements and is able to take control of School Bank Accounts in the event of the suspension of the School's Delegated Budget

### **3.3 Frequency and Size of Instalments**

There will be a single payment to bank account schools of 4% of the total budget share on the first banking day of April. All non-bank account schools will be deemed to have received this payment on this date for the purposes of crediting interest. The remainder of the budget share will be made available in twelve equal monthly amounts, each equivalent to 8% of the school's budget share, six days from the end of each calendar month.

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

The LA will pay interest on late payments of school budget shares at the current Bank of England base rate, providing that the late payment is the result of LA error.

### **3.4 Budget Shares for Closing Schools**

The budget shares of schools for which approval for discontinuation has been secured will be made available until closure on a monthly basis net of estimated salary costs even where some different basis was previously used.

### **3.5 Borrowing by Schools**

Except in the case of loan schemes operated by the LA, schools may only borrow with the written permission of the Secretary of State.

## **4. THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES**

### **4.1 The Right to Carry Forward Surplus Balances**

Any shortfall in expenditure relative to the school's budget share for the year, plus or minus any balances brought forward from previous years may be carried forward from one financial year to the next.

### **4.2 Reporting on and Control of the Use of Surplus Balances**

For 2013/14 the Balances Control Mechanism Policy has been frozen and will no longer be applied. This is in line with the deletion of such an approach by the Department for Education with academy schools. The position will be reviewed as and when there is a change in the national position.

### **4.3 Interest on Surplus Balances**

The LA will pay interest on balances held by it on behalf of individual schools. The arrangements made for the payment of interest will ensure that the funds held on behalf of schools attract the most beneficial rate.

### **4.4 Obligation to Carry Forward Deficit Balances**

Schools must carry forward deficit balances. Deficits will be deducted from the following year's budget share.

### **4.5 Charging of Interest on Loans to Academy Schools**

Any loans that were previously agreed between the LA and a maintained school at a zero rate of interest will have interest added to the remainder of the life of the loan upon transfer of the school to Academy status. A new agreement will be entered into with the Academy Trust and the interest charged will be that of the current Public Works Loans Board rate at the time of the new agreement.

### **4.6 Writing off Deficits**

The LA 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)

### **4.7 Balances of Closing and Amalgamating Schools**

When a school closes or amalgamates, any balance, whether surplus or deficit, reverts to the LA. It will not be transferred automatically as a balance to any other school, even where the school is a successor to the closing school. Section 4(1)(a) of the Academies Act 2010 will allow the transfer of any surplus directly to the new academy.

### **4.8 Support for School Budgets**

Schools are not permitted to borrow, or to plan for a deficit budget, except by means of either:

- The LA Loan Scheme
- The LA Licensed Deficit Scheme
- Independent 'Credit Union' Arrangements

## **4.9 LA Licensed Deficit Scheme**

The LA will operate a Licensed Deficit Scheme to support schools' budgets by allowing the planning of a deficit budget.

The following criteria must be met:

- i) The purpose of the deficit and the period of repayment are agreed with the LA in advance and in writing and is clearly set out and included in the minutes of the Governing Body.
- ii) Planning for a deficit will only be agreed either:
  - to address a short term, non-systemic problem in the context of an otherwise soundly managed budget
  - to enable a significant purchase to be made.
- iii) The maximum length over which the school will repay the deficit (i.e. achieving a year-end zero balance) is no more than three years.
- iv) The maximum allowed planned deficit is 5% of the school's budget.
- v) The maximum amount available for use by all schools will be no more than 40% of the collective net balances held by the LA in the Scheme.
- vi) The Governing Body is required to report termly to the LA on performance against the agreed budget recovery plan.
- vii) The Head of Service, Learning and Achievement will be informed of all licensed deficit arrangements

## **4.10 Independent Credit Unions**

Maintained schools may group together to utilise school balances for a 'Credit Union' approach to loans. Schools entering into arrangements must inform the LA and give regard to advice offered. The LA will administer all Credit Union arrangements.

# **5. INCOME**

## **5.1 Income from Lettings**

All schools will retain income from lettings, subject to alternative provisions arising from any joint use or PFI agreements. Schools are allowed to cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share as permitted under the School Standards and Framework Act 1988 for various categories of school. The governing body must also be satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. In all matters related to

lettings, schools are required to have regard to directions issued by the LA. These are included in the Financial Policy and Procedures Manual.

## **5.2 Income from Fees and Charges**

Schools will retain income from fees and charges except where a service is provided by the LA from centrally retained funds.

Schools are required to have regard to any policy statements on charging produced by the LA.

## **5.3 Income from Fund-raising Activities**

Schools will retain income from fund-raising activities.

## **5.4 Income from the Sale of Assets**

Where an asset was purchased with non-delegated public funds, or where the asset concerned is land or premises owned by the LA, the LA will decide if the school may retain the proceeds or what proportion it may retain. In all other cases the school would retain in its budget proceeds from the sale of such assets.

## **5.5 Administrative Procedures for the Collection of Income**

Schools must apply the rules relating to the collection of income, which are contained in the Financial Policy and Procedures Manual which includes details of the County's VAT . Officer to contact in case of a query. Only for income which accrues to the authority (e.g. where a school has contracted with the council meals service)

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

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

# **6. THE CHARGING OF SCHOOL BUDGET SHARES**

## **6.1 General provision**

The LA will charge salaries of school-based staff to the school budget share at actual cost. The budget share of a school may be charged by the LA without the consent of the governing body of the school only in circumstances expressly permitted by the Scheme. The LA will consult as to its intention so to charge and will notify schools when a charge has been made.

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.

## 6.2 Circumstances in which charges will be made

- i) Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA.)
- ii) Other expenditure incurred to secure resignations where the school has not followed LA advice.
- iii) Awards by courts and industrial tribunals or out of court settlements against the LA, or jointly against the LA and the governing body, or against the governing body directly, arising from action or inaction by the governing body contrary to the LA's advice.
- iv) Expenditure by the LA in carrying out health and safety work or capital expenditure for which the LA is liable, where funds have been delegated to the governing body for such work, but the governing body has failed to carry out such work. The maximum which may be charged being no more than the amount originally delegated plus any additional cost incurred as a result of the work not being undertaken promptly.
- v) Expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the LA owns the premises.
- vi) Expenditure incurred by the LA in insuring its own interests in a school where specific funding has been delegated to the school but the school has failed to demonstrate that it has arranged cover at least as good as that which is arranged by the LA.
- vii) Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement, and the result is that the monies are owed by the school to the LA.
- viii) Recovery of penalties imposed on the LA by HM Revenues and Customs, Teachers Pensions, the Environment Agency or regulatory authorities as a result of school negligence.
- ix) Corrections of errors in charges to a budget share. Correction of errors in excess of £500 may be phased over five years.
- x) Additional transport costs incurred by the LA arising from
  - Failure to give the LA at least six calendar months notice of a decision by the governing body on the length of the school day.
  - Failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
- xi) Legal costs which are incurred by the LA because the governing body did not accept the written or minuted advice of the LA.

- xii) Costs of necessary health and safety training for staff employed by the LA, where specific funding for training has been delegated but the necessary training has not been carried out.
- xiii) 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.
- xiv) Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations;
- xv) Costs incurred by the LA in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and /or specific funding for a pupil with High Needs;
- xvi) Costs incurred by the LA due to submission by the school of incorrect data;
- xvii) Recovery of amounts spent from specific grants on ineligible purposes;
- xviii) Costs incurred by the LA as a result of the governing body being in breach of the terms of a contract.
- xix) 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.

## **7. TAXATION AND PENSIONS**

### **7.1 Value Added Tax (VAT)**

Except for grant-aided projects, schools are required to follow procedures that enable them to utilise the LA's ability to reclaim VAT on expenditure relating to non-business activity. All funds recovered will be passed to the school. The procedures are detailed in the Financial Policy and Procedures Manual and ensure that amounts reclaimed are passed back to the school.

### **7.2 Construction Industry Taxation Scheme**

Details in the Financial Policy and Procedures Manual must be followed.

### **7.3 Duty to supply information in respect of Teachers Pensions**

In order to ensure that the performance of the duty on the authority to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares.



The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the authority to provide payroll services.

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the authority which the authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The authority will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

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

## **8. THE PROVISION OF SERVICES AND FACILITIES BY THE LA**

### **8.1 Provision of Service from Centrally Retained Budgets**

The LA has the right to determine the basis on which services from centrally retained funds will be offered to schools. The provision will be drawn in a way that clearly encompasses existing PRC and redundancy payments, which may not ordinarily be thought of as services.

The LA will not discriminate in its provision of services offered to schools on the basis of categories of schools except where:

- funding has been delegated to some schools only.
- discrimination is justified by differences in statutory duties.

### **8.2 Provision of Services Bought Back from the LA using Delegated Budgets**

The term of any arrangements between a school and the LA service provider will be no longer than three years from the date of the agreement and periods not exceeding five years for any subsequent agreement relating to the same service. However, The LA may offer arrangements for shorter periods.

### **8.3 Packaging**

The LA will provide all services for which funding has been delegated and will offer these to schools in a way which does not unreasonably restrict schools' freedom of choice

among the services available. Services will be offered on the basis of the recovery of total cost from the total income received from purchasers of the services.

#### **8.4 Service Level Agreements**

Where services or facilities are provided under a service level agreement – whether free or on a buy-back basis – the terms of such an 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. Short term and ad hoc agreements are possible and may attract charges at a different rate compared to those on an extended basis. Schools will be provided with at least one month to consider the terms of such agreements.

#### **8.5 Exclusions**

The provisions in sections 8.2 to 8.4 do not apply to any centrally arranged premises and liability insurance as they may be impractical for insurance purposes.

#### **8.6 Teachers Pensions**

In order to ensure the performance of the duty on the Authority to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the conditions set out below 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 who have not entered into an arrangement with the Authority to provide payroll services.

A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

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

## 9. PFI/PPP PROJECTS

### 9.1 Other Agencies

Where the LA enters into PFI or PPP project it may vary the Scheme to allow other agencies to assume certain specified functions assigned in this Scheme to schools.

## 10. INSURANCE

### 10.1 Insurance Cover

Where funds for insurance are delegated to a school, the school must demonstrate that the cover it has arranged, relevant to the LA's insurable interests, is at least as good as the minimum cover arranged by the LA. The LA will have regard to actual risks in the assessment of insurance cover arranged by individual schools. Further regulations relating to insurance are contained in the Financial Policy and Procedures Manual.

## 11. MISCELLANEOUS

### 11.1 Right of Access to Information

In addition to specific requirements made elsewhere in this Scheme, governing bodies are required to supply all financial information that might reasonably be required to enable the LA to satisfy itself as to:

- The school's management of its delegated budget share
- The use made of any central expenditure by the LA (e.g. earmarked funds) on the school.

### 11.2 Liability of Governors

As a corporate body and because of the specific provision made in Section 50 (7) of the Standards and Framework Act 1998, governors will not incur personal liability in the exercise of their power to spend the delegated budget share **provided they act in good faith**.

In this context, "good faith" refers to arrangements entered into honestly and with no ulterior motive. Breaches of the Scheme or the rejection of the LA's advice on matters of financial management are not in themselves necessarily examples of lack of good faith. However, governing bodies should seek the LA's advice on any matter where they may be uncertain about a legal or financial position.

### 11.3 Governors' Expenses

The LA will have the power to delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses. Under section 50(5) of the Standards and Framework Act 1998, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors

from a schools delegated budget share. Payment of any other allowances is expressly forbidden.

Schools are also forbidden from paying expenses to governors that duplicate those paid by the Secretary of State to governors appointed by him to schools under special measures.

#### **11.4 Responsibility for Legal Costs**

Legal costs of action against the LA, due to actions of the governing body, will be charged to the school's budget share, unless the governing body acted in accordance with the advice of the LA, in which event the LA will take responsibility for the cost. In the event of a conflict of interest between the school governing body and LA, then new procedures may have to be established in the future. The Law and Governance Unit will be asked, in such circumstances, to establish an appropriate mechanism by which schools may gain legal advice

#### **11.5 Health and Safety**

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

#### **11.6 Right of Attendance for Finance Head of Service**

Governing bodies are required to permit the Chief Finance Officer or nominee to attend meetings of the governing body at which any agenda items are relevant to the exercise of his or her responsibilities, e.g. issues of probity or overall financial management.

#### **11.7 Delegation to New Schools**

The LA may delegate optionally and selectively to the governing bodies of schools that have yet to receive their delegated budgets.

#### **11.8 Special Educational Needs**

Schools are required to use their best endeavours in spending their budget share to secure the special educational needs of their pupils. Whilst schools have a statutory responsibility to act in such a way, if the LA considers that provision to support these children generally is adequate, this could result in the LA withdrawing delegated budget responsibility.

#### **11.9 "Whistleblowing"**

The procedures to be followed by School staff or governors in respect of complaints about financial management or propriety are set out in the County Council's "Whistleblowing Policy".

## **11.10 Child Protection**

Schools must release staff to attend case conferences and other events in respect of Child Protection responsibilities. The School will meet the costs of such attendance.

## **11.11 Redundancy / Early Retirement costs**

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. 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. Further guidance is provided at Annex B.

## **12. RESPONSIBILITY FOR REPAIRS AND MAINTENANCE**

### **12.1 Categories of Work**

The responsibility and funding for all day to day repairs and maintenance is a revenue cost and delegated to schools

It is extremely important that building related expenditure is correctly classified as either capital or revenue because of the way they are funded. Some DfE grants and borrowing can only be used for capital purposes and may have to be repaid if it is spent on revenue items. Similarly, receipts from selling assets can only be used to fund capital expenditure.

Revenue repairs and maintenance will broadly be as follows:

- Minor routine repairs, day to day repairs, reactive (as opposed to planned) maintenance, purchase of books or training materials/services
- Re-decoration (no matter what the cost)
- Projects where the cost is less than £3,000 (primary) and £6,000 (secondary)
- Operating leases for equipment or facilities or hire of temporary classrooms
- Maintenance contracts or general running costs
- Any periodic PFI charge or service contract
- Warranties, leases, IT Support or broadband charges

Expenditure for capital purposes is broadly defined as:

- Acquisition of land, buildings, plant, machinery and vehicles
- Construction of roads and buildings
- Enhancement of land, roads and buildings

‘Enhancement’ involves either a substantial increase in

- the useful life,
- the value of the asset
- the extent to which it can be used (typically to enable access for disabled people or pushchairs)
- other adaptations for disabled people
- the thermal insulation of a building
- the reduction in fire risk of a building.

'Enhancement' **excludes** small scale repairs and maintenance. For example, re-roofing a building is normally treated as capital expenditure whereas replacing a few roof tiles is not.

Capital spending is defined by accounting standards. If any item of expenditure doesn't meet these definitions then the spending must be treated as revenue.

In order to prevent lots of small items of equipment being charged to capital the Council has set a 'de minimis' level of £3,000 for primary schools and £6,000 for secondary schools. This means that any single item of spending or piece of equipment must be above that amount to be charged to capital. If it is less it must be charged to revenue. For example, purchase of a piece of equipment for £2,000 would not be treated as capital but a piece of equipment costing £10,000 would.

There may be a few exceptional circumstances where the purchase of small items of equipment may be chargeable to capital. These are likely to be where the fitting out is an integral part of a major building refurbishment.

## **12.2 Structural Maintenance and the Property Indemnity Scheme**

A "Property Indemnity Scheme" is available whereby LA maintained and Voluntary Aided schools can buy into the scheme using their delegated budget. This allows the school to use the LA as its agent on matters of *any structural maintenance work*.

If the school does **not** buy back into the "Property Indemnity Scheme", then it will be liable for the first £6,000 (secondary schools), £3,000 (primary and special schools) or £2,000 (VA schools) *of any structural maintenance work as defined as a school responsibility*. Work above these de minimis limits for each item of repair will be classified as capital in the LA's accounts and the excess amounts above the limits may be funded by the LA from its capital programme if the funding is available. It should be noted that capital funding is limited and capital projects are prioritised according to the limit of capital funding available. This capital funding does not apply to the responsibility of Trustees of voluntary aided schools who must support financially the work for which they are responsible. The school is responsible for routine maintenance, no matter its cost.

## **12.3 Capital Expenditure and Voluntary Aided Schools**

For voluntary aided schools, the liability of the Authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools, and no separate list of responsibilities is necessary for such schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the *de minimis* limit applied by DfE to categorise such work, not the *de minimis* limit used by the Authority.

## **13. POWERS OF SCHOOLS TO PROVIDE COMMUNITY FACILITIES**

### **13.1 Powers to Operate Community Facilities**

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

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

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

Schools are therefore subject to all of the prohibitions, restrictions and limitations in the scheme for financing schools in respect of their use of the community facilities powers. This includes, in accordance with the powers of the LA set out in Section 1 of this scheme, that the mismanagement of community facilities funds constitutes grounds for the LA to suspend the Governing Body's right to a delegated budget.

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.

### **13.2 Consultation with the LA – Financial Aspects**

Under Section 28(4) of the Education Act 2002, Governing Bodies must consult the local authority, and have regard to advice given to them by their LA, **before** exercising the community facilities power.

Schools are required to notify the LA of the action that has been taken following the advice given by the LA. This notification must be supplied by the Governing Body in writing within 10 days of the meeting of the Governing Body.

The LA will not charge for advice given under this power in respect of the establishment of Community Facilities by a Governing Body.

### **13.3 Funding Agreements – LA Powers**

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

All such funding agreements must be submitted to the LA for its comments. However, the LA 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 LA consent to the agreement for it to proceed, such a requirement and the method by which LA consent is to be signified is a matter for that third party, not for the scheme.

However, schools should be aware that if an agreement, has been or is to be concluded against the wishes of the LA, or has been concluded without informing the LA, 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.

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

Although the LA has no right of veto either to funding agreements with third parties, or for other proposed uses of the community facilities power, the LA 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 LA.

The LA will only impose such a requirement only where it has good reason to believe that the proposed project carries significant financial risks.

### **13.5 Audit**

Schools must 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.

Schools, in concluding funding agreements with other parties pursuant to the exercise of the community facilities power, must ensure that such agreements contain adequate provision for access by the LA and its Auditors 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 LA to satisfy itself as to the propriety of expenditure on the facilities in question.

### **13.6 Treatment of Income and Surpluses**

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

Schools may carry any 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 LA at the end of each financial year, transfer all or part of it to the budget share balance.

### **13.7 Health and Safety Matters**

The provisions set out elsewhere in the Scheme for the Financing of Schools in respect of health and safety responsibilities apply equally to activities provided under the community facilities power.

The governing body is responsible for the costs of securing Criminal Records Bureau



clearance for all adults involved in community activities taking place during the school day. Governing bodies are free to pass on such costs to a funding partner as part of an agreement with that partner.

### **13.8 Insurance**

It is the responsibility of the governing body to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. The school should seek the Authority's advice before finalising any insurance arrangement for community facilities.

A school proposing to provide community facilities must, as an integral part of its plans, undertake an assessment of the insurance implications and costs, seeking professional advice if necessary.

The LA will 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. Any such costs would be charged to the school.

### **13.9 Taxation**

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

Where a member of staff employed by the school or LA in connection with community facilities at the school is paid from funds held in a school's own bank account (whether a separate account is used for community facilities or not), the school is likely to be held liable for payment of income tax and National Insurance, in line with HM Revenues and Customs rules.

Schools must follow LA advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power

### **13.10 Banking**

The provisions in sections 3.1 and 3.2 of the scheme for the financing of schools relating to the banks which may be used, signing of cheques, the titles of bank accounts, the contents of bank account mandates, and similar matters will apply to banking arrangements in respect of the use of the Community Facilities powers.

Schools may not borrow money without the written consent of the Secretary of State. This requirement does not extend to monies lent to schools by their maintaining LA.

## **Annex A**

### **Warwickshire County Council Maintained Schools (as at end March 2013)**

Atherstone Nursery  
Bedworth Heath Nursery & Children's Centre  
Brownsover Extended School Club  
Camp Hill Extended School Facility  
Kenilworth Children's Centre & Nursery School  
St Johns Childrens Centre  
Stockingford Early Years Centre  
Warwick Children's Centre & Nursery School  
Whitnash Nursery

Abbey Infant  
Abbots Farm Infant  
Abbots Farm Junior  
Acorns Primary  
All Saints CE Primary, Leek Wootton  
All Saint's Infant, Bedworth  
All Saint's Junior, Warwick  
All Saint's Primary, Nuneaton  
Alveston Primary  
Arden Forest Infant  
Austrey CE Primary School  
Barford St Peter's Primary  
Bawnmore Infant  
Beaudesert St Mary's RC Primary  
Bidford CE Primary  
Bilton Infant  
Bilton Junior  
Binley Woods Primary  
Bishops Itchington Primary  
Bishops Tachbrook Primary  
Bishopton Primary  
Boughton Leigh Infant  
Boughton Leigh Junior  
Bournebrook Primary  
Brailes CE Primary  
Briar Hill Infant  
Bridge Town Primary  
Brooke Special  
Brookhurst Primary  
Brownsover Community Infant  
Budbrooke Primary  
Burton Green Primary

Camp Hill Primary  
Canon Evans Infant  
Canon Maggs Junior  
Cawston Grange Primary  
Chetwynd Junior  
Chilver's Coton Infant  
Clapham Terrace Primary  
Claverdon Primary  
Clifton Primary  
Clinton Primary  
Coleshill Primary School  
Coten End Primary  
Coughton CE Primary  
Croft Junior  
Cubbington CE Primary  
Curdworth Primary School  
Dunchurch Boughton Junior  
Dunchurch Infant School  
Dunnington Primary  
Eastlands Primary  
Emscote Infant  
English Martyr's Catholic Primary  
Ettington CE Primary  
Exhall Cedars Infant  
Exhall Grange School & Science College  
Galley Common Infant  
Glendale Infant  
Goodyers End Primary  
Great Alne Primary  
Gun Hill Infant  
Hampton Lucy Primary  
Harbury Primary  
Haselor School  
Henley in Arden Primary  
Henry Hinde Junior  
Herbert Fowler Junior  
High Meadow Infant School  
Hillmorton Primary  
Hurley Primary School  
Ilmington CE Primary  
Keresley Newland Primary  
Kineton CE Primary  
Kingsbury Primary  
Kingsway Primary  
Knightlow Primary  
Lapworth Primary  
Leamington Hastings Infant

Lighthorne Heath Primary  
Lillington Primary  
Long Itchington Primary  
Long Lawford Primary  
Loxley CE Primary  
Mappleborough Green CE Primary  
Michael Drayton Junior  
Middlemarch School  
Milby Primary  
Milverton Primary  
Moreton Morrell Primary School  
Nathaniel Newton Infant  
Newbold & Tredington Primary  
Newburgh Primary  
Newdigate Primary  
Newton Regis CE Primary School  
Northlands Primary  
Nursery Hill Primary  
Oakwood Primary  
Our Lady & St. Teresa's Catholic Prim.  
Our Lady of the Angel's Catholic Infant  
Our Lady's Catholic Primary, Alcester  
Our Lady's Catholic Primary, Princethorpe  
Outwoods Primary  
Paddox Primary  
Park Hill Junior  
Park Lane Primary  
Priors Field Primary  
Provost Williams Primary  
Queen's Junior  
Quinton Primary  
Race Leys Infant  
Racemeadow Primary School  
Radford Semele Primary  
Ridgeway School  
Riverhouse Special  
Rokeby Primary  
Round Oak School & Support Service  
Salford Priors CE Primary  
Shipston-on-Stour Primary School  
Shottery St. Andrews C of E Primary  
Shrubland Street Community Primary  
Shustoke CE Primary School  
Snitterfield Primary  
Southam Primary  
Southam St James CE Primary  
St Andrew's Benn Primary

St Anne's Catholic Primary, Nuneaton  
St Anthony's Catholic Primary  
St Augustine's Catholic Primary  
St Benedict's Catholic Primary  
St Edwards Catholic Primary  
St Francis Catholic Primary, Bedworth  
St Giles Junior  
St Gregory's Catholic Primary  
St James Junior  
St John's Primary  
St Joseph's Catholic Junior, Nuneaton  
St Joseph's Catholic Primary, Whitnash  
St Lawrence's Primary  
St Margaret's Junior, Whitnash  
St Margarets Wolston  
St Marie's Catholic Primary  
St Mary Immaculate Cath. Primary  
St Mary's Catholic Primary, Southam  
St Mary's Catholic Primary, Studley  
St Matthew's Bloxam Primary  
St Michaels Primary  
St Nicholas CE Primary, Alcester  
St Nicholas Primary, Kenilworth  
St Nicolas Primary, Nuneaton  
St Oswald's Primary  
St Patrick's Catholic Primary  
St Paul's CE Primary, Leamington  
St Paul's Primary, Nuneaton  
St Peter's Catholic Primary  
Stockingford Primary  
Stockton Primary  
Stratford Primary  
Studley Community Infant  
Studley St. Mary's C of E. Junior  
Sydenham Primary  
Telford Infant  
Telford Junior  
Temple Grafton CE Primary  
Temple Herdewyke Primary  
The Dasset CE Primary  
The Ferncumbe CE Primary  
The Nethersole School  
The Revel Primary  
The Welcombe Hills  
The Willows CE Primary  
Thomas Jolyffe Primary  
Thorns Community Infant

Tysoe CE Primary  
Warton Nethersole CE Primary  
Water Orton Primary School  
Weddington Primary  
Welford On Avon Primary  
Wellesbourne CE Primary  
Wembrook Primary  
Westgate Primary  
Wheelwright Lane Primary  
Whitestone Infant  
Whitnash Primary  
Wilmcote CE Primary  
Wolverton Primary School  
Wolvey Primary  
Wood End County Primary  
Woodland Special School  
Woodloes Community Primary School  
Woodside CE Primary School  
Wootton Wawen CE Primary

Harris C.E. High  
Kenilworth School & Sports College  
Kineton High  
Kingsbury School Specialist Science & Maths  
Lawrence Sheriff School  
Nicholas Chamberlaine Technology College  
North Leamington School & Arts College  
Oakwood School  
Queen Elizabeth School, Atherstone  
Southam College  
St Benedict's Catholic High school  
St Thomas More Catholic School  
The Avon Valley School & Performing Arts College  
Trinity Catholic Technology College

## Annex B

### RESPONSIBILITY FOR REDUNDANCY AND EARLY RETIREMENT COSTS

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 part of the Schools Budget where the expenditure is to be incurred as a result of decisions made before 1<sup>st</sup> April 2013. Costs may not exceed the amount budgeted in the previous financial year.

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

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

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school's delegated budget if the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. Section 37 now states:

(7) Where a local education authority incur costs—

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

(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,

they shall recover those costs from the governing body except in so far as the authority 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 (7B) is met.

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



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

## Annex C

### Warwickshire County Council Treasury Management Policy 2013/14

#### Specified Investments

All such investments will be sterling denominated, with maturities up to maximum of one year, meeting the minimum 'high' rating criteria where applicable.

	<b>Minimum 'High' Credit Criteria</b>	<b>Use</b>
DMA Deposit Facility	--	In-house
Term deposits: Local Authorities	--	In-house
Fully Nationalised Banks	Short-term F1, Support 1	In-house and External Manager
Term deposits: UK Banks and Building Societies	Short-term F1, Long-term A, Viability a, Support 3	In-house and External Manager
Term deposits: Overseas Banks	Short-term F1+, Long-term AA, Viability aa, Support 1	In-house and External Manager
Certificates of deposits issued by UK banks and building societies	Short-term F1, Long-term A, Viability a, Support 3	External Manager
Money Market Funds	AAA	In-house and External Manager
UK Government Gilts	AAA	External Manager
Gilt Funds and Bond Funds	Long-term A	External Manager
Treasury Bills	--	External Manager

#### Non-Specified Investments

	<b>* Minimum Credit Criteria</b>	<b>Use</b>
Term deposits: UK banks and building societies with maturities in excess of one year with a maximum of three years allowed for in-house deposits	Short-term F1, Long-term A, Viability a, Support 3	In-house and External Manager
Fixed Term Deposit with Variable Rates and Variable Maturities	Short-term F1, Long-term A, Viability a+, Support 3	In-house and External Manager
Certificates of Deposits issued by UK banks and building societies	Short-term F1, Long-term A, Viability a, Support 3	External Manager
UK Government Gilts with maturities in excess of 1 year	AAA	External Manager
Local Authority Mortgage Scheme	As per scheme conditions	In-house

Current Position Statement on Status of Warwickshire Schools - 29 May 20131. Secondary Schools

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
1.	The Nuneaton Academy	Academy	Part of Midland Academies Trust	✓	✓	✓		Opened 1 <sup>st</sup> September 2010
2.	Polesworth School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> February 2011
3.	Alcester Grammar School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> April 2011
4.	Ashlawn School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> April 2011
5.	Rugby High School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> April 2011
6.	Studley High School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> June 2011
7.	Myton School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> July 2011
8.	Alcester High School	Academy	Caludon Castle School, Coventry	✓	✓	✓		Opened 1 <sup>st</sup> August 2011
9.	Henley High School	Academy	Alcester Grammar School	✓	✓	✓		Opened 1 <sup>st</sup> August 2011
10.	Stratford Girls' Grammar School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> August 2011

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
11.	Stratford High School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> August 2011
12.	The Coleshill School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> August 2011
13.	King Edward VI School	Academy		✓	✓	✓		Opened 17 <sup>th</sup> August 2011
14.	George Eliot School	Academy	Part of Midland Academies Trust	✓	✓	✓		Opened 1 <sup>st</sup> September 2011
15.	Bilton School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> December 2011
16.	Campion School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> January 2012
17.	Aylesford School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> January 2012
18.	Etone College	Academy		✓	✓	✓		Opened 1 <sup>st</sup> January 2012
19.	Ash Green School	Academy	Creative Education Trust	✓	✓	✓		Opened 1 <sup>st</sup> January 2012
20.	Higham Lane School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> January 2012
21.	Hartshill School	Academy	Part of Midland Academies Trust	✓	✓	✓		Opened 1 <sup>st</sup> September 2012

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
22.	Shipston High School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> September 2012
23.	Harris School	Voluntary Aided	Coventry CE Diocese		✓	✓	1 <sup>st</sup> December 2013	
24.	Southam College	Community		✓	✓	✓	Tbc	

## 2. Primary Schools

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
1.	Henry Hinde Infant School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> April 2012
2.	Race Leys Junior School	Academy	The Griffin Trust		✓	✓		Opened 1 <sup>st</sup> September 2012
3.	Birchwood Primary School	Academy	The Polesworth Academy / Dordon Primary School	✓	✓	✓		Opened 1 <sup>st</sup> November 2012

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
4.	Dordon Primary School	Academy	The Polesworth Academy / Birchwood Primary School	✓	✓	✓		Opened 1 <sup>st</sup> November 2012
5.	Newbold Riverside Primary School	Academy	REAch2		✓	✓		Opened 1 <sup>st</sup> November 2012
6.	Oakfield Primary School	Academy	REAch2		✓	✓		Opened 1 <sup>st</sup> November 2012
7.	Tanworth-in-Arden C of E Primary School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> November 2012
8.	St. Nicholas C of E Primary School, Alcester	Academy		✓	✓	✓		Opened 1 <sup>st</sup> April 2013
9.	The Nethersole C of E Primary School	Academy	Birmingham CE Diocese	✓	✓	✓		Opened 1 <sup>st</sup> April 2013
10.	Cawston Grange Primary School	Community		✓	✓		1 <sup>st</sup> September 2013	
11.	Henley-in-Arden C of E Primary School	Voluntary Aided			✓	✓	1 <sup>st</sup> September 2013	
12.	Austrey C of E Primary School	Voluntary Controlled	Birmingham CE Diocese		✓	✓	1 <sup>st</sup> September 2013	
13.	Newton Regis C of E Primary School	Voluntary Controlled	Birmingham CE Diocese		✓	✓	1 <sup>st</sup> September 2013	
14.	Warton Nethersole C of E Primary School	Voluntary Controlled	Birmingham CE Diocese		✓	✓	1 <sup>st</sup> September 2013	
15.	Woodside C of E Primary School	Voluntary Controlled	Birmingham CE Diocese		✓	✓	1 <sup>st</sup> September 2013	

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
16.	Acorns Primary School	Community	(Part of Stour Federation)	✓	✓	✓	1 <sup>st</sup> September 2013	
17.	Shipston Primary School	Foundation	(Part of Stour Federation)	✓	✓	✓	1 <sup>st</sup> September 2013	
18.	Racemeadow Primary School	Community	REAch2		✓	✓	1 <sup>st</sup> October 2013	
19.	Park Lane Primary School	Community	Tbc	✓			Tbc	
20.	St. Nicolas C of E Primary School, Nuneaton	Voluntary Aided			✓	✓	Tbc	
21.	St. Andrew's Benn C of E Primary School	Voluntary Aided			✓		Tbc	
22.	Wood End Primary School	Community	Tbc	✓			Tbc	

### 3. Special Schools

	School	Type	Sponsor / Partner	Consulting	Application submitted to DfE	Academy Order Issued	Proposed Date of Conversion (if known)	Actual Date of Conversion
1.	Oak Wood Primary School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> April 2013

	<b>School</b>	<b>Type</b>	<b>Sponsor / Partner</b>	<b>Consulting</b>	<b>Application submitted to DfE</b>	<b>Academy Order Issued</b>	<b>Proposed Date of Conversion (if known)</b>	<b>Actual Date of Conversion</b>
2.	Oak Wood Secondary School	Academy		✓	✓	✓		Opened 1 <sup>st</sup> April 2013

#### 4. Free Schools

	<b>School</b>	<b>Type</b>	<b>Sponsor / Partner</b>	<b>Consulting</b>	<b>Application submitted to DfE</b>	<b>Academy Order Issued</b>	<b>Proposed Date of Conversion (if known)</b>	<b>Actual Date of Conversion</b>
1.	The Priors School	Free School		✓	✓	✓		Opened September 2011



## Schools Forum – Forward Plan 2013

### Forward Plan

The table below contains provisional items for the Schools Forum for the next year. This table will be updated and reported to each meeting of the Forum.

For Decision	For Information / Comment
<b>11<sup>th</sup> October 2013 (change of date)</b>	
<ul style="list-style-type: none"> <li>• Update on Pupil Growth Fund allocation</li> <li>• Further analysis of High Needs Block and update on progress against reviews</li> <li>• De-delegation of centrally retained funding</li> <li>• Special Schools Funding Matrix development</li> </ul>	<ul style="list-style-type: none"> <li>• Update on academy conversions</li> <li>• Update on National Funding Formula and Local Funding Formula</li> <li>• Consideration of schools capital programme</li> </ul>
<b>5<sup>th</sup> December 2013</b>	
<ul style="list-style-type: none"> <li>• Update on Pupil Growth Fund allocation</li> <li>• De-delegation of centrally retained funding</li> <li>• Special Schools Funding Matrix development</li> </ul>	<ul style="list-style-type: none"> <li>• Update on academy conversions</li> <li>• Update on National Funding Formula and Local Funding Formula</li> <li>• Consideration of schools capital programme</li> </ul>
<b>Dates and venue of future meetings</b>	
<ul style="list-style-type: none"> <li>• October 11th 2013 2pm Conference Room, Northgate House, Warwick</li> <li>• December 5<sup>th</sup> 2013 2pm Conference Room, Northgate House, Warwick</li> </ul>	

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