

Schools Forum

Date: Thursday 17 March 2022
Time: 2.00 pm
Venue: Microsoft Teams

Membership

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Monica Fogarty
Chief Executive
Warwickshire County Council
Shire Hall, Warwick

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WARWICKSHIRE SCHOOLS FORUM**Voting and Actions of the EGM meeting held on 13th January 2022****Microsoft Teams meeting 14:00 – 17:00 pm****SCHOOL FORUM MEMBERS**

Alison Davies	The Avon Valley School (Maintained)
Amy Woodward	North Leamington School
Faye Padfield	Abbots Farm Infant School (Maintained Governor)
Fergus Durrant	Campion School (Academy Governor)
Jane Burrows	Myton School (Academy)
Jeremy Slater	Alcester Grammar School (Academy)
Joss Andrews	Dunchurch Schools' Federation (Maintained)
Kevin Griffiths	Coten End Primary School (Maintained Governor)
Larry Granelly	Shottery St. Andrew's C.Of E. Primary School (Maintained Governor)
Matthew Bown	St. Paul's Church of England Primary School (Maintained)
Michael Moran	Rugby High School (Academy Governor)
Nicci Burton (Vice Chair)	Atherstone and Bedworth Heath Nursery Schools (Maintained)
Nick Evans	Evergreen School (Special Schools Representative)
Paul Gillett	Teacher Union Representative
Philip Johnson (Chair)	Whitestone Infant School (Maintained Governor)
Rebecca Harrison	Park Hill Thorns Federation (Maintained)
Rose Gunn	Arden Forest Infant School (Maintained)
Sarah Bromley	PVI Representative
Sybil Hanson	Coventry Church of England Diocese Representative

OFFICERS/OBSERVERS

Andrew Felton	Assistant Director - Finance
Brian Smith	Education, Children and Families Technical Specialist
Chris Baird	Acting Assistant Director – Education Services
Councillor Jeff Morgan	Portfolio Holder – Education & Learning
Dalbir Kaur	Accountant – Finance Delivery
Darren Barrow	Lead Officer and Lead Commissioner –School Sustainability and Improvement
Emma Basden-Smith	Lead Commissioner – Children & Education
Neill Butler	School Funding & Strategy Manager (Clerk to Forum)
Purnima Sherwood	Service Manager for Finance
Ross Caws	Lead Commissioner – Strategy and Commissioning
Sophie Thompson	Lead Officer – School Improvement Network
Stephanie Phillips	Senior Accountant (Team Lead) - Children & Education

1. Apologies (Started 0:00, Ended 0:02)

Apologies were received from the following members:

Angela Fox	Welcombe Hills School (Special Schools representative)
Antony Dix	Paddox Primary School (Maintained Governor)
Duane Chappell	Strategy & Commissioning Manager (SEND and Inclusion)
Ian Budd	Assistant Director – Education Services
Martin Davies	Telford Junior School (Maintained Governor)
Mary Anne Burrows	Mary Anne Burrows PVI Representative

The following, members have left schools forum since the November 2021 meeting:

Adam Hardy	Catholic Church Archdiocese
Clive Sentence	Alcester Grammar School (Academy)
Craig Mckee	Budbrooke Primary School (Academy)

All members attended or gave their apologies.

2. Voting and Actions from the Last Meeting (Phil Johnson) (Started 14:02, Ended 14:03)

To be Agreed

The recording of the discussion starts at 00:02:42 and ends at 00:02:43.

Matters for Decision:

3. Improvement De-delegation 2022-23 (Sophie Thompson) (Started 14:03, Ended 14:18)

Recommendations:

All Schools Forum members are asked to note:

- a) Note the DfE has consulted on removing the DfE School Improvement monitoring and brokering grant and to allow LA's to fund all their school improvement activity via de-delegation from school's budget shares.
- b) Representatives to note an increase in de-delegation may be required from 2023-24 if the DfE grant is fully removed.

All Schools Forum members are asked to agree:

- c) Representatives from maintained schools to approve the de-delegation for School Improvement for 2022-23 budgets assuming the DfE grant reduces by 50% and 100% next year. It is for mainstream maintained schools only.

Voting: 9 members agreed

Actions: no actions

The recording of the discussion starts at 00:03:01 and ends at 00:18:47.

4. Early Years National Funding Formula 2022-23 (Neill Butler) (Started 14:20, Ended 14:27)

Recommendations:

All Schools Forum members are asked to agree:

- a) The Schools Forum is asked to approve the universal base rate of £4.30 and the deprivation supplement rate of 8p per eligible child for 2022-23. Warwickshire retaining 5% for central services.

Voting: 15 members agree

- b) The Schools Forum asks the Early Years Working Group to meet early in the new financial year to discuss views in the early years ring fenced surplus.

Voting: 15 members agree

Actions: Early Years Working Group to set meeting in the new Financial year.

The recording of the discussion starts at 00:18:49 and ends at 00:26:20.

5. Growth Fund 2022-23 (Emma Basden-Smith) (Started 14:28, Ended 14:43)

Recommendations:

All Schools Forum members are asked to agree:

- a) The recommendation is schools Forum to agree Growth Funding requirements of estimated at £2,328,141 (including recoupable amounts) for 2022-23.

The growth funding criteria outlined in this report require £1,914,141 to support pupil growth in schools and £414,000 is required to support the pre-opening and post opening of new LA presumption schools.

Voting: 15 members agree

Actions: Meeting with Emma and Bern outside this meeting to see what can come back to School Forum in any bulge classes in Secondary Schools.

The recording of the discussion starts at 00:26:23 and ends at 00:43:10.

6. National Funding Formula 2022-23 (Neill Butler) (Started 14:44, Ended 14:50)

Recommendations:

All Schools Forum members are asked to agree:

- a) Schools Forum agree a consensus on its advice to Cabinet regarding the continuation of moving to the 'Hard' National Funding Formula in 2022-23.

Voting: 15 members agree

Actions: Neill to redistribute an amended Appendix 2

The recording of the discussion starts at 00:43:12 and ends at 00:50:16.

Matters for Information/Comment:

7. DSG Monitoring Report 2021-22 (Brian Smith) (Started 14:51, Ended 15:04)

Recommendations:

All Schools Forum members are asked to note:

- a) Note the DSG forecast financial outturn position for 2021/22, as at Period 8/Quarter 3.
- b) Note the forecasted position of each of the DSG Block reserves at financial outturn position for 2021/22

This “DSG Monitoring Report 2021-22” report is for information only.

The recording of the discussion starts at 00:50:24 and ends at 01:04:57.

8. Forward Plan (Neill Butler) (Started 15:05, Ended 15:07)

All Schools Forum members are asked to note:

Now we have moved to four meeting a year rather than five.

The recording of the discussion starts at 01:04:57 and ends at 01:05:39.

9. Chairs Business (Phil Johnson) (Started 15:07, Ended 15:08)

Very sad news that this is Neill's last meeting with us. He will be leaving the authority at the end of February after nearly twenty years. He has been invaluable. I would like to thank him for the support he has given, and we wish you all the best.

The recording of the discussion starts at 01:05:42 and ends at 01:08:24.

Note: All voting took place via Hands up function on teams.

Meeting concludes (at 15:09)

Next Meeting on Thursday 17th March 2022, 2:00pm to 5:00 pm

If you would like to listen to the full meeting, please click [here](#)

Item 4

Schools Forum

17th March 2022

Dedicated Schools Grant Budget 2022/23

This report relates to all education sectors where approval is required and is for approval by all schools forum members.

Recommendation(s)

The Schools Forum is recommended to:

1. Note the DSG budget for 2022/23 for the Schools, High Needs and Early Years blocks.
2. Approve the DSG budget for 2022/23 for the Central School Services block, as presented in Table 6.

1. Introduction

- 1.1. The 2022/23 ESFA allocations published in December 2021 have now been updated for High Needs recoupment. Table 1 below shows the latest allocations:

Table 1: 2022/23 DSG Allocations	2022/23		2021/22	Change	% Increase
	£m	£m	£m	£m	
Schools Block	397.752		381.551	16.201	4.2%
Less: National Non-Domestic Rates ¹	(3.624)				
		394.128			
High Needs Block	82.482				
Less: recoupment	(14.564)				
		67.918	61.831	6.087	9.8%
Early Years Block		34.396	33.679	0.717	2.1%
Central School Services Block		4.129	4.188	(0.059)	-1.4%
Total DSG Allocation		500.570	481.249	22.945	4.8%

- 1.2. Schools Block DSG has been allocated as per the National Funding Formula factors used in allocating funding through the National Funding Formula.

¹ From 2022-23 the National Non-Domestic Rates bills for all schools will be paid directly to district/borough councils by the ESFA and will therefore be top-sliced from the DSG allocation in the same way as academy recoupment.

2. Schools Block

- 2.1. Schools Forum has already agreed to continue to apply the hard National Funding Formula in the allocation of Schools Block funding, and to continue to de-delegate funding for the following services:

Table 2: De-delegation 2022/23	
Primary Schools	Secondary Schools
Free school meals	Free school meals
Trade Union facility time	Trade union facility time
English as an Additional Language	English as an Additional Language
Gypsy and Romany Travellers	
School improvement	
Behaviour support services	
Medical Referrals for Employees	

- 2.2. Application of the National Schools Funding Formula to allocate the Schools Block budget, as approved by Schools Forum, has resulted in £0.838m of the 2022/23 Schools Block remaining unallocated.

2.3. Based on these decisions, the allocation of the Schools Block is as follows:

Table 3: Schools Block	Budget 2022/23 £m	Budget 2021/22 £m	Change £m
Individual School Budgets	390.171	378.579	11.592
National Non-Domestic Rates	3.624	0.000	3.624
Growth Fund (exceptional pupil numbers)	2.328	2.770	(0.442)
Education Functions - Maintained Schools			
DBS checks	0.168	0.175	(0.007)
De-delegated budgets			
School Performance	0.195	0.190	0.005
STS SEND Support (Previously "EIS")	0.032	0.030	0.002
Ethnic Minority & Traveller Achievement Service	0.242	0.236	0.006
Free School Meals	0.019	0.019	0.000
Teaching Union Cover	0.066	0.064	0.002
Non-Teaching Union Cover	0.016	0.016	0.000
Occupational Health	0.014	0.013	0.001
Central Establishment Charges	0.039	0.039	0.000
Agreed Movements between blocks			
Contribution to the High Needs Block	1.908	1.824	
Total Available Schools Budget	398.822	383.955	14.783
Funded by:			
Total Schools Allocations	397.752	381.551	
Schools Block (Use of Reserves)	1.070	2.404	

2.4. The £0.838m surplus within the Schools Block has been allocated to part fund the 0.5% contribution to the High Needs Block as approved by Schools Forum in November 2021. £1.070m of Schools Block reserves that were underspent from the 2021/22 growth fund were also used to part fund the 0.5% contribution to the High Needs Block. The total of these contributions was not quite enough to fund the full 0.5%, therefore £1.908m will be transferred to the High Needs Block and equates to 0.48% of the Schools Block DSG.

2.5. The 2022/23 Schools Block DSG (£397.752 million) has increased by 4.2% above the 2021/22 Schools Block DSG (£381.551 million). This is represented by:

- An increase in the total Number on Roll for 2022-23 by 814 pupils (1.06%) above 2021-22 pupil numbers.
- An increase of 2.03% in the minimum pupil funding above the 2021-22 levels
- Pupil led funding formula factors were increased by between 2.17% and 3.85% above 2021-22 funding levels.
- The Minimum Funding Guarantee has been set at +2.00% again.

3. High Needs Block

- 3.1. High Needs block funding in Table 4 has been set based on the existing obligations in terms of top-ups, placements and staffing costs etc.
- 3.2. It is acknowledged however, that there are still considerable ongoing pressures in this area. The SEND and Inclusion Change Programme will continue to review these pressures and address the ongoing deficit on the High Needs Block.

Table 4: High Needs Block	Budget 2022/23 £m	Budget² 2021/22 £m	Change £m
SEN – Place Funding for All Settings	7.584	6.170	1.414
SEN Top up - Mainstream Schools & Academies	12.343	10.941	1.402
SEN Top up - WCC Special Schools & Academies	19.202	18.650	0.937
SEN Top up - Independent Schools	14.502	12.650	1.852
SEN Top up - OLA Special Schools	0.877	0.821	0.056
Tier 4 Hospital Education	0.180	0.180	0.000
Resourced Provision - SEN Support	1.765	1.239	0.526
SEND Speech & Language	0.000	0.000	0.000
Post 16 Funding	8.671	7.903	0.768
SEND Commissions	0.258	0.258	0.000
SEND Integrated Services (CPD & Curriculum)	0.237	0.195	0.042
SEND Integrated Services (Low incidence SEND)	1.064	1.049	0.015
SEND Integrated Services (Flexible Learning)	0.706	0.841	(0.135)
Area Behaviour Partnerships (Primary and Secondary Exclusions)	2.786	2.201	0.585
Alternative Provision	0.922	0.973	(0.051)
Contribution to Early Intervention Behaviour Panels	0.064	0.064	0.000
SEND Integrated Services (Specialist Teaching Service)	1.055	1.163	(0.108)
Integrated Disability Service (SEN Inclusion Grant)	0.385	0.385	0.000
Central Establishment Charges	1.428	1.428	0.000
High Needs Allocations	74.029	66.726	7.303
High Needs Block Funding	67.918	61.831	6.087
High Needs Supplementary funding	2.995	0.000	2.995
Forecast High Needs Block Funding Shortfall	(3.116)	(4.895)	1.779
High Needs Deficit from 2019/20	(5.789)	(5.789)	
High Needs Deficit from 2020/21	(8.061)	(8.061)	
High Needs Deficit from 2021/22 (based on the P10 forecast)	(4.124)		
Net Surplus / (Deficit)	(21.090)	(18.745)	1.779

² The 2021/22 Budget shown within this table has been adjusted to remove the future years savings and funding that are shown on the WCC Agresso finance system. This is so that the in-year effect of the budget can be shown to reflect the true shortfall that is expected after the agreed interventions within the SEND and Inclusion change programme.

- 3.3. There are increases and decreases to the budgets between the two financial years, as shown in the table above. These are reflective of the savings and interventions within the approved SEND and Inclusion Change Programme.
- 3.4. The £3.116m deficit from the table above will be reduced by the £1.908m transfer from Schools Block that will be actioned at the beginning of the year.

4. Early Years Block

- 4.1. The Early Years Block allocation for 2021/22 was provisionally set in December 2020. However, the Early Years Block allocation for 2021/22 is subject to change once the January 2022 census data is confirmed (which happens after 31 March 2022). This is the only one of the four DSG blocks that changes retrospectively for this reason.
- 4.2. The Early Years Block allocation for 2022/23 is therefore based on census data from January 2021. As 2021/22, this will be adjusted once the January 2023 census data is published. Based on the provisional DSG settlement for 2022/23, the hourly rates have increased for 2 year olds by £0.21/hr and 3 & 4 year olds by £0.17/hr, as reported and approved at the January 2022 Schools Forum meeting.

Table 5: Early Years Block	Budget 2022/23 £m	Budget 2021/22 £m	Change £m
Nursery schools (Universal Hours)	1.662	1.662	(0.000)
Nursery Funding 3&4 year olds (Universal funding - Independent Providers & Nursery Classes)	18.644	18.230	0.414
Nursery Funding 3&4 year olds (Additional 15 hours)	8.555	8.297	0.258
Maintained Nursery Supplement	0.658	0.626	0.032
DSG Pupil Premium	0.210	0.207	0.003
Funded 2 year olds	2.982	3.078	(0.096)
Disability Access Fund	0.165	0.145	0.020
IDS TL Early Years	0.866	0.866	(0.000)
Early Years - Sufficiency & Business Support	0.251	0.351	(0.100)
Early Years - Quality & Development	0.089	0.000	0.089
EYB Central Establishment Charges	0.314	0.314	0.000
Early Years Allocations	34.396	33.776	0.620
Funded by:			
Total EYB Allocations	34.396	33.679	
Early Years Block Carry Forward	0.000	0.097	

5. Central School Services Block (CSSB)

- 5.1. Schools Forum is required to approve the budget allocations for the CSSB. The proposed allocations are set out in Table 6 below:

Table 6: Central Schools Services Block	Historic or Ongoing	Budget 2022/23 £m	Budget 2021/22 £m	Change £m
Children's Mental health	Historic	0.150	0.150	0.000
Admissions	Ongoing	0.673	0.718	(0.045)
Heads Termly / SACRE	Ongoing	0.018	0.018	0.000
DSG SF Allocation - Historic Pension Contribution	Historic	0.737	0.737	0.000
DSG SF Allocation - North Leamington School Borrowing	Historic	0.266	0.266	0.000
DSG SF Allocation - Copyright Licences	Historic	0.559	0.445	0.114
Employers Liability Insurance	Ongoing	0.045	0.045	0.000
Teachers Pensions Employer Contribution Grant (TPECG)	Ongoing	0.484	0.484	0.000
Planning for the education service as a whole (Sch 2, 15b)	Ongoing	0.378	0.378	0.000
Formulation and review of local authority schools funding formula (Sch 2, 15d)	Ongoing	0.047	0.047	0.000
School attendance (Sch 2, 16)	Ongoing	0.377	0.377	0.000
Responsibilities regarding the employment of children (Sch 2, 18)	Ongoing	0.069	0.069	0.000
Admissions (Sch 2, 9)	Ongoing	0.086	0.086	0.000
Cost of support services for Education Functions	Ongoing/ Historic	0.560	0.560	0.000
Central Schools Services Allocations		4.449	4.380	0.069
Funded by:				
Total CSSB Allocations		4.129	4.188	(0.059)
Central Schools Services - use of reserves		0.320	0.192	

- 5.2. The CSSB funding has seen a decrease in both the historic funding and on-going elements, the impact of this is a £0.059m decrease in CSSB. To alleviate the pressure of this, £0.320m of CSSB reserves is proposed to be used, leaving a forecasted £0.527m in the reserve.
- 5.3. Please note that the reduction to the historic spent element of the CSSB allocation was contested by the Local Authority, by providing DfE with evidence of the long-term fixed nature of these costs. A reply was received on the 25th of February to say

that our case has been agreed and we would be receiving an additional £185,000 for the historic commitments element of the CSSB. This has been included in all the tables above.

- 5.4. Please note that if the Government continue with their planned approach to reduce the CSSB further in future years, this will have an impact on these budgets, which Schools Forum will later be required to make decisions on (as part of budget setting 2023/24 onwards). This is expected to be 20% reduction on the prior year's historic factors.

Brian Smith

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Item 5

Schools Forum**17 March 2022****Schools Forum Elections****Recommendations**

The Schools Forum is recommended to:

- 1) Agree the proposed Schools Forum membership, as set out in paragraph 3.1.
- 2) Agree the suggested timetable for the elections to the Schools Forum for 2022/23, as set out in paragraph 5.1.
- 3) Agree that the Local Authority facilitates the elections on behalf of the academy representatives.
- 4) Agree that the Schools Forum terms of reference and the summary of the key roles, attached as Appendices A and B should be circulated as part of the nominations process
- 5) Agree the Schools Forum Terms of Reference (Appendix A to this report)

1. Introduction

1.1 The Education and Skills Funding Agency (ESFA) has issued guidance on the required structure of Schools Forums. In summary the main requirements are:

- All types of school must be represented on the Schools Forum.
- Schools and academies members together must number at least two thirds of the total membership
- There must be a proportionate split between those representing primary and secondary pupil numbers and between academy and maintained schools.
- The Forum must have a representative of the 16-19 Providers and the PVI sector and before considering other groups must consider diocesan representation.

1.2 The Schools Forum Terms of Reference provide further detail on how the requirements will be administered locally. These include:

- Membership from maintained schools and academies would as far as possible be split between head teachers (or Senior Leadership representative) and governors.
- The term of membership will be 2 years for head teachers and governors from all schools.

2. Current Schools Forum Membership

2.1. Current membership of the Schools Forum is as follows:

Sector	No of school forum reps 2021/22
Primary Maintained	10
Secondary Maintained	1
Primary Academy	0
Secondary Academy	5
Special Schools	2
Maintained nursery school	1
Schools Sub Total	19
16-19 Partnership	0
PVI	2
Church of England Diocese	1
Catholic Archdiocese	0
Teachers Union	1
Alternative Provision	0
Total Membership	23

2.1 For information, at the last elections, we had no Primary Academy Schools Forum nominations and as such in order to represent the sector, the Primary Maintained Schools Forum Members were adjusted accordingly. We will endeavour to obtain Primary Academy Schools Forum Members through this election.

3. Proposed Schools Membership

3.1 The proposed Schools membership of the Schools Forum is set out in the table below. It has been drawn up to using a similar total number of Schools members.

Sector	No of pupils Census Oct 2021	% of pupils	No of school forum reps	Of which Heads (or reps)	Of which Governors
Primary Maintained	30,343	36%	6	3	3
Secondary Maintained	1,108	1%	1	1 headteacher or governor	
Primary Academy	15,825	19%	3	1 or 2	1 or 2
Secondary Academy	36,472	44%	7	3 or 4	3 or 4
Special Schools Maintained			1	1 head teacher or governor	
Special Schools Academy			1	1 headteacher or governor	
Maintained Nursey School			1	1 headteacher or governor	
TOTAL			20		

3.2 In March 2021 the ESFA updated the document “Schools Forum: Operational and Good Practice Guide”. It states that academy representation does not need to be sector specific (ie primary and secondary specific). Therefore, nomination and voting of academy members will not be sector specific, but academies are asked to consider the sector split when voting.

4. Non-Schools Membership

4.1 Non Schools members are selected by the local authority, as follows:

Sector	No of school forum reps 2021/22
16-19 Partnership	1
PVI	2
Church of England Diocese	1
Catholic Archdiocese	1
Teachers Union	1
Alternative Provision	1

5. Election Timetable

5.1 The proposed election timetable is as follows

Friday 24 March	Nomination forms circulated to all maintained and academy schools
Friday 13 May	Deadline for submission of nominations
Friday 20 May	Distribution of election forms to all mainstream maintained schools and academies
Friday 27 May	Voting deadline and closure of elections process
Friday 10 June	2022-24 Membership finalised
24 June 2022	Schools Forum meeting with new Membership

5.2 Although the ESFA guidance suggests that Academy Trusts should agree between themselves who the Schools Forum representatives should be, there is no established structure for this to take place. As such, it is proposed that again the election of academy representation is managed by the Schools Forum Clerking Team at the County Council. This is a common approach in most other Local Authorities.

5.3 For all election processes it is proposed the terms of reference for the Schools Forum (attached as an Appendix to this report) and an updated summary of the responsibilities of the Forum will be circulated as part of the documentation when seeking nominations. A copy of these is attached at Appendices A and B.

5.4 The first 2 items on the 24 June 2022 agenda will be the election of the chair and vice chair, and until this has taken place the meeting will be chaired by the Schools Forum Clerk or their representative.

5.5 The total membership of the Schools Forum, if all school and non-school appointments are successfully made, will be 27. To be quorate, two fifths of the voting membership, excluding any vacancies must be in attendance – which is 11 for those items where all members of the Schools Forum have a vote).

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Appendix A

Schools Forum Terms of Reference

Changes to the Terms of Reference

Please note that only minor changes have been made to the Terms of Reference:

- The date of review has been modified, as there is no longer a May meeting
- Membership reflects current membership and will be updated following the June elections
- Greater clarity of the split between headteachers and governors has been provided.
- The postholder acting as Clerk to the Forum has been updated.
- The tenure of the Chair and Vice Chair has been updated from one year to one or two years.

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Warwickshire Schools Forum

Terms of Reference (March 2022)

The Warwickshire Schools Forum is established to meet the requirements of sections 47 (I) and 47A of the Schools standards and Framework Act 1998 (as amended) and the Schools Forums (England) Regulations 2012.

These Terms of Reference are reviewed and updated as required [at the March Forum meeting each year; with membership details being updated at the following June meeting during an election year.](#)

Purpose

The following powers and responsibilities relate to the Schools Forum:

- Consulted on funding formula changes, including redistributions (voting restricted to school members plus PVI members).
- Decides on the movement of up to 0.5% from the schools block to other blocks.
- Gives a view on significant contracts to be let by the local authority paid out of the schools budget.
- Gives a view on financial issues relating to the arrangements for pupils with SEN, in particular the places to be commissioned by the local authority and schools and the arrangements for paying top up funding, area behaviour partnerships and the education of children otherwise than at school, the administration arrangements for the allocation of central government grant.
- Informs governing bodies of all consultations in connection with the above 4 areas.
- Gives a view regarding the Minimum Funding Guarantee.
- Makes a decision regarding de-delegation for mainstream schools for contingencies, the administration of free school meals, insurance, licences, staff costs (supply cover), support for ethnic pupils/under achieving groups, behavioural support services, library and museum services and school performance. Maintained primary and secondary school members will make a decision for their own sector.
- Makes a decision to retain funding for central spending on and criteria for allocation funding from: pre 16 significant pupil growth, falling rolls fund for surplus places in good or outstanding schools where there is a population bulge expected in 2-3 years.
- Decides on central spend on admissions, servicing of schools forum, capital expenditure funded from revenue, combined budgets, centrally funded termination of employment costs, prudential borrowing, funding to enable schools to meet the infant class size requirement, equal pay back places in independent schools for non-SEN pupils, and the contribution to the responsibilities that local authorities hold for all schools.

- Decides the carry forward of a deficit on central expenditure to the next year to be funded from the schools budget.
- Approves the scheme for the financial management for maintained schools.
- Gives a view on the length of membership of the schools forum members.
- Gives a view on membership of non-schools members.
- Determines the voting procedures.
- Elects the Chair and Vice Chair of the Forum.

Membership

The Forum consists of “school” and “non-school” members. Maintained 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:**
 - 10 Maintained Primary representatives
 - 1 Maintained Secondary representative
 - 5 Academy representatives
 - 1 Maintained Special School representatives
 - 1 Special School academy representative
 - 1 Nursery School representatives

Members will be appointed to the Forum for two years to ensure primary and secondary sectors and maintained schools and academies are broadly proportionately represented with regard to the total number of registered pupils.

School members will be broadly a 50:50 split between headteachers (or their representatives) and governors where this is possible. As a minimum, there must be at least one representative of headteachers and one representative of governors among the schools members

Where there are insufficient nominations for either governors or head teachers in any category, then the number of representatives from the other group can be expanded to provide the required split between maintained and academy representatives.

- **Non-school Members:**
 - A representative of each of the Church of England Diocese and the Catholic Archdiocese appointed by the Local Authority
 - 2 representatives of Private, Voluntary and Independent sector Early Years providers

appointed by the Local Authority

- A representative of 16-19 providers appointed by the Local Authority
- A representative from the Teachers Representative Panel, nominated by the panel
- A representative from Alternative School Provision sector

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 County Council's Assistant Director for Education Services (or their representative), the Assistant Director for Finance (or their representative), 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). Others may speak at the request of the Chair.

Clerk to the Forum

The Senior Accountant for Education and Children's (or their representative, within Finance Delivery, shall act as Clerk to the Forum.

Election of Chair and Vice Chair

The Chair and Vice Chair will be elected by the membership of the Forum in June to serve for a one or two year period (to be confirmed when elected). Should a vacancy arise for Chair or Vice Chair the person elected to fill the vacancy will serve to the end of that period. At this meeting the Clerk shall act as chair during the election.

Frequency of meetings

The Schools Forum will meet at least four times in an academic year. Additional meetings may be called by the Clerk in consultation with the Chair.

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 Clerk to the Forum.

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 (for any voting member) 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.

If a member of the Forum is unable to attend then they must send their apologies at least 48 hours before the meeting and indicate whether a substitute will be attending on their behalf. Furthermore, if a member of the Forum does not attend 3 consecutive meetings then the Chair of Schools Forum will write to that person reminding them of their obligation to attend.

Substitutes for 'schools' representatives can be another Head teacher or senior member of staff, that is a Deputy Head teacher, Assistant Head teacher, 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.

Schools Forum reports

A Schools Forum report is expected to:

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

Four definitions will be used in recommendations for reports:

Approve – a decision is to be made by the Schools Forum within its constituted powers

Comment - the local authority is consulting the Schools Forum e.g. options are being explored with a view to leading to a specific proposal

Agree – there are specific proposals, before a local authority formal decision

Note – any reports purely for interest that may have a bearing on future issues or developments

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?

There is an expectation that Forum members would have read all the papers before attending Schools Forum. This will allow officers to pick up the salient issues of reports rather than going through them a paragraph at a time. This will allow more time for Forum members to focus any parts of a report which are unclear and expedite decision making.

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 and the PVI representative may vote. On matters regarding the delegation of centrally retained funding, voting is on a sector basis for maintained school representatives only.

The quorum for the meeting is two fifths of the voting membership, excluding vacancies.

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Schools Forum

17 March 2022

Section 48 – Scheme for the Financing of Schools

This report relates to Maintained Schools only.

Recommendations

1. The maintained school representatives of Schools Forum are recommended to agree the revised Scheme for financing of schools which now reflects the DfE's statutory guidance as of April 2021.
2. The maintained school representatives of Schools Forum agree the timetable for consultation on the changes with maintained schools.

1. Introduction

- 1.1. Warwickshire County Council is required to publish a **Scheme for financing of schools** setting out the financial relationship between the authority and the schools it maintains.
- 1.2. The guidance the local authority publishes covers the following legislation:
 - Section 48 of the Schools Standards and Framework Act 1998, and Schedule 14 to the Act.
 - Schools and Early Years Finance (England) Regulations 2018.
- 1.3. The Department for Education (DfE) periodically revise their guidance to Local Authorities and the last time the guidance changed was April 2021. The scheme for Warwickshire was last updated in October 2020.
- 1.4. Once Schools Forum have approved amendments to the scheme the Local Authority will consult with all of its maintained schools. **This consultation will start on Monday 21 March and will be for 3 weeks concluding on Monday 11 April.** The outcomes of this consultation will be reported back to the next meeting of the Schools Forum.
- 1.5. The proposed revised Scheme for financing of schools (with proposed amended sections in purple for ease of reference is attached as an Appendix to this report.

2. Amendments to the Scheme

2.1 IFRS 16

2.1.2 The changes relating to financing and operating leases (IFRS16) that were due to come into effect on 1 April 2020 were delayed initially, due to the COVID-19 pandemic, and will be postponed again until at least April 2022.

2.1.2 As no further updates on IFRS 16 have been published by the DfE, no amendment is proposed at this stage.

2.2 Desktop Review of the Scheme

2.2.1 A desktop review of Warwickshire's Scheme has been carried out to provide additional clarity where necessary and to ensure that it is up to date and reflective of the schools within Warwickshire, As such, the following minor amendments are proposed:

Section 2.8 Submission of Budget Plans (for current year)

- Heading amended to include '(for current year)'

Section 2.9 Submission of Financial Forecasts (for multi-year period)

- Heading amended to include '(for multi-year period)'
- Adds clarity that the requirement is termly.

Section 3.4 Frequency and size of instalments

- Removes reference to schools without their own bank account as this is no longer relevant in Warwickshire.

Section 4.2 Reporting on and Control of the Use of Surplus Balances

- Is updated to say 'Since 2013/14' rather than 'For 2013/14'.

Section 4.3 Interest on surplus balances

- Is updated to reflect that all maintained schools have their own bank account.

Section 4.9 Licensed Deficit Scheme

- Is updated to reflect the process at Warwickshire relating to cash advances.

Section 8.3 Packaging

- The word 'all' has been removed to reflect more accurately that schools can choose to go outside of the Local Authority for services and/or the Local Authority can choose to not provide a service.

References to Treasury Management

- Full Council approved the Local Authority's Treasury Management Strategy 2022/23 on 8 February, so the document references this updated strategy where relevant (Section 3.3 and Annex B)

2.3 Improved alignment to the DfE's guidance for the Scheme

2.3.1 In order to better align Warwickshire's scheme to the DfE's guidance, the following minor changes are proposed:

Section 4.9 Licensed Deficit Scheme

- Includes a new final bullet which states that where a school requires a budget share advance in order not to be to be overdrawn at their bank, this should be treated as a cash advance and not a loan. This will have no effect on the school's budget and outturn statements.

Section 10.4 Responsibility for legal costs

- Provides greater clarity that a school cannot expect to be reimbursed for the cost of legal action against the local authority itself.
- The costs referred to are of legal actions, not the cost of legal advice provided.

2.4 No further amendments are proposed.

Brian Smith

Portfolio Lead for Education, Schools and Children & Families

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APPENDIX to Item 6

Scheme for the Financing of Schools

SECTION 48 of the School Standards and Framework Act 1998

March 2022
Draft for consultation

Produced by the Finance Delivery Team

THE OUTLINE SCHEME

The School and Early Years Finance (England) Regulations 2020 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.

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1. INTRODUCTION

1.1 The Fair Funding Framework: Main Features

- 1.1.1. 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.
- 1.1.2. Under this legislation, local authorities (LA's) 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.
- 1.1.3. LA's 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).
- 1.1.4. Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).
- 1.1.5. LA's 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.
- 1.1.6. The financial controls within which delegation works are set out in a scheme made by the authority in accordance with s.48 of the Act and regulations made under that section. All proposals to revise the scheme must be approved by the Schools Forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.
- 1.1.7. Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (*Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education

Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act.)

- 1.1.8. A LA may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (schedule 17 to the Act).
- 1.1.9. Each authority is obliged to publish each year a statement setting out details of its planned Schools Budget and other expenditure on children's services, showing the amounts to be centrally retained and funding delegated to schools. After each financial year the authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.
- 1.1.10. 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.
- 1.1.11. 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

- 1.2.1 This Scheme sets out the financial relationship that exists between Warwickshire County Council, referred to as the LA, 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

- 1.3.1 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

- 1.4.1 The scheme will be published on the LA's 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

- 1.5.1 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 Head teacher

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

1.6.2 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

1.7.1 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

2.1.1 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

2.2.1. Schools are required to provide the LA with forecasted details of the anticipated income and expenditure on a termly basis and for schools supported by the Education Finance Service this will be in line with school visits. For schools not supported by the Education Finance Services reporting dates will be issued to schools at the start of each financial year.

2.3 Payment of Salaries and Bills

2.2.2. The schools governing body can decide to have its own bank account and payroll provider or to purchase these services from the LA. The Financial Policy and Procedures Manual details the arrangements applying in both cases.

2.4 Control of Assets

- 2.4.1 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)

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

2.6 Writing off Debts

- 2.6.1 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 line with the County Council's Financial Standing Orders.

2.7 Basis of Accounting

- 2.7.1 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 financial 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 financial year, these will be charged in the accounts as expenditure, whether or not the supplier has been paid.

2.8 Submission of Budget Plans (for current year)

- 2.8.1 Each school must submit an initial budget plan to the LA by May 1st 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 once each term. The LA will ensure that all information relevant to school budget planning is issued in a timely manner, in accordance with the published annual timetable.

2.9 Submission of Financial Forecasts (for multi-year period)

- 2.9.1 The authority requires schools to submit a financial forecast covering each year of a multi-year period for which schools have been notified of indicative budget shares beyond the current year. The LA requires this information **termly** as supporting evidence of the annual Schools Financial Value Standard returns and to assess the likelihood of individual schools going into deficit in future years.

2.10 Efficiency and Value for Money

- 2.10.1 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.
- 2.10.2 It is for head teachers and Governing Bodies to determine at school level how to secure appropriate value for money.
- 2.10.3 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

- 2.11.1 Schools are allowed to freely transfer allocations between budget heads in the expenditure of their budget shares.

2.12 Audit: General

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

2.13 Separate External Audits

- 2.13.1 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 processes.

2.14 Audit of Voluntary and Private Funds

- 2.14.1 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

- 2.15.1 The governing body of each school is required to maintain a register that lists for each member of the governing body, the head teacher, and any member of school staff with budget management responsibility, any business interests held by them or by any member of their immediate family and register any relationships between school staff and members of the governing body. 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

- 2.16.1 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.

2.16.2 *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

2.17.1 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

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

2.19 Central Funds and Earmarking

2.19.1 The LA is 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 budget share.

2.19.2 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 LA.

2.19.3 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.

2.19.4 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

2.20.1 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 1st, 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 or academies.

2.21 Capital Spending from Budget Shares

2.21.1 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 Assistant Director, Strategy Education Services as to the merits of the proposed expenditure
- The governing body obtains consent from the owner of the premises.

2.21.2 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.

2.21.3 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 (SVFS)

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

2.22.2 Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear 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.***

2.22.3 All maintained schools with a delegated budget must submit the form to the local authority before 31st March each year.

2.23 Fraud

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

2.24 Notice of Concern

2.24.1 The authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Assistant Director, Finance and the Assistant Director, Strategy Education Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the LA or the school.

2.24.2 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.

2.24.3 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.

- 2.24.4 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

- 3.1 For the purpose of this section, budget share includes any place-led funding for special schools.

3.2 Bank and Building Society Accounts

- 3.2.1 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 bank charges incurred sustained by the school.

- 3.2.2 Schools may only make new bank account arrangements:

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

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

3.3 Restrictions on Accounts

- 3.3.1. Annex B shows the WCC approved investment institutions as stated in the [2022/23 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.

- 3.3.2. 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.

- 3.3.3. 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

3.4 Frequency and Size of Instalments

- 3.4.1. There will be a single payment to bank account schools of 4% of the total budget share on the first banking day of April. 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.

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

3.4.3. 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 a LA error.

3.5 Budget Shares for Closing Schools

3.5.1. 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.

3.6 Borrowing by Schools

3.6.1. Except in the case of loan schemes operated by the LA, schools may only borrow with the written permission of the Secretary of State. This includes the use of finance leases; however, Salix loans are allowed without the approval 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

4.1.1. 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

4.2.1. 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

4.3.1. *As all maintained schools have their own bank account and hold any surplus balances, any interest payable on balances by the bank shall be retained by the school.*

4.4 Obligation to Carry Forward Deficit Balances

4.4.1. Schools must carry forward deficit balances. Deficits will be deducted from the following year's budget share. The LA will not charge interest on deficit balances.

4.5 Charging of Interest on Loans to Academy Schools

- 4.5.1. 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 remained 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

- 4.6.1. The LA cannot write off the deficit balance of any school.
- 4.6.2. If the LA wishes to give assistance towards elimination of a deficit balance, then for:
- Special schools it will from a centrally held specific budget.
 - Or, for mainstream maintained schools from a de-delegated contingency budget which has been approved by Schools Forum.
- 4.6.3. The LA does not currently hold any budgets to assist schools in eliminating deficits.

4.7 Balances of Closing and Amalgamating Schools

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

4.8 Support for School Budgets

- 4.8.1. Schools are not permitted to borrow, or to plan for a deficit budget, except by means of LA Licensed Deficit Scheme.

4.9 Licensed Deficit Scheme

- 4.9.1. The LA will operate a Licensed Deficit Scheme to support schools' budgets by allowing the planning of a deficit budget.
- 4.9.2. 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 Assistant Director, Education Services, will be informed of all licensed deficit arrangements.
- viii) In circumstances where a school requires a budget share advance in order not to be to be overdrawn at their bank, this should be treated as a cash advance and not a loan. This will have no effect on the school's budget and outturn statements. The Head teacher must agree to the value of the cash advance and to its repayment. Bank funds are monitored and invoices sent for the repayment (either in instalments or in a lump sum – as agreed with the school).

4.9.3. The LA does not have any loans schemes with schools.

5 INCOME

5.1 Income from Lettings

5.1.1 All schools will retain income from lettings. 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

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

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

5.3 Income from Fund-raising Activities

5.3.1. Schools will retain income from fund-raising activities.

5.4 Income from the Sale of Assets

- 5.4.1. 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.
- 5.4.2. In all other cases the school will retain proceeds from the sale of other assets.
- 5.4.3. When selling an asset surplus to requirements the governing body should maximise sale proceeds.

5.5. Administrative Procedures for the Collection of Income

- 5.5.1. 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 .

5.6 Purposes for which Income may be used

- 5.6.1. 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

- 6.1.1 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.
- 6.1.2 For the avoidance of doubt, the LA 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

- 6.2.1 Where premature retirement costs have been incurred these will be met by the school.
- 6.2.2 Other expenditure incurred to secure resignations where the school has not followed LA advice.
- 6.2.3 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 or where the governing body failed to take advice which in the LA's reasonable opinion would have avoided an award or out of court settlement.
- 6.2.4 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.

- 6.2.5 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.
- 6.2.6 Expenditure incurred by the LA in ensuring 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.
- 6.2.7 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.
- 6.2.8 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.
- 6.2.9 Corrections of errors in charges to a budget share. Correction of errors in excess of £500 may be phased over five years.
- 6.2.10 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.
- 6.2.11 Legal costs which are incurred by the LA because the governing body did not accept the written advice of the LA.
- 6.2.12 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.
- 6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
- 6.2.14 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.
- 6.2.15 Costs incurred by the LA in securing provision specified in an Education Health and Care Plan (EHCP) where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and /or specific funding for a pupil with High Needs.

- 6.2.16 Costs incurred by the LA due to submission by the school of incorrect data.
- 6.2.17 Recovery of amounts spent from specific grants on ineligible purposes.
- 6.2.18 Costs incurred by the LA as a result of the governing body being in breach of the terms of a contract.
- 6.2.19 Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.

7. TAXATION AND PENSIONS

7.1 Value Added Tax (VAT)

- 7.1.1 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

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

7.3 Duty to supply information in respect of Teachers Pensions

- 7.3.1. 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.
- 7.3.2. The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the authority to provide payroll services.
- 7.3.3. 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.
- 7.3.4. 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

8.1.1 The LA has the right to determine the basis on which services from centrally retained funds will be offered to schools.

8.1.2 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

8.2.1. 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

8.3.1. The LA will provide 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.

8.3.2. 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

8.4.1. 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

- 8.5.1. 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

- 8.6.1. In order to ensure the performance of the duty on the LA to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the conditions set out below are imposed on the LA and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares
- 8.6.2. The conditions only apply to governing bodies of maintained schools who have not entered into an arrangement with the LA to provide payroll services.
- 8.6.3. 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 LA 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 LA which the LA requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The LA 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.
- 8.6.4. A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the LA which the LA requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The LA 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. INSURANCE

9.1 Insurance Cover

- 9.1.1 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.

10. MISCELLANEOUS

10.1 Right of Access to Information

10.1.2 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.

10.2 Liability of Governors

10.2.1. 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.**

10.2.2. 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.

10.3 Governors' Expenses

10.3.1. 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.

10.3.2. 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.

10.4 Responsibility for Legal Costs

10.4.1. Legal costs incurred by the governing body, that are normally the responsibility of the Council as part of the cost of maintaining the school (unless they relate to the statutory responsibility of voluntary aided school governors for buildings), will be charged to the school's budget share, unless the governing body acted in accordance with the advice of the LA.

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

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

10.4.4. 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 Governance & Policy Service will be asked, in such circumstances, to establish an appropriate mechanism by which schools may gain legal advice.

10.5 Health and Safety

10.5.1. 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.

10.6 Right of Attendance for Assistant Director, Finance

10.6.1. 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.

10.7 Delegation to New Schools

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

10.8 Special Educational Needs

10.8.1. Schools are required to use their best endeavors 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 inadequate, this could result in the LA withdrawing delegated budget responsibility.

10.9 "Whistleblowing"

10.9.1. 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".

10.10 Child Protection

10.10.1. 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.

10.11 Redundancy / Early Retirement costs

10.11.1. The LA does not fund any redundancy or early retirement costs associated with any redundancies taking place in maintained schools.

11. RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

11.1 Categories of Work

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

11.1.2 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.

11.1.3 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

11.1.4 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

11.1.5 '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.

- 11.1.6 '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.
- 11.1.7 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.
- 11.1.8 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 be treated as revenue and a piece of equipment costing £10,000 would be treated as capital.
- 11.1.9 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.

11.2 Structural Maintenance and the Property Indemnity Scheme

- 11.2.1. 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*.
- 11.2.2. 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.

11.3 Capital Expenditure and Voluntary Aided Schools

- 11.3.1. 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 categorize such work, not the *de minimis* limit used by the Authority.

12. POWERS OF SCHOOLS TO PROVIDE COMMUNITY FACILITIES

12.1 Powers to Operate Community Facilities

12.1.1 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.

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

- those contained in schools' own instruments of government, if any; and
- 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.

12.1.3 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.

12.1.4 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.

12.2 Consultation with the LA – Financial Aspects

12.2.1. 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.

12.2.2. 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.

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

12.3 Funding Agreements – LA Powers

12.3.1. The provision of community facilities in many schools may be dependent on the conclusion of a funding agreement with a third party which will either be

supplying funding or supplying funding and taking part on the provision. A very wide range of bodies and organisations are potentially involved.

- 12.3.2. 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.
- 12.3.3. 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.

12.4 Other Prohibitions, Restrictions and Limitations

- 12.4.1. 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.
- 12.4.2. The LA will only impose such a requirement only where it has good reason to believe that the proposed project carries significant financial risks.

12.5 Audit

- 12.5.1. 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.
- 12.5.2. 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.

12.6 Treatment of Income and Surpluses

- 12.6.1. 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.
- 12.6.2. 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.

12.7 Health and Safety Matters

- 12.7.1. 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.
- 12.7.2. 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.

12.8 Insurance

- 12.8.1. 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.
- 12.8.2. 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.
- 12.8.3. 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.

12.9 Taxation

- 12.9.1. Schools should seek the advice of the LA and the local VAT office on any issues relating to the possible imposition of VAT on expenditure in connection with community facilities; including the use of the local authority VAT reclaim facility.
- 12.9.2. 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.
- 12.9.3. Schools must follow LA advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power

12.10 Banking

- 12.10.1. 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.

- 12.10.2. 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 – List of Maintained Schools

Warwickshire County Council Maintained Schools (as of 2 March 2022)

Maintained Nursery Schools

Atherstone Nursery

Bedworth Heath Nursery & Children's Centre

Kenilworth Children's Centre & Nursery School

Stockingford Early Years Centre

Warwick Children's Centre & Nursery School

Whitnash Nursery

Maintained Primary Schools

Abbey C of E Infant

Abbots Farm Infant

Abbots Farm Junior

All Saint's C of E Junior, Warwick

All Saint's C of E Primary, Nuneaton

Alveston C of E Primary

Arden Forest Infant

Arley Primary

Barford St Peter's C of E Primary

Bawnmore Infant

Bidford C of E Primary

Bilton Infant

Bilton Cof E Junior

Binley Woods Primary

Bishops Tachbrook C of E Primary

Bishopton Primary

Boughton Leigh Infant

Boughton Leigh Junior

Bournebrook C of E Primary

Briar Hill Infant

Bridgetown Primary

Brookhurst Primary

Brownsover Community Infant

Chetwynd Junior

Chilver's Coton Infant

Clapham Terrace Primary

Claverdon Primary

Clifton Primary

Clinton Primary

Coten End Primary
Croft Junior
Cubbington C of E Primary
Dunchurch Boughton C of E Junior
Dunchurch Infant School
Dunnington C of E Primary
Eastlands Primary
Emscote Infant
English Martyr's Catholic Primary
Ettington C of E Primary
Exhall Cedars Infant
Exhall Junior School
Galley Common Infant
Glendale Infant
Goodyers End Primary
Great Alne Primary
Hampton Lucy C of E Primary
Harbury C of E Primary
High Meadow Infant School
Hillmorton Primary
Holy Trinity Primary School
Hurley Primary School
Ilmington C of E Primary
Kineton C of E Primary
Kingsbury Primary
Knightlow C of E Primary
Lapworth C of E Primary
Lighthorne Heath Primary
Long Lawford Primary
Loxley C of E Primary
Mappleborough Green C of E Primary
Michael Drayton Junior
Middlemarch School
Milby Primary
Milverton Primary
Moreton Morrell C of E Primary School
Nathaniel Newton Infant
Newbold & Tredington C of E Primary
Newburgh Primary
Newdigate Primary
Northlands Primary
Nursery Hill Primary
Our Lady & St. Teresa's Catholic Primary

Our Lady's Catholic Primary, Princethorpe
Outwoods Primary
Paddox Primary
Park Hill Junior
Priors Field Primary
Provost Williams C of E Primary
Quinton Primary
Race Leys Infant
Radford Semele C of E Primary
Shottery St. Andrews C of E Primary
Shrubland Street Community Primary
Shustoke C of E Primary School
Snitterfield Primary
St Andrew's Benn C of E Primary
St Anthony's Catholic Primary
St Augustine's Catholic Primary
St John's Primary
St Joseph's Catholic Primary, Whitnash
St Lawrence's C of E Primary
St Margaret's C of E Junior, Whitnash
St Marie's Catholic Primary
St Mary Immaculate Catholic Primary
St Mary's Catholic Primary, Southam
St Mary's Catholic Primary, Studley
St Matthew's Bloxam C of E Primary
St Nicholas C of E Primary, Kenilworth
St Patrick's Catholic Primary
St Paul's C of E Primary, Leamington
St Paul's C of E Primary, Nuneaton
St Peter's Catholic Primary
Sydenham Primary
Telford Infant
Telford Junior
The Canons C of E Primary
The Dasset C of E Primary
The Revel C of E Primary
Thomas Jolyffe Primary
Thorns Community Infant
Water Orton Primary School
Weddington Primary
Welford On Avon Primary
Wembrook Primary
Westgate Primary

Wheelwright Lane Primary
Whitestone Infant
Whitnash Primary
Wilmcote C of E Primary
Wolston St Margaret's C of E Primary
Wolverton Primary School
Wolvey C of E Primary
Maintained Secondary Schools
The Avon Valley School & Performing Arts College
Maintained Special Schools
Exhall Grange School and Science College
Evergreen School

Annex B – Treasury Management Strategy 2022/23

Link to full strategy: [here](#)

Extract from Warwickshire's Treasury Management Strategy (approved by Full Council on 8 February 2022).

Specified Investments

Investment Type	Credit Criteria (Fitch Ratings)	Limits (per institution)	Use
DMO Deposit Facility	--	No Limit	In-house
Term deposits: Local Authorities	--	£10m	In-house
Nationalised Banks	Short-term F1, Support 1	£20m	In-house and External Manager
Term deposits: UK Banks	Short-term F1, Long-term A, Viability a, Support 3	£20m	In-house and External Manager
Term deposits: Bank Council uses for current account	--	£20m	In-house and External Manager
Term deposits: UK Building Societies	Top five largest societies as reported annually. (To be continually monitored)	£20m	In-house and External Manager
Term deposits: Overseas Banks	Short-term F1+, Long-term AA- Viability aa, Support 1	£20m	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	£20m	External Manager
Money Market Funds	AAA	£60m	In-house and External Manager
Ultra Short Dated Bond Funds	AA	£40m	In-house and External Manager
UK Government Gilts, Treasury Bills	--	No Limit	External Manager
Gilt Funds and Bond Funds	Long-term A	No Limit	External Manager

(All such investments will be sterling denominated, with **maturities up to a maximum of 1 year**, meeting the minimum 'high' rating criteria where applicable)

Non-Specified Investments

Investment Type	Credit Criteria (Fitch Ratings)	Limits (per institution)	Use
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	£15m	In-house and External Manager
Fixed Term Deposit with Variable Rates and Variable Maturities	Short-term F1, Long-term A, Viability a+, Support 3	£15m	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	£15m	External Manager
UK Government Gilts with maturities in excess of 1 year	--	£15m	External Manager
Local Government Association Municipal Bond Agency	--	£15m	--
CCLA Property Fund	--	£15m	--
Threadneedle Social Bond Fund	--	£40m	--
Local Authority wholly owned trading company	--	£3.9m	In-house

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Schools Forum**17th March 2022****2021/22 Dedicated Schools Grant Financial Monitoring Report**

This report relates to both maintained and academy schools and all members of the Schools forum and is for information and comment.

Recommendation

The Schools forum is recommended to:

- Note the DSG forecast financial outturn position for 2021/22, as at Period 10.
- Note the forecasted position of each of the DSG Block reserves at financial outturn position for 2021/22.

1. Introduction

- 1.1. This report provides an update on the 2021/22 forecast outturn position of the Dedicated Schools Grant (DSG).
- 1.2. The total 2021/22 DSG allocation for Warwickshire, reported to schools forum in March 2021, was £481.953m (shown in the original allocation column in Table 1 below).
- 1.3. Since then, the DSG allocation has been updated to reflect the Academy/High Needs recoupment, increases in the high needs funding for imports/exports and growing special free schools and updates to the Early Years allocation following the October Census. Table 1 and Appendix A show the latest allocations to reflect these changes.

Table 1: 2021/22 Revised DSG Allocations	Original Allocation	Change	Latest Allocation	Reason for Change
	£m	£m	£m	
Schools Block	381.551	(241.066)	140.485	Academy recoupment
Total High Needs	75.748	0.429	76.176	Update for increased import/export funding and increased funding for growing special free schools
Less: recoupment	(13.680)	(0.665)	(14.345)	High Needs recoupment
High Needs Block	62.068	(0.665)	61.831	
Early Years Block	34.147	(0.467)	33.679	Update for October Census Data
Central School Services Block	4.188		4.188	
Total DSG Allocation	481.953	(242.199)	240.183	

2. 2021/22 Forecasts

2.1. Table 2 summarises the 2021/22 forecast position by Block, as at 9th February 2022, and Appendix A provides a detailed breakdown:

Table 2: 2021/22 Forecasts	Latest Allocation	Drawdown from Reserves	Forecast @ 9 th February	Variance
	£m	£m	£m	£m
Schools Block	140.485	2.405 ¹	141.770	(1.119)
High Needs Block	61.831		65.955	4.124
Early Years Block	33.679		33.466	(0.214)
Central School Services Block	4.188		3.841	(0.347)
Total DSG Allocation	240.183	2.405	245.032	2.444

2.2. It should be noted that historically the DfE have required all local authorities to complete a recovery plan should the expenditure variance on the DSG exceed 1%. The forecast position of £2.444m equates to a 0.53% overspend, which is within the DfE threshold.²

2.3. Although the total DSG position of the four blocks is used to calculate whether the DSG overspend is above the 1% threshold, in reality, we are not able to move funding between blocks without secretary of state approval (disapplication process); so the key financial risk to be highlighted in Table 2 is the £4.124m overspend in the High Needs Block.

¹ The draw down of reserves from the schools block included funding of £1.827 for the 0.5% disapplication to the high needs block as well as additional lump sums and sparsity funding above the NFF.

² The percentage calculation of overspend is based on total DSG allocation of £495.594m, i.e. the allocation prior to academy recoupment and adjustments for pupil numbers.

3. Reserve position

- 3.1. Table 3 below shows the opening position of the DSG reserves as at the 1st April 2021, the subsequent drawn down from Schools Block reserves noted in Table 2 and the forecasted effect of outturn that informs the forecasted closing balance of the reserves.

Table 3: 2021/22 Reserves	Opening Balance 01/04/2021	In Year Drawdowns	Effect of outturn	Forecast Closing Balance as at 31/03/2021
Central Services Block DSG	0.500		0.347	0.847
Schools Block DSG	2.969	(2.405)	1.119	1.683
Early Years Block DSG	2.109		0.214	2.323
High Needs Block DSG	(13.850)		(4.124)	(17.974)
DSG Total	(8.271)	(2.405)	(2.444)	(13.121)

4. Explanations for Variances

The sections below explain the main reasons for the variances across the blocks. A detailed breakdown of variances is shown in Appendix A.

Schools Block (£1.119m underspend)

- 4.1. There is an underspend of £1.119m on the Schools block which comprises:
- Minor Overspends of £0.005m on EMTAS due to pressure on Staffing budgets.
 - Underspend of £1.070m due to a reduction in the need for growth funding for the pushed back opening of new primary schools.
 - Underspends of £0.006m due to a software charge that is no longer required to support free school meals; £0.020m on Transition support that will not be required this year, £0.005m of Teaching union cover and £0.023m based on the number of estimated DBS checks needed for the year.

High Needs Block (£4.124m overspend)

- 4.2. High Needs is forecasting an overspend of £4.124m. This overspend excludes the £5.240m deficit from 2019/20 and the £8.610m deficit from 2020/21 that, as per DFE guidance, has been carried forward to 2021/22 and is therefore being held on the Council's balance sheet as the HNB DSG over drawn reserve.
- 4.3. The overspend is made up as follows (*It should be noted that the lines in the tables in this section are illustrative of the in-year changes in FYE and Average costs – but are not the only factors that drive the over/underspends e.g. recovery of overpayments from prior year*):

- £0.334m for additional speech and language and occupational health therapy provision as well as an increase to fund additional special school places at £0.210m.
- £3.654m from Independent Special Provision (ISP) which at budget setting was anticipated to be overspending by £4.8m. Through strict monitoring by the service the number and average cost of ISP Day places and Residential places continue to be reduced.

	Budget		Forecast	
	Full Year Equivalent (FYE)	Average Cost per FYE	FYE	Average Cost per FYE
Day Placements	280	£52,800	242	£56,800
Residential (38 weeks)	19	£69,200	11	£55,300
Residential (52 weeks)	19	£69,200	28	£64,300

- £0.068m for the increased number of admission places for hospital tuition.
- £0.006m for Flexible Learning due to a loss in income which is being mostly offset by staff vacancies
- £0.088m for Low incidence SEND which is due to an unavoidable teaching salary pressure and a shortfall in a school's allocation for the vision support service because of a review that has not been concluded.
- On top of the overspends on the High Needs Block detailed above, £3.541m of savings/interventions has already been identified in future years as part of the DSG recovery plan.

Offsetting some of these overspends are underspends in the following areas:

- £0.214m of top up funding at Mainstream School

	Budget		Forecast	
	FYE	Average Cost per FYE	FYE	Average Cost per FYE
Maintained Schools	776	£5,676	755	£5,689
Academy	657	£5,102	955	£5,268
Additional Capacity	275	£5,051	0	£0

- £1.274m of top up funding at Special Schools.

	Budget		Forecast	
	FYE	Average Cost per FYE	FYE	Average Cost per FYE
Special Schools	1,583	£11,317	1,485	£11,585

- £0.084m on Resourced Provision (RP). This is due to several Service Level agreements which are now presumed not to be required by the service in the year. Although the capacity we are funding is being better utilised, the service is

spending circa £0.200m on approx. 24 ghost places (empty places that make the facilities financially viable).

- £0.045m on Other Local Authority (OLA) Special schools.

	Budget		Forecast	
	FYE	Average Cost per FYE	FYE	Average Cost per FYE
Other Local Authority Schools	72.83	£11,071	72	£10,556

- £0.208m on Post 16

	Budget		Forecast	
	FYE	Average Cost per FYE	FYE	Average Cost per FYE
Post 16	582	£12,800	483	£14,500

- £1.000m on Alternative Provision. New challenge on behaviours of exclusions and placements have given a better turnover in getting children back into school. This is resulting in savings in the service. As well as this a large number of provisions ceased at the end of the summer term. The team are trying now to maintain this reduced level of activity by revolving the placements back to school faster and allowing only minimised growth in new 'net' places.

	Budget		Forecast	
	FYE	Average Cost per FYE	FYE	Average Cost per FYE
ABP Countywide	75	£16,707	43	£20,492
SENDAR AP	60	£16,300	16	£26,700

- £0.267m on Low incidence SEND and Specialist Teaching service due to unfilled vacancies.
- £0.475m of additional funding. Following the Transfer of the 0.5% disapplication from Schools Block to High Needs Block an update to the DSG allocation was published which includes increased import/export funding and funding for growing special free schools above what was expected.

4.4. Proposals for closing the overspend are being developed on an ongoing basis as part of the DSG recovery plan and the SEND change programme.

Early Years Block (£0.214m underspend)

- 4.5. Overall, the Early Years Block is forecasting to underspend by £0.214m.
- 4.6. £0.118m of this is due to lower numbers of nursery pupils than anticipated due to COVID. The remainder is from small staffing vacancies.

- 4.7. Schools forum are asked to note that the Early Years forecast variance will change by year-end to reflect the updated allocation following the release of the October 2021 and January 2022 census data.

Central Schools Services Block- CSSB (£0.347m underspend)

- 4.8. The forecast underspends of £0.375m comprises of:
- £0.086m for the admissions service which is due to vacancies in the service.
 - £0.261m that is being held as contingency for potential use on increases to the Historic Pension Contribution and/or Employers Liability Insurance.

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Schools Block	Latest Budget	Latest Forecast @ 9 th February	Forecast Variance
	£m	£m	£m
Mainstream Individual School Budgets	137.509	136.921	(0.588)
Rates Adjustment and Risk Protection Adjustment	0.000	0.588	0.588
Growth Fund (exceptional pupil numbers)	2.770	1.700	(1.070)
Schools Block Contingency	1.827	1.827	0.000
De-delegated budgets			
School Performance	0.190	0.190	0.000
Early Intervention Service	0.030	0.010	(0.020)
Ethnic Minority & Traveller Achievement Service	0.236	0.242	0.005
Free School Meals	0.019	0.013	(0.006)
Teaching Union Cover	0.064	0.059	(0.005)
Non-Teaching Union Cover	0.016	0.016	0.000
HR – Occupational Health (Primary Only)	0.013	0.013	0.000
Central Establishment Charges	0.039	0.039	0.000
Education Functions - DBS	0.175	0.152	(0.023)
Total Schools Allocations	142.889	141.770	(1.119)

High Needs Block	Latest Budget	Latest Forecast @ 9 th February	Forecast Variance
	£m	£m	£m
SEN – Place Funding for Maintained Mainstream, Special and Resourced Provision	6.170	6.170	0.000
SEN Top up – Mainstream Schools & Academies	16.914	10.727	(6.188)
SEN Top up – WCC Special Schools & Academies	23.073	16.992	(6.081)
SEN Top up – Independent & OLA Special Schools	7.551	17.079	9.527
Tier 4 Hospital Education	0.180	0.248	0.068
Resourced Provision – SEN Support	1.279	1.155	(0.124)
SEND Speech & Language	0.000	0.000	0.000
Post 16 Funding	10.159	7.695	(2.464)
SEND Commissions	0.258	0.592	0.334
SEND Integrated Services (Low incidence SEND)	1.243	1.304	0.061
SEND Integrated Services (Flexible Learning)	0.840	0.846	0.006
Area Behaviour Partnerships (Primary and Secondary Exclusions)	2.201	1.760	(0.441)
Contribution to Early Intervention Behaviour Panels	0.064	0.065	0.001
SENDAR Alternative Provision	0.973	0.414	(0.560)
SEND Integrated Services (Specialist Teaching Service)	1.163	0.927	(0.235)
Integrated Disability Service SEN Inclusion Grant (EY)	0.385	0.381	(0.004)
High Needs Contingency/ (Shortfall)	(12.051)	(1.827)	10.224
Central Establishment Charges	1.428	1.428	0.000
High Needs Allocations	61.831	65.955	4.124

Early Years Block	Latest Budget	Latest Forecast @ 9 th February	Forecast Variance
	£m	£m	£m
Nursery schools (Universal Hours)	1.662	1.662	(0.000)
Nursery Funding 3&4 year olds (Universal funding - Independent Providers & Nursery Classes)	18.230	18.679	0.449
Nursery Funding 3&4 year Olds (Additional 15 hours)	8.297	7.761	(0.537)
Maintained Nursery Supplement	0.626	0.626	0.000
DSG Pupil Premium	0.207	0.163	(0.043)
Funded 2 year olds	3.078	3.091	0.013
Disability Access Fund	0.145	0.145	0.000
IDS TL Early Years	0.866	0.886	0.020
Early Years - Sufficiency & Business Support	0.351	0.234	(0.117)
Early Years Quality & Development	0.000	0.085	0.085
Early Years Contingency/ (Shortfall)	(0.097)	0.000	0.097
EY Estimated Budget Adjustment	0.000	(0.181)	(0.181)
EYB Central Establishment Charges	0.314	0.314	0.000
Early Years Allocations	33.679	33.466	(0.214)

Central Schools Services Block	Latest Budget	Latest Forecast @ 9 th February	Forecast Variance
	£m	£m	£m
Taking Care	0.000	0.000	0.000
Child Protection	0.000	0.000	0.000
Children's Mental health	0.150	0.150	0.000
Admissions	0.718	0.632	(0.086)
Heads Termly / SACRE	0.018	0.018	0.000
DSG SF Allocation - Historic Pension Contribution	0.737	0.737	0.000
DSG SF Allocation - North Leamington School Prudential Borrowing	0.266	0.266	0.000
DSG SF Allocation - Copyright Licences	0.445	0.445	0.000
Employers Liability Insurance	0.045	0.045	0.000
CSSB Contingency	0.292	0.031	(0.261)
CSSB Central Establishment Charges	0.727	0.727	0.000
Education functions for all schools:			
Planning for the education service as a whole (Sch 2, 15b)	0.262	0.262	0.000
Formulation and review of local authority schools funding formula (Sch 2, 15d)	0.033	0.033	0.000
School attendance (Sch 2, 16)	0.261	0.261	0.000
Responsibilities regarding the employment of children (Sch 2, 18)	0.048	0.048	0.000
Admissions (Sch 2, 9)	0.060	0.060	0.000
Contribution to Services funded corporately by WCC	0.127	0.127	0.000
Central Schools Services Allocations	4.188	3.841	(0.347)
2021/22 DSG Total	242.587	245.032	2.444

* Note that there may be rounding differences between the figures presented in this Appendix compared to the Tables in the body of the report.

Item 9

Schools Forum

17 March 2022

**Pupil-led funding: medical needs,
managed moves and in-year transfers****Purpose of the report and summary of proposals**

To ask Schools' Forum to comment on proposed changes from September 2022 to pupil-led funding factors, prior to the Local Authority making a final decision, when pupils are not attending school due to ill-health, or where there is a managed move or in-year transfer. This will bring the local authority into line with the [ESFA Schools revenue funding 2021 to 2022](#) Guidance.

1. To increase the school contribution from 80% to 100% of AWPU when a pupil receives their education from the Flexible Learning Team (FLT) and to recoup 100% of AWPU for the duration of a stay when a pupil is admitted to hospital and the local authority is charged for educational provision.
2. To recoup 100% of Education Health & Care Plan top up when a pupil with an EHC Plan receives provision from FLT or for the duration of a stay when a pupil is admitted to hospital and the local authority is charged for educational provision.
3. To recoup 100% of Pupil Premium when a pupil who is eligible receives provision from FLT or for the duration of a stay when a pupil is admitted to hospital and the local authority is charged for educational provision.
4. For funding to follow the pupil where there is a managed move or in-year transfer and for this to be on the same financial basis as a permanent exclusion.

1. Pupil-led funding in relation to pupils with medical needs**1.1 Background and Statutory Legislation**

Section 19 of the Education Act 1996 requires local authorities to ensure arrangements are made for pupils who are unable to attend school because of ill health. When carrying out this duty due regard must be given to the statutory guidance, "Ensuring a good education for children who cannot attend school because of health needs", DfE, 2013. In Warwickshire this service is provided by the Flexible Learning Team and schools contribute 80% of the child's Age Weighted Pupil Unit towards the cost.

Key points of the Statutory Guidance

Local authorities **must**:

Arrange suitable full-time education (or as much education as the child's health condition allows) for children of compulsory school age who, because of illness, would otherwise not receive suitable education.

Local authorities **should**:

Provide such education as soon as it is clear that a child will be away from school for 15 days or more, whether consecutive or cumulative. They should liaise with appropriate medical professionals to ensure minimal delay in arranging appropriate provision for the child.

Ensure that the education children receive is of good quality, as defined in the statutory guidance Alternative Provision (2013), allows them to take appropriate qualifications, prevents them from slipping behind their peers in school and allows them to reintegrate successfully back into school as soon as possible.

Responsibilities of Schools

Section 100 of the Children and Families Act 2014 places a duty on governing bodies of maintained schools and academies to make arrangements for supporting pupils with medical conditions. School Governing bodies must ensure that school leaders consult health and social care professionals, pupils and parents to ensure that the needs of children with medical conditions are properly understood and effectively supported.

1.2 Previous Reviews

The funding of provision for pupils who are unable to attend school due to illness was last discussed at Schools' Forum in October 2018. Two recommendations were put forward, firstly charging schools 100% of the AWPU and secondly charging schools from day one when a pupil is referred to the Flexible Learning Team, rather than after six weeks.

Alongside a number of other recommendations to offset the £3.9m deficit in the High Needs' budget at the time, no final decision was made about this, and other recommendations and the minutes recorded "The Chair, in concluding the discussion, summarised by saying that Members understand the cost pressures and the need to get the deficit down, but felt what is being proposed has too many negative implications and risks".

Given the continuing deficit in the High Needs' budget, further proposals need to be considered to ensure that when a learner receives support from the Flexible Learning Team, funding follows the pupil.

1.3 Current Review

As part of the SEND and Inclusion Change Programme, the Flexible Learning Team (FLT) was reviewed by an external consultant in Autumn 2020. The final report highlighted the positive feedback from stakeholders: "The team is highly valued by their users with very

high levels of satisfaction expressed by parents and carers and young people. The parents and carers stated that the FLT is: 'amazing', 'they think outside of the box', 'an unbelievable service', 'inspirational', 'helped us as a family when we were in crisis', 'my child has thrived at the Hub' and [my child was] 'nurtured by all the team'. Head Teachers and SENCos were also consulted: "There was a high level of consistency of responses across the sample and these were broadly positive". Less positive feedback related to referral processes and knowledge of FLT. These issues have been addressed through the development of an online form, a weekly panel and briefing sessions for SENCos and Attendance Leads. The leadership team has also worked hard to ensure all those referred are on a school roll and are retained on that roll to continue receiving a service.

The service offer currently comprises core subject teaching, dependent upon the pupil's key stage. Maths, English, Science and ICT are taught by qualified teachers. Regular mentoring sessions and PSHE are also included in the timetable, along with support to build resilience and reintegration back into school/appropriate destination.

There is an over-representation of children and young people with autism diagnoses, either confirmed (62%) or awaiting an assessment through the Neurodevelopmental Pathway. 43% of learners supported by FLT have EHC Plans; this is significantly more than the Warwickshire average of 3.6%. The rate of Children Looked After referred to FLT is 2%, compared with the 0.4% of the general Warwickshire school population, while pupils eligible for pupil premium referred to FLT is 30%, compared with 18.8% of the general Warwickshire population.

A significant majority of requests (91%) for support are for pupils with needs associated with anxiety and mental health which present as a barrier to accessing school. The other 9% include those with low immunity, a temporary restriction in mobility, a condition which requires ongoing hospital treatment, including post-operative recovery where school attendance is not yet appropriate.

The length of time that learners access support from FLT varies; 43.75% of cases are closed within 12 weeks, a further 12.5% within 13-18 weeks. 43.75% are open longer but more than two thirds of these are Y11 and above, remaining with FLT until external examinations have been completed and secure transitions achieved. On average learners referred with mental health needs remain with the service for 157 days, compared with 105 days for other needs.

The table below summarises the destinations and reasons for closure for 2020-21:

Destination	Number	Percentage
AP	12	8.1
College	12	8.1
Deceased	2	1.4
EHE	1	0.7
Hospital	1	0.7
Non-engagement	20	13.5
Moved out of county	1	0.7
Specialist setting	21	14.2
Moved to new school	6	4.1
NEET	1	0.7
Referred to Prospects	3	2.1
Returned to setting	19	12.8
School to offer own support	8	5.4
Seeking employment	1	0.7
Too ill to access FLT	5	3.4
Yr 11 Leaver - AP	1	0.7
Yr 11 Leaver - Apprenticeship	3	2.1
Yr 11 Leaver - College	17	11.5
Yr 11 Leaver - Unknown	7	4.7
Yr 11 Leaver - SENDAR	4	2.7
Yr 11 Leaver - Sixth Form	3	2.1

1.4 Hospital Tuition

The Flexible Learning Team is also responsible for managing the Hospital Tuition Cost Centre (WC ref: HC609). This is a demand led budget which funds educational provision when children and young people are admitted to longer stay hospitals such as Tier 4 mental health beds. This allocation of £180,000 from the High Needs' block has not increased over the last five years. WCC is charged day rates of between £160 to £185 per day for the educational provision received while in hospital; most are placed with Huntercombe, who charge £175 a day. Before payment is made, evidence is obtained of attendance, learning intentions and programmes of study being followed. The average length of admission is 161 days; this has increased from 127 days in the last twelve months due to the complexity of need. WCC does not currently recoup any funding from schools to offset the average cost of £16,000 for a learner's education provision. In three out of the last four years, the budget has overspent and is forecast to overspend in 2021-22 by £70k.

HC609	2017-18	2018-19	2019-20	2020-21	2021-22
Budget Allocation	£102,302	180,000	180,000	180,000	180,000
Number of new admissions	41	35	11	19	19
Actual outturn	£240,416	£195,437	£91,477	£199,544	£277,424

1.5 Funding

In 2021-22 FLT received a net budget allocation of £840,151 from the High Needs' Block to fund staffing, travel, resources and hire of accommodation. This is currently topped up by income from schools, recouping 80% of a pupil's AWPU. The service is struggling to meet demand and is seeing a significant increase in referrals from schools post-COVID.

The external review concluded that the current funding model is unsustainable.

1.6 Prevention and links to the SEND Change Programme

Whilst stakeholders' express satisfaction with the quality of support and range of provision received from the Flexible Learning Team, ultimately questions need to be asked about the increase in extended non-attendance at school, particularly related to learners with ASD, anxiety and related mental health conditions.

The Autumn Term is usually the "quieter" of the three for the FLT, however, comparing the team's "active" cases over the first three months of the academic year over the last three years, highlights the extent of the pressure the team is feeling currently:

Period between start of September and 22nd November over the last 3 years:

01/09/2019 - 22/11/2019 - 91 active cases

01/09/2020 - 22/11/2020 - 109 active cases

01/09/2021 - 22/11/2021 - 183 active cases.

Timely interventions from relevant specialists, initiation of Early Help and training for schools, settings and families are key priorities highlighted in the "Emotionally Based School Avoidance" workstream in the SEND Change Programme. FLT managers, EPS and the Warwickshire Attendance Service are working closely with schools to identify learning from the "Extended Non-attendance at School" pilot and recommend changes for the future.

Currently, the cost of FLT provision for schools, at 80% of Basic Entitlement, is relatively inexpensive at £64.06 for Primary a week, £90.34 for KS3 and £101.81 for KS4. The Service Review questioned whether this disincentivised earlier intervention and bringing in appropriate external specialists, such as Autism specialist teachers and EPs.

1.7 How do other local authorities deliver medical needs' provision?

Medical Referral Units are the more usual provider of medical needs' provision in other local authorities, alternatively services are commissioned via a local hospital school or Alternative Provision. Funding models include a mix of Dedicated School Grant budget and contributions from schools.

1.8 Proposals

Currently only 80% of the AWPU is recouped, no other funding follows the child while they access their provision from the Flexible Learning Team. The proposed funding model strengthens the link between the learner and the pupil-led elements of funding.

In the new model, 100% of the AWPU will be deducted, along with the other pupil-led funding streams, including the EHC Plan top-up funding and Pupil Premium (PP) will also be required to follow the child for the period of time that the pupil is accessing their education from the FLT. This will be at a rate of 100% of the EHC Plan top up, if the learner has an EHC Plan and 100% of Pupil Premium.

The Table below shows some examples of what a school might be expected to contribute based on 2021-22 values:

Examples	AWPU (100%)	EHCP top up (estimate based on 100% of average top up)	Pupil Premium (100%)	School contrib'n per half-term (pro rata for no. of weeks)	Compare Current half-term contrib'n
Primary Child no SEN and no pupil premium	£3,123	-	-	£521	£416
Primary Child eligible for Pupil Premium	£3,123	-	£1,345	£745	£416
KS3 pupil with EHC Plan	£4,404	£6,600	-	£1,834	£587
KS4 pupil eligible for Pupil Premium	£4,963	-	£955	£982	£662

It is proposed also that funding is recouped at the same levels for the duration of their hospital stay to offset the cost of educational provision when a pupil is admitted to hospital and the local authority is charged for this. The Flexible Learning Team is often identified as an appropriate service to support with the reintegration of students as part of the discharge planning from hospital.

Based on an analysis of historic data around average pupil numbers, key stage, numbers with SEND and Pupil Premium Funding, the total contribution from schools to the Flexible Learning Team may increase by around £265.3k per annum and to the Hospital Tuition budget by around £85.2k. These figures would be variable depending on the number and mix of pupils accessing the service and being admitted to hospital.

1.9 Summary of Proposals on medical needs from September 2022

1. To recoup 100% of AWPU when a pupil receives their education from FLT or is admitted to hospital and the local authority is charged for educational provision.

2. To recoup 100% of EHC top up when a pupil with an EHCP receives provision from FLT or is admitted to hospital and the local authority is charged for educational provision.
3. To recoup 100% of Pupil Premium when a pupil who is eligible receives provision from FLT or is admitted to hospital and the local authority is charged for educational provision.

2. Pupil-led funding in relation to Managed Moves and In-Year Transfers

2.1 What happens currently

In line with the [ESFA Schools revenue funding 2021 to 2022](#) Guidance, when a Head Teacher permanently excludes a pupil from school, Warwickshire County Council (WCC) recoups pupil funding from the excluding school.

WCC's Exclusions' Team calculates the in-year amount to be deducted and re-claims this from the excluding school's budget. This amount relates to the age and personal circumstance of that pupil, pro-rotta to the number of complete weeks remaining in the financial year from the relevant date; the relevant date is from the sixth school day following the date of permanent exclusion (p.35).

The deduction covers the basic entitlement, and the relevant amounts for pupil-led factors, such as free school meals or English as an additional language, where the pupil attracted funding through those criteria.

Where the excluded pupil is entitled to pupil premium, funding is recouped/re-claimed on the same basis.

The following worked example from the ESFA guidance demonstrates how the deduction from the excluding school's budget is calculated, where the 'relevant date' is 1 October (26 weeks remaining in the financial year):

Funding formula factor	Amount
Basic entitlement	£4,000
Free school meals	£500
English as an additional language	£300
Sub-total	£4,800
Pro-rata total for 26 weeks	£2,400
Deduction from excluding school's budget	£2,400

2.2 Managed Moves and In-year Transfers

There are, however, a number of other circumstances where pupils transfer between schools, which include:

- a. Managed Moves
- b. In-year transfers.

As part of trying to prevent a permanent exclusion, the managed move process has been used across WCC since 2018. There has been an agreement between schools that they would transfer between them the pupil led funding. However, this has not been formalised in the same way as the clawback for permanent exclusions.

To date there has not been any transfer of funding between schools for in-year transfers.

The proposals, therefore, are to formalise the existing practice of transferring pupil-led funding for managed moves and to introduce from September 2022 the practice of the funding following the pupil for in-year transfers in addition.

2.3 Summary of proposals on managed moves and in-year transfers from September 2022:

- a. Funding follows the pupil for managed moves and in-year transfers, on the same financial basis as permanent exclusions.
- b. Schools invoice each other.
- c. Schools use the same formula as used for the clawback in permanent exclusions.

3. Overall Summary of financial impact of recoupment

Funding recouped from schools and academies

Current recoupment structure		Actual to Jan 2022	Forecast Full Year
Exclusion - Acad	Recoup 80% of AWPU	234,754	340,000
Exclusions - Maint	Recoup 80% of AWPU	16,364	25,238
Total		251,118	365,238

Estimate with proposed structure		Forecast Full Year	
Exclusions - all	Recoup 100% of AWPU	456,500	
Exclusions - all	Recoup 100% Pupil Premium	42,000	*1
Exclusions - all	Recoup 100% EHCP top-up	132,000	*2
Medical - all	Recoup 100% of AWPU	78,000	*3
Medical - all	Recoup 100% Pupil Premium	7,200	*3
Total		715,700	

*1 Based on 30% students with Pupil premium, for average 26 weeks

*2 Based on 40 students with top-up funding, for average 26 weeks

*3 Based on 19 students, for average 26 weeks, typically without EHCPs.

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SEND

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Item 10

Schools Forum – Forward Plan 2022-23

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.

Date	For Decision	For Information / Comment
Thursday 23rd June 2022 1pm to 4pm Microsoft Teams	<ul style="list-style-type: none"> Election of Chair and Vice Chair De-delegation & Disapplications Consultation Timetable 2023-24 Section 48 – Scheme for Financing Schools (subject to any ESFA guidance changes) Annual review of future meetings 	<ul style="list-style-type: none"> Overview of Schools Forum for new members DSG 2021-22 Outturn DSG Recovery Plan Update School Top Up Funding Project
Thursday 29th September 2022 2pm to 5pm Microsoft Teams	<ul style="list-style-type: none"> 2023-24 National Funding Formula (year 6) Timetable and consultation De-delegation 2023-24 	<ul style="list-style-type: none"> DSG 2022-23 Forecast DSG Recovery Plan Update New Free Schools
November Extraordinary Meeting (if required)	<ul style="list-style-type: none"> 0.5% transfer (if required) 	
12 January 2023 (TBC) (Invite to be sent when new membership is confirmed)	<ul style="list-style-type: none"> 2023-24 National Funding Formula 2023-24 Early Years Funding Formula 2023-24 Pupil Growth Fund 	<ul style="list-style-type: none"> DSG 2022-23 Forecast
23 March 2023 (TBC) (Invite to be sent when new membership is confirmed)	<ul style="list-style-type: none"> DSG 2023-24 Budget Section 48 – Scheme for Financing Schools (subject to any ESFA guidance changes) 	<ul style="list-style-type: none"> DSG 2022-23 Forecast DSG Recovery Plan Update

Further meetings will be set up once dates for Cabinet have been set so as to avoid any meeting conflicts.

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