

Schools Forum

Date: Thursday 23 June 2022
Time: 2.00 pm
Venue: Microsoft Teams

Items on the agenda: -

1. Apologies

Matters for Decision

2. Introduction of Forum Members and elections of Chair and Vice Chair

3. Voting and Actions from the Last Meeting 5 - 10

4. Update of Matters Arising 11 - 48 Section 48 Update – Scheme for Financing Schools

5. De-delegation and Disapplication Consultation Timetable 49 - 52

Matters for Information/Comment

6. Overview of Schools Forum for new members

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11. School Top Up Funding Project 81 - 84

12. Forward Plan - Dates of future meetings 85 - 86

13. Chair's Business

Date of Next Meeting:

Thursday 29 September 2022, 2.00 pm to 4.00 pm, Virtual meeting via Teams

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

Alison Davies	The Avon Valley School (Maintained)
Amy Woodward	North Leamington School
Angela Fox	Welcombe Hills School (Special Schools representative)
Caroline Newell	St. Paul's Church of England Primary School (Maintained)
Fergus Durrant	Campion School (Academy Governor)
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.OfE. Primary School (Maintained Governor)
Martin Davies	Telford Junior School (Maintained Governor)
Nicci Burton (Vice Chair)	Atherstone and Bedworth Heath Nursery Schools (Maintained)
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 - Castle Nursery
Sybil Hanson	Coventry Church of England Diocese Representative

OFFICERS/OBSERVERS

Andrew Felton	Assistant Director - Finance
Brian Smith	Education, Children and Families Technical Specialist
Dalbir Kaur	Accountant – Children & Education - Clerk to Schools Forum
Darren Barrow	Lead Officer and Lead Commissioner –School Sustainability and Improvement
Duane Chappell	Strategy & Commissioning Manager (SEND and Inclusion)
Jane Carter	Education Delivery Lead
Jo Grundy	Guest - North Leamington School
Marie Rooney	Education Entitlement Lead Commissioner
Matthew Bown	SEND and inclusion change programme Officer
Michael Cowland	The Diocese of Coventry Multi Academy Trust Representative
Paul Gillett	Teacher Union Representative
Purnima Sherwood	Service Manager for Finance
Ross Caws	Lead Commissioner – Strategy and Commissioning
Stephanie Phillips	Senior Accountant (Team Lead) - Children & Education

1. Apologies (Started 0:00, Ended 0:01)

Apologies were received from the following members and officers:

Antony Dix	Paddox Primary School (Maintained Governor)
Chris Baird	Acting Assistant Director - Education Services
Faye Padfield	Abbots Farm Infant School (Maintained Governor)
Ian Budd	Assistant Director – Education Services
Jane Burrows	Myton School (Academy)
Councillor Jeff Morgan	Portfolio Holder – Education & Learning
Mary Anne Burrows	Mary Anne Burrows PVI Representative
Michel Moran	Rugby High School (Academy Governor)
Nick Evans	Evergreen School (Special Schools Representative)

The following, member have left schools forum since the January 2022 meeting:

Matthew Bown	St. Paul's Church of England Primary School (Maintained)
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All members attended or gave their apologies.

2. Voting and Actions from the Last Meeting (Phil Johnson) (Started 14:01, Ended 14:02)

Agree as a true record.

The recording of the discussion starts at 00:01:02 and ends at 00:01:55.

3. Matters Arising (Purnima Sherwood) (Started 14:02, Ended 14:03)

Matters arising from the September meeting

First request – bring the outcome of the review of any SEND services that trade with schools to the Schools Forum.

Action: The review is ongoing, once it is concluded then the outcome will be shared with Schools Forum.

Second request - an update on children in special schools.

Action: This update will feature in the regular DSG recovery plan updates.

The recording of the discussion starts at 00:02:01 and ends at 00:03:22.

Matters for decision:

4. DSG 2022-23 Budget (Brian Smith) (Started 14:03, Ended 14:14)

Recommendations:

All Schools Forum members are asked to note:

- a) Note the DSG budget for 2022/23 for the Schools, High Needs and Early Years blocks.

All Schools Forum members are asked to approve:

- b) Approve the DSG budget for 2022/23 for the Central School Services block.

Voting: 13 members agreed

Actions: no actions

The recording of the discussion starts at 00:03:36 and ends at 00:14:20.

5. Election Process and Timetable (Purnima Sherwood) (Started 14:14, Ended 14:23)

Recommendations:

All Schools Forum members are asked to agree:

- a) Agree the proposed Schools Forum membership.
- b) Agree the suggested timetable for the elections to the Schools Forum for 2022/23.
- c) Agree that the Local Authority facilitates the elections on behalf of the academy representatives.
- d) Agree that the Schools Forum terms of reference and the summary of the key roles.
- e) Agree the Schools Forum Terms of Reference.

Voting: 14 members agreed

Actions: Distribute the nomination forms, terms of reference and summary of the key roles and responsibilities of the Schools Forum to all maintained and academy Schools by 24 March.

The recording of the discussion starts at 00:14:23 and ends at 00:23:29.

6. Section 48 – Scheme for Financing of Schools updates (Brian Smith) (Started 14:23, Ended 14:29)

Recommendations

All Schools Forum members are asked to agree:

- a) 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.
- b) The maintained school representatives of Schools Forum agree the timetable for consultation on the changes with maintained schools.

Voting: 8 members agreed

Actions: No action

The recording of the discussion starts at 00:23:31 and ends at 00:29:01.

Matters for Information/Comment

7. DSG Monitoring/Forecast Report 2021-22 (Brian Smith) (Started 14:29, Ended 14:39)

Recommendation

All Schools Forum members are asked to note:

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

Actions: Early year working group will meet to discuss about reserves and carry forward.

The recording of the discussion starts at 00:29:04 and ends at 00:39:57.

8. DSG Recovery Plan Update (Ross Caw) (Started 14:40, Ended 14:53)

Recommendations

All Schools Forum members are asked to comment:

- a) The Schools Forum comments upon progress of the SEND & Inclusion Change Programme.

Action: Long term forecast to come to Schools Forum in future.

The recording of the discussion starts at 00:40:02 and ends at 00:53:02.

9. Pupil led funding in relation to pupils with medical needs (Duane Chappell) (Started 14:53, Ended 15:10)

Recommendations

All Schools Forum members are asked to comment:

- a) To increase the school contribution from 80% to 100% of AWPU.
- b) To recoup 100% of Education Health & Care Plan top up.
- c) To recoup 100% of Pupil Premium.
- d) For funding to follow the pupil where there is a managed move.

Actions: No action

The recording of the discussion starts at 00:53:09 and ends at 01:10:06.

10. Forward Plan (Dalbir Kaur) (Started 15:10, Ended 15:10)

All Schools Forum members are asked to note:

We have now moved to four meetings a year with option to have an extraordinary meeting if required.

The recording of the discussion starts at 01:10:06 and ends at 01:10:47.

11. Chair's Business (Phil Johnson) (Started 15:11, Ended 15:14)

All Schools Forum members are asked to note:

The next meeting on 23rd June 2022 will be the first meeting of the new cycle with the newly elected members. It will be a virtual meeting via Microsoft Teams.

The recording of the discussion starts at 01:11:03 and ends at 01:14:07.

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

Meeting concludes (at 15:14)

Next Meeting on Thursday 23rd June 2022, 2:00pm to 4:00 pm.

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

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Scheme for the Financing of Schools

SECTION 48 of the School Standards and Framework Act 1998

June 2022

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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Item 5

Schools Forum

23 June 2022

Consultation Timetable 2022-23

This report relates to maintained and academy schools and is for approval

Recommendation

Schools forum is recommended to:

1. Representatives from maintained schools to approve the timetable for de-delegation for 2022-23.
2. Representatives from maintained schools to note and approve the reasons for not changing the Scheme for Financing Maintained Schools.
3. All schools forum representatives to approve the estimated timetable for any potential need to consult with schools on the National Funding Formula and any potential 0.5% disapplication.

1. Introduction

- 1.1 Each Year schools forum are required to approve proposed timetables for a number of statutory consultations.
- 1.2 These cover the following areas and the following schools forum representatives are required to approve the respective timetable proposals:
 - De-delegation of funding from mainstream maintained schools - maintained school representatives
 - Changes to the Scheme for Financing Maintained Schools - maintained school representatives
 - Amendments to the 'soft' National Funding Formula – all schools forum representatives
 - Disapplication to transfer up to 0.5% from the schools Block DSG to the High Needs Block DSG – all schools forum representatives

2. De-delegation

- 2.1 De-delegation is an option that enables some services to maintained schools to be provided centrally and the funding to do so be retained by the local authority. If de-delegation stops then the centrally retained funding would be delegated in the main school budget and the local authority would either stop providing or charge for the service.
- 2.2 For information, the services approved by schools forum maintained schools representatives for de-delegation in 2022-23 were as follows:

Service	Primary	Secondary
Free Schools Meal Eligibility	✓	✓
English as an Additional Language	✓	✓
Trade Union Facility Time Funding	✓	✓
School Improvement	✓	x
Gypsy and Romany Travellers	✓	x
Behaviour Support Services	✓	x
Medical Referrals for Employees	✓	x

- 2.3 Warwickshire currently has 1 secondary maintained school and 124 maintained primary schools.
- 2.4 The proposed de-delegation timetable is as follows:

Date	Action
Monday, 4 July 2022	Consultation sent to all maintained Primary and Secondary Schools (Headteachers and Chairs of Governors)
Friday, 16 September 2022	Deadline for Schools to respond to the consultation
Thursday, 29 September 2022	Schools Forum receive responses from schools and make de-delegation decisions for 2023/24 budgets.

3. Scheme for Financing Maintained Schools

- 3.1 Occasionally the Education and Skills Funding Agency (ESFA) publishes amendments to the national Scheme for Financing Maintained Schools.
- 3.2 The last amendment was agreed by schools in March 2022.
- 3.3 Based on the above, Warwickshire's Scheme for Financing Maintained Schools does not require any further changes. Therefore, it is recommended

that no further amendments to the scheme are necessary at this stage and therefore no consultation timetable is included as part of this report.

4. National Funding Formula and 0.5% Disapplication

- 4.1 Since the introduction of the National Funding Formula from 1 April 2018, Warwickshire Schools Forum, with the approval of councillors, has moved to replicating the 'hard' formula and this is seen as a steady state approach.
- 4.2 The first indication of Warwickshire's funding for 2023-24 is expected to be towards the end of August 2022 when the ESFA publishes indicative DSG allocations. These will be based on October 2021 school census data pupil numbers and will be updated in December 2022 to reflect the actual October 2022 census data.
- 4.3 Financial modelling will be undertaken when the indicative DSG allocations are published in August to understand the overall affordability of continuing with the steady state and what headroom may be available to fund other options. One of these may be the transfer of up to 0.5% of schools block DSG to the High Needs Block, known as the 0.5% disapplication, in line with the transfer undertaken for 2022-23.
- 4.4 The proposed timetable for consulting schools and schools forum on funding proposals for 2023-24 is detailed in the table below. Please note that the ESFA have not yet confirmed the Disapplication deadline for 2023/24 and therefore this timetable is subject to change. If the deadline changes, the Extraordinary Schools Forum meeting scheduled for 10 November may also need to change.

Date	Action
Monday, 12 September 2022	Send out consultation to schools on any changes to the 'soft' National Funding Formula and proposals on any 0.5% disapplication. Consultation will run for 5 weeks.
Thursday, 10 November 2022	Provisional date for extraordinary schools forum to discuss outcomes from consultation with schools.
Friday, 18 November 2022	Estimated Deadline for submitting any disapplication to the ESFA to move up to 0.5% of funding from the schools block to the high needs block

Brian Smith

Finance Portfolio Lead for Education, Children & Families

Email: briansmith@warwickshire.gov.uk

Tel: 01926 742462

Dedicated Schools Grant (DSG)

The Dedicated Schools Grant allocated by formula to WCC by the DfE by four blocks: For 2022-23 the amounts are:

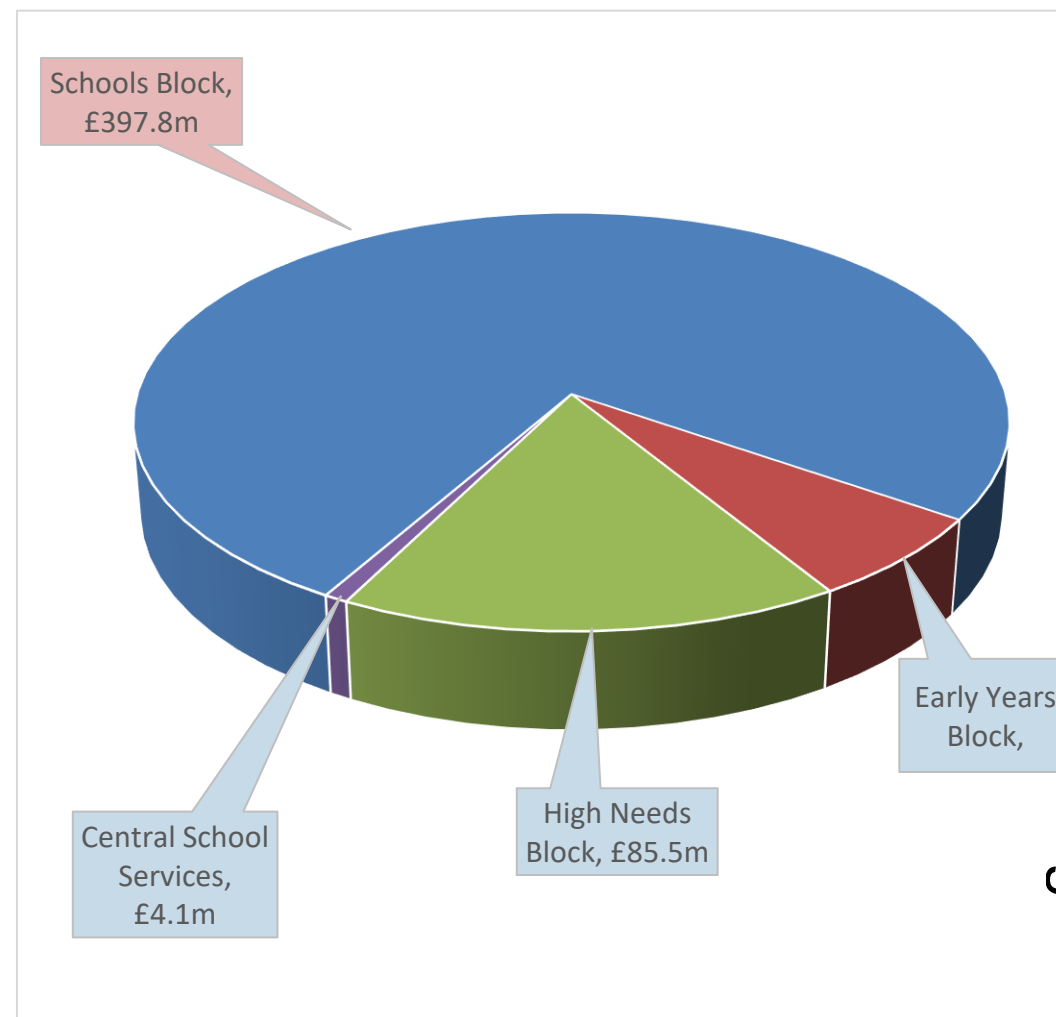
- Schools Block - £397.8m
- High Needs Block - £85.5m
- Early Years Block - £34.4m
- Central School Services Block - £4.1m

The DSG is one grant, but it is made up of four blocks. We are unable to move in year funding between the blocks without approval from Schools Forum or Secretary of State. Each Block has its own rules on what the funding should be spent on and by whom.

The largest parts are the Schools Block and the High Needs Block – These are covered in more detail below.

The Early Years Block is to support nursery education, with the majority - at least 95% - passported directly to providers to fund the 15- and 30-hour entitlements for 3 and 4 year olds.

The Central School Services Block provides funding for the local authority to carry out central functions on behalf of pupils in maintained schools and academies; these include admissions, copyright licences, mental health, school attendance and central pension contributions.



Schools block DSG

The Schools Block in 2022/23 is used to fund:

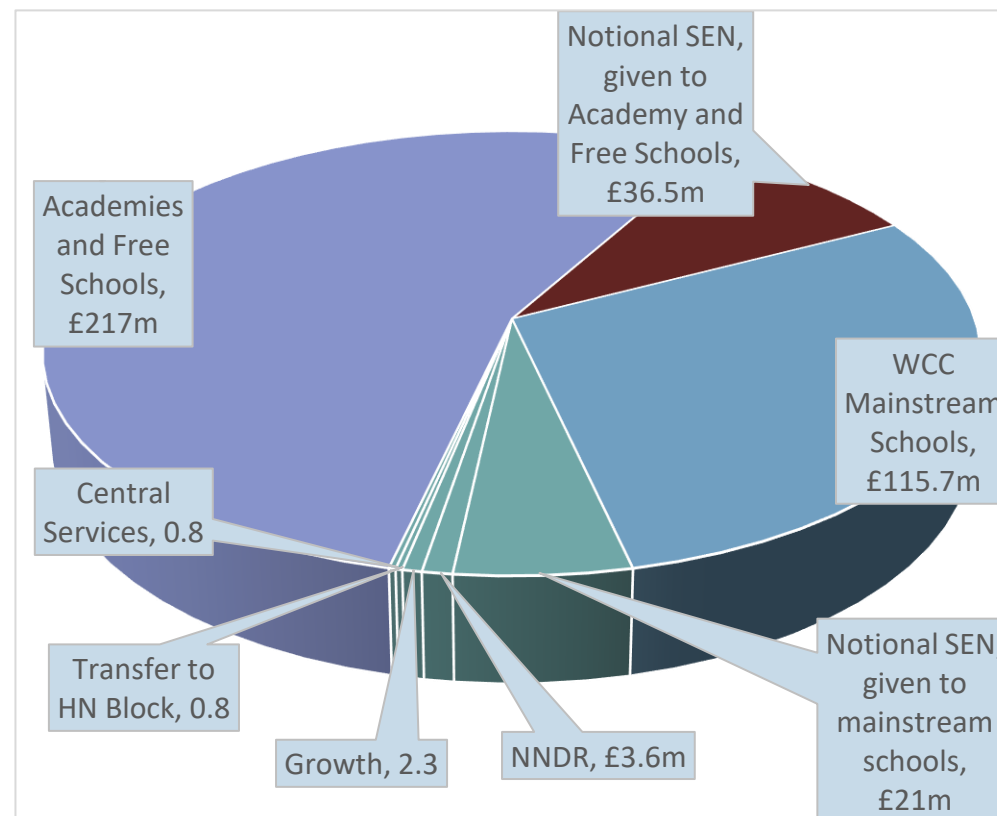
- Academies and Free Schools - £253.5m (inc £36.5m notional SEN)
- Mainstream Schools - £136.7m (inc £21.0m notional SEN)
- Growth – £2.3m
- NNDR - £3.6m
- De-delegated Services - £0.8m
- Transfer to the HN Block - £0.8m (before drawdown of reserves)

The majority of the Schools Block is allocated to individual primary and secondary school budgets to pay for children and young people's education according to the National Funding Formula. Of the £397.8m, the Education Funding Agency (EFA) retains £253.5m to allocate to academies and free schools and £3.6m for National Non-domestic Rates (NNDR). Warwickshire receives the remaining £140.6m and allocates £136.7m of this to maintained schools.

For mainstream schools and academies, this includes the delegated SEN funding, also known as the 'notional SEN budget'; a total of £57.5m in 2022/23.

The Notional SEN is a part of the mainstream school funding that schools are expected to use to support children with additional needs who do not have an EHC plan, or to provide the first £6k of support for those who do. However – this isn't extra money – it is part of the Schools Block allocation that is defined as being 'notional' for SEND based on proxy factors such as Free School Meals and Local Deprivation Indices, and schools can choose to spend it however they wish.

£3.9m from the Schools Block is held back for exceptional growth and contingencies, a small amount (around £800k) is held centrally (with the approval of the School Forum) to cover services such as school performance, travellers' education, DBS checks and trades union cover and the remainder is being used towards the 0.5% transfer from Schools Block to the High Needs Block as agreed by Schools Forum in November 2021.



High needs Block DSG

The High Needs Block in 2022/23 covers five main areas:

- Place funding - £21.3m
- Top up funding - £33.6m
- Independent schooling – £14.5m
- Post-16 funding - £8.7m
- Other services - £10.9m

The High Needs Block for 2022/23 totals £85.5m, and this year, we expect to overspend by £0.3m (after the transfer from the Schools Block).

The spend from the High Needs Block for SEND is broken up into five broad areas:

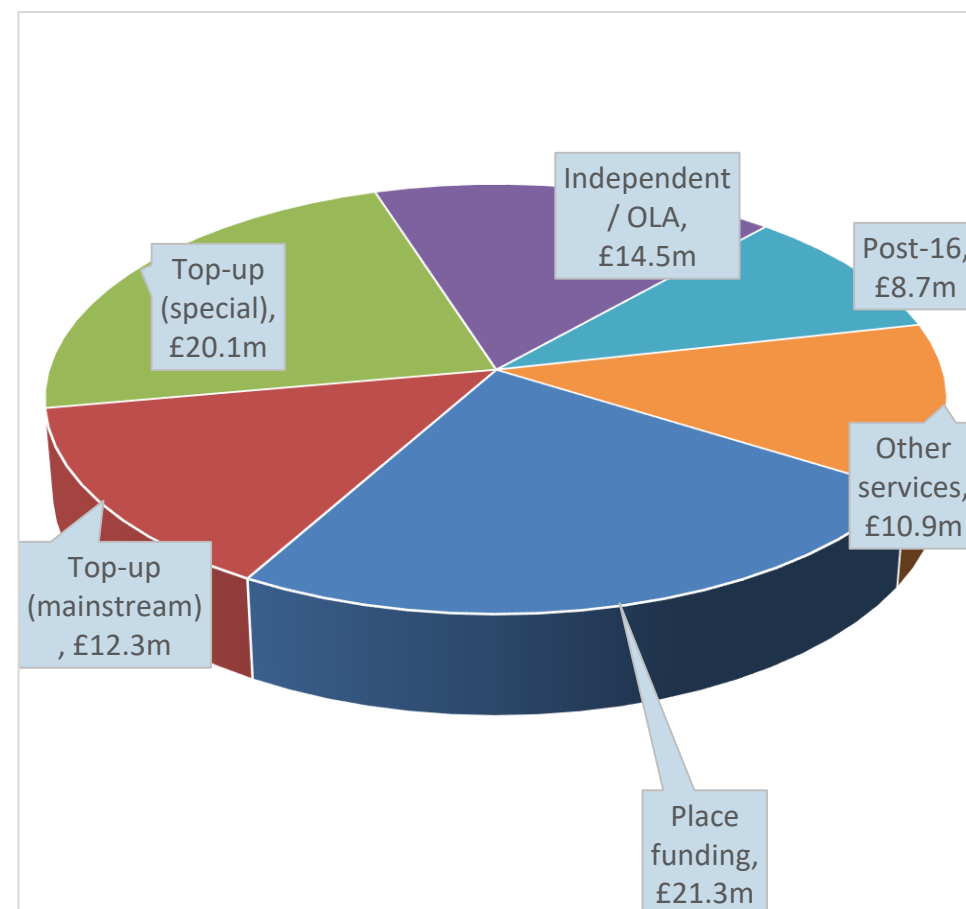
Place funding – special schools and resourced provision are allocated £10k per place. This covers general education costs, and a part of the additional needs for a child with an EHC plan

Top-up funding – maintained schools and academies are paid an additional amount to fund the interventions required for needs identified in EHC plans, above the level covered by the place funding (in a special school) or the notional funding (in a mainstream school). This amount varies for each child, but averages £8k across Mainstream Schools and £11K across Special Schools.

When a child's needs can't be met in a Warwickshire school, they may be placed in a school in another local authority (OLA) or an independent school. In these cases, Warwickshire will be invoiced by the school and will pay them directly to place and support the child. These costs, again, can vary greatly and average £53k per student for the independent sector.

Post 16 placements – this is a mixture of place and top-up funding for young people in college placements and post-16 special school placements.

Other services funded from the HNB include the Integrated Services (such as the Specialist Teaching Service and Flexible Learning), the Area Behaviour Partnerships and Resourced Provision.



A Quick Summary Guide to the Blocks

	Schools Block	Early Years Block	High Needs Block
2022/23 Grant (Before Academy Recoupment)	£397.752 million	£34.396 million	£85.477 million
Basis of Calculation	Moved fully to the 'hard' National Funding Formula.	Pay all providers £4.61 for universal hours and £0.60 for eligible deprivation hours for 3- and 4-year-olds Pay all providers £5.66 per hour for eligible 2-year-olds	Based on a high needs funding matrix which is currently being reviewed as part of the SEND and Inclusion Change Programme.
Delegated Budget pay for	Funding in mainstream schools, excluding mainstream nursery schools, and £6,000 towards special provision if the place has been allocated to a child	Early education for all 3- and 4-year-olds for basic 15 hours entitlement plus additional 15 hours for eligible children Early education for vulnerable 2-year-olds	Education Health and Care Plans in nursery, primary, and secondary schools. Funding for Special Schools
Academy Budgets	Same formula as maintained schools	Same basis for all early year providers	ESFA funds academy places directly. Top ups are always payable by the LA responsible for the pupil
Central Budget Allocations	Growth fund for meeting pre-16 basic need in terms of additional classes needed to meet infant class size regulations and to meet the cost of new schools	Commissioning Sufficiency & Business Support Quality & Development Family & Parenting Support Family Support Workers	Various SEN services
Current Issues	£1.461 million surplus reserves held	Sustainability of Maintained Nursery Schools if their supplement disappears	Increased number of places and children with more complex needs means deficit carry forwards. This is being addressed through the SEND and Inclusion Change programme

Schools Forum

23rd June 2022

Early Years Funding Overview

This report is for information

1. Introduction

1.1. There are four distinct providers of early years provision and they account for approximately the following number of pupils in percentage terms:

- Private, Voluntary and Independent (PVI) providers – 78.31%
- Childminders – 3.52%
- Infant and Primary Schools with nursery classes – 12.87%
- Maintained Nursery Schools – 5.29%

1.2. The Early Years DSG Block funds the following:

- Up to 15 hours a week for disadvantaged 2 year olds
- Up to 15 hours a week for all 3 and 4 year olds (the universal entitlement)
- A further 15 hours a week (giving a maximum of 30 hours per week) for children of eligible working parents (the additional entitlement)
- Funding for early years pupil premium
- Funding from the disability access fund
- Supplementary funding for the 6 Maintained Nursery Schools

2. 2 year old provision

2.1. Up to 15 hours a week of provision is available for children of eligible working parents.

2.2. Local authorities are not required to establish a special educational needs inclusion fund (SENIF) for 2-year-olds. However, they may wish to do so as part of their provision for children with special educational needs (SEN).

- 2.3. Funding for 2 year old provision is on a flat hourly rate which for Warwickshire is £5.66 per hour.
- 2.4. Warwickshire does not retain any 2 year old funding to support central costs.

3. 3 and 4 year old provision

- 3.1. All 3 and 4 year olds are entitled to a minimum of 15 hours provision per week. Also, children of eligible parents are entitled to an additional 15 hours per week.
- 3.2. Warwickshire is permitted to retain 5% of 3 and 4 year old funding which it does to support the following services:
- Support pupils with SEN (57%)
 - Early Years Team who ensure all providers receive funding in a timely way (19%)
 - Support early years safeguarding (3%)
 - Cost of support functions including finance, HR, legal and IT (21%)
- 3.3. At least 95% of funding must be passported to all providers on the same basis. Funding must be allocated as a universal rate and up to 4 supplements:
- Deprivation (mandatory) - used to recognise deprivation
 - Sparsity (discretionary) - support providers serving rural areas less likely to benefit from economies of scale
 - Flexibility (discretionary) - support providers in offering flexible provision for parents
 - Quality (discretionary) - support workforce qualifications or system leadership
- 3.4. A maximum of 10% of passported funding can be allocated through supplements.
- 3.5. An Early Years Working Group has undertaken significant analysis of the appropriateness of supplements and recommended, supported by councillors and Schools Forum, to only use the mandatory deprivation supplement. The deprivation rate was set at 60p per eligible child and is the same rate as the early years pupil premium.

- 3.6. Warwickshire was allocated £4.61 per hour in 2022-23 for 3 and 4 year old provision. This is distributed as follows:

Factor	£
Centrally Provided Services (5%)	0.23
Universal Rate	4.30
Deprivation Rate	0.08
Total for 3 and 4 Year Olds	4.61

Note: It is estimated that 13% of 3 and 4 year olds are eligible for deprivation funding and therefore 13% of the deprivation rate of 60p equates to 8p.

4. Early Years Pupil Premium (EYPP)

- 4.1. The EYPP gives providers additional funding to support disadvantaged 3- and 4-year-old pupils.
- 4.2. EYPP is payable only on the universal 15 hours entitlement and not on the additional 15 hours entitlement for working parents.
- 4.3. Local authorities must fund all eligible early years providers in their area at the national rate of 60p per hour per eligible pupil up to a maximum of 570 hours (£342 per year).

5. Disability Access Fund (DAF)

- 5.1. The DAF was introduced to support disabled children's access to the entitlements for 3 and 4-year-olds.
- 5.2. Providers receive at least £800 per eligible child per year. The funds could be used, for example, to support providers in making reasonable adjustments to their settings and/or helping with building capacity, be that for the child in question or for the benefit of children attending the setting as a whole.
- 5.3. 3- and 4-year-olds will be eligible for the DAF if:
- the child is in receipt of Disability Living Allowance (DLA)
 - the child receives the universal 15 hours entitlement

6. Maintained Nursery School Supplementary Funding

- 6.1. Local authorities with Maintained Nursery Schools (MNS) receive additional supplementary funding as part of the EYB.
- 6.2. This funding is provided in order to enable local authorities to protect their 2016-17 funding rates for the universal 15 hour entitlement for MNS (that is, the rates that existed before the EYNFF) and the government expects it to be used in this way.

Brian Smith

Finance Portfolio Lead for Education, Children & Families

Email: briansmith@warwickshire.gov.uk

Tel: 01926 742462

Schools Forum

23rd June 2022

2021/22 Dedicated School Grant Outturn Position

This report relates to all members of the Schools Forum and is for information.

Recommendation(s)

The Schools Forum is recommended to:

- Note the DSG financial outturn position for 2021/22.

1. Introduction

1.1. This report sets out the final outturn position of the Dedicated Schools Grant (DSG) for 2021/22.

2. 2021/22 Final Outturn Position

2.1. The total DSG allocation for Warwickshire, as last reported to Schools Forum in **March 2022**, was £495.594m, with total recoupment of £255.574m, resulting in a net allocation across Blocks after recoupment of £240.021m. There were no further changes to the last allocation reported.

Table 1: 2021/22 Revised DSG Allocations	Original Allocation	Allocation before Recoupment	Recoupment	Latest Allocation	Reason for Change from Original Allocation
	£m	£m	£m	£m	
Schools Block	381.551	381.551	(241.228)	140.323	Academy recoupment
Total High Needs	75.748	76.176		76.176	increased import/export funding and funding for free schools
Less: recoupment	(13.680)		(14.345)	(14.345)	High Needs recoupment
High Needs Block	62.068	76.176	(14.345)	61.831	
Early Years Block	34.147	33.679	0.000	33.679	Update for October Census data
Central School Services Block	4.188	4.188	0.000	4.188	
Total DSG Allocation	481.953	495.594	-255.574	240.021	

- 2.2. The final DSG outturn position for 2021/22 is an overspend of £0.421m. This is a reduction of £2.185m to the February 2022 forecast overspend, as reported to Schools Forum in March 2022. This is primarily due to lower than anticipated costs/placements on ISP's and Mainstream top ups.
- 2.3. Table 2 summarises the outturn by DSG Block, with the narrative in this report providing further analysis and Appendix A providing a detailed breakdown:

Table 2: 2021/22 Outturn	Latest Allocation	Drawdown from Reserves	Actual Outturn	Outturn Variance	Forecast Variance @ 9th February
	£m	£m	£m	£m	£m
Schools Block	140.323	2.405	141.831	(0.897)	(0.957)
High Needs Block	61.831		63.961	2.130	4.124
Early Years Block	33.679		32.856	(0.823)	(0.214)
Central School Services Block	4.188		4.198	0.011	(0.347)
Total DSG Allocation	240.021	2.405	242.846	0.421	2.606

- 2.4. 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 outturn position of £0.421million equates to a 0.08% overspend, which is within the DfE threshold.¹ This is the first year since 2019/20 that the outturn has been below this threshold.
- 2.5. 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 in year without secretary of state approval (disapplication process); so the key financial risk to be highlighted in Table 2 is the £2.130m overspend in the High Needs Block. The pressures on the High Needs Block are not unique to Warwickshire and is a national issue. At Warwickshire, the financial position is being closely monitored as part of the DSG recovery plan.

3. 2021/22 Reserves

Table 3: 2021/22 Reserves	Opening Balance 01/04/2021	In Year Drawdowns	Effect of outturn	Forecast Closing Balance as at 31/03/2022
	£m	£m	£m	£m
Schools Block	2.969	(2.405)	0.897	1.461
High Needs Block	(13.850)		(2.130)	(15.980)
Early Years Block	2.109		0.823	2.932
Central School Services Block	0.500		(0.011)	0.489
Total DSG Allocation	(8.272)	(2.405)	(0.421)	(11.098)

*Brackets reflect an over-drawn reserve

¹ Calculation of overspend is based on original DSG allocation of £495.594m, i.e. the allocation prior to academy recoupment and adjustments for pupil numbers.

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 (£0.897m underspend)

4.1. There is an underspend of £0.897m on the Schools block which comprises:

- Underspend on the growth fund of £1.122m, this is due to delays in the opening of a new primary school
- Overspends of £0.298m due to Rates adjustments.
- Other minor underspends on School performance £0.008m, Early Intervention Service £0.030m, Free School Meals £0.013m, Teaching union cover £0.006m and Education functions – DBS £0.016m.

High Needs Block (£2.130m overspend)

4.2. High Needs overspend of £2.130m. This overspend excludes the £5.240m deficit from 2019/20 and the £8.610m deficit from 2020/21 that, as per DFE guidance, have been carried forward to 2021/22 and are held on the council's balance sheet as DSG debt.

4.3. The overspend is made up as follows:

- £8.716m on top ups in Independent Schools & OLA Special Schools
- £0.073m on Tier 4 Hospital Education
- £0.243m of SEND commissions – This overspend is for additional agreed places at special schools and resourced provisions during the year.
- £0.008m on the SEN inclusion Grant
- £0.003m on contributions to Early Intervention Behaviour Panels

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

- £12.982m for Mainstream and special top ups as well as underspends on place funding due to academy conversions and the additional funding paid from the SEND commissions budget.
- £2.918m on Post 16 top ups
- £0.219m on resourced provision, this has reduced from the previous forecasts due to non-realisation of service level agreements with other parts of the service.
- £0.331m for SEND Integrated services
- £1.425m for Alternative provision

4.4. Of the overspends/underspends on the High Needs Block detailed above, £10.961m has savings/interventions identified in future years as part of the DSG recovery plan.

- 4.5. Proposals for closing the overspend are continually being reviewed and monitored as part of the SEND and Inclusion change programme.

Early Years Block (£0.823m underspend)

- 4.6. Overall, Early Years underspent by £0.823m.
- Funding for 3 & 4 year olds underspent by £0.366m
 - Funding for 2-year-olds overspent by £0.031m.
 - IDS TL Early Years underspent by £0.028m.
 - Disability Access Fund underspent by £0.066m.
 - Early Years - Sufficiency & Business Support underspent by £0.068m
 - Early Years budget underspend of £0.465m due to an estimated clawback of DSG, actioned by DfE in July of the following year, following the January 2022 census data. This was provisionally accounted for at a figure of £0.759m, which represents the impact on 2021/22 of prior years' census adjustments.

Central Schools Services Block- CSSB (£0.011m underspend)

- 4.7. There are small underspends of £0.152m, due to underspends in Admissions, Heads Termly/SACRE and Employers Liability Insurance. These were offset by overspends of £0.163m from the Teachers Pay and Pensions Grant.

Brian Smith

Finance Portfolio Lead for Education, Children & Families

Email: briansmith@warwickshire.gov.uk

Tel: 01926 742462

Appendix A

Schools Block	Latest Budget	Outturn	Outturn Variance	Forecast Variance @ 9th February
	£m	£m	£m	£m
Mainstream Individual School Budgets	137.347	137.545	0.197	(0.588)
Rates Adjustments and Risk Protection Adjustment	0.000	0.659	0.101	0.588
Growth Fund (exceptional pupil numbers)	2.770	1.648	(1.122)	(1.070)
Schools Block Contingency	1.827	1.827	0.000	0.000
De-delegated budgets				0.000
School Performance	0.190	0.182	(0.008)	0.000
Early Intervention Service	0.030	0.000	(0.030)	(0.020)
Ethnic Minority & Traveller Achievement Service	0.236	0.237	0.001	0.005
Free School Meals	0.019	0.006	(0.013)	(0.006)
Teaching Union Cover	0.064	0.058	(0.006)	(0.005)
Non-Teaching Union Cover	0.016	0.016	0.000	0.000
HR – Occupational Health (Primary Only)	0.013	0.013	0.000	0.000
Central Establishment Charges	0.039	0.039	0.000	0.000
Education Functions - DBS	0.175	0.159	(0.016)	(0.023)
Total Schools Allocations	142.727	141.831	(0.897)	(1.119)

Early Years Block	Latest Budget	Outturn	Outturn Variance	Forecast Variance @ 9th February
	£m	£m	£m	£m
Nursery schools (Universal Hours)	0.000	0.000	(0.000)	(0.000)
Nursery Funding 3&4 year olds (Universal funding - Independent Providers & Nursery Classes)	19.892	19.385	(0.507)	0.449
Nursery Funding 3&4 year Olds (Additional 15 hours)	8.297	8.439	0.142	(0.537)
Maintained Nursery Supplement	0.626	0.626	0.000	0.000
DSG Pupil Premium	0.207	0.209	0.002	(0.043)
Funded 2 year olds	3.078	3.108	0.031	0.013
Disability Access Fund	0.145	0.079	(0.066)	0.000
IDS TL Early Years	0.866	0.838	(0.028)	0.020
Early Years - Sufficiency & Business Support	0.351	0.236	(0.116)	(0.117)
Early Years Quality & Development	0.000	0.087	0.087	0.085
Early Years Contingency/ (Shortfall)	(0.097)	0.000	0.097	0.097
EY Estimated Budget Adjustment	0.000	(0.465)	(0.465)	(0.181)
EYB Central Establishment Charges	0.314	0.314	0.000	0.000
Early Years Allocations	33.679	32.856	(0.823)	(0.214)

High Needs Block	Latest Budget	Outturn	Outturn Variance	Forecast Variance @ 9th February
	£m	£m	£m	£m
SEN – Place Funding for Maintained Mainstream, Special and Resourced Provision	6.170	5.607	(0.562)	0.000
SEN Top up – Mainstream Schools & Academies	16.914	10.568	(6.347)	(6.188)
SEN Top up – WCC Special Schools & Academies	23.073	17.000	(6.072)	(6.081)
SEN Top up – Independent & OLA Special Schools	7.551	16.267	8.716	9.527
Tier 4 Hospital Education	0.180	0.253	0.073	0.068
Resourced Provision – SEN Support	1.279	1.060	(0.219)	(0.124)
SEND Speech & Language	0.000	0.000	0.000	0.000
Post 16 Funding	10.159	7.242	(2.918)	(2.464)
SEND Commissions	0.258	0.501	0.243	0.334
SEND Integrated Services (Low incidence SEND)	1.243	1.240	(0.003)	0.061
SEND Integrated Services (Flexible Learning)	0.840	0.798	(0.042)	0.006
Area Behaviour Partnerships (Primary and Secondary Exclusions)	2.201	1.557	(0.644)	(0.441)
Contribution to Early Intervention Behaviour Panels	0.064	0.067	0.003	0.001
SENDAR Alternative Provision	0.973	0.193	(0.780)	(0.560)
SEND Integrated Services (Specialist Teaching Service)	1.163	0.877	(0.286)	(0.235)
Integrated Disability Service SEN Inclusion Grant (EY)	0.385	0.393	0.008	(0.004)
High Needs Contingency/ (Shortfall)	(12.051)	(1.089)	10.961	10.224
Central Establishment Charges	1.428	1.428	0.000	0.000
High Needs Allocations	61.831	63.961	2.130	4.124

Central Schools Services Block	Final Budget	Outturn	Outturn Variance	Forecast Variance @ 9th February
	£m	£m	£m	£m
Taking Care	0.000	0.000	0.000	0.000
Child Protection	0.000	0.000	0.000	0.000
Children's Mental health	0.150	0.150	0.000	0.000
Admissions	0.718	0.588	(0.130)	(0.086)
Heads Termly / SACRE	0.018	0.000	(0.018)	0.000
DSG SF Allocation - Historic Pension Contribution	0.737	0.737	(0.000)	0.000
DSG SF Allocation - North Leamington School Prudential Borrowing	0.266	0.266	0.000	0.000
DSG SF Allocation - Copyright Licences	0.445	0.445	0.000	0.000
Employers Liability Insurance	0.045	0.041	(0.004)	0.000
CSSB Contingency	0.292	0.455	0.163	(0.261)
CSSB Central Establishment Charges	0.727	0.727	0.000	0.000
Education functions for all schools:				0.000
Planning for the education service as a whole (Sch 2, 15b)	0.262	0.262	0.000	0.000
Formulation and review of local authority schools funding formula (Sch 2, 15d)	0.033	0.033	0.000	0.000
School attendance (Sch 2, 16)	0.261	0.261	0.000	0.000
Responsibilities regarding the employment of children (Sch 2, 18)	0.048	0.048	0.000	0.000
Admissions (Sch 2, 9)	0.060	0.060	0.000	0.000
Contribution to Services funded corporately by WCC	0.127	0.127	0.000	0.000
Central Schools Services Allocations	4.188	4.198	0.011	(0.347)
2021/22 DSG Total	242.425	242.846	0.421	2.444

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Schools Forum

23rd June 2022

Early Years – Proposed Use of DSG Reserves

This report relates to members of the Schools Forum who are in the Early Years sector and is for information.

Recommendation(s)

The Schools Forum is recommended to:

- Note the proposed use of DSG Reserves for Early Years.

1. Introduction

- 1.1. This report sets out the position of the DSG Reserve as at the 31st March 2022 and the proposed usage of a proportion of these reserves.

2. 2021/22 Reserves

- 2.1. Table 1 summarises the DSG reserves position as the 31st March 2022. It should be noted that the DSG reserve is a single reserve overall. It is notionally split to indicate the source of the blocks of the DSG that have contributed to the overall DSG reserve. The overall reserve is in deficit at £11.098m which is predominant due to insufficient funding on the High Needs Block resulting in overspends. This deficit is being addressed through the DSG recovery plan. Any use of the reserves will mean an increased deficit.

Table 1: 2021/22 Reserves	Opening Balance 01/04/2021	In Year Drawdowns	Effect of outturn	Forecast Closing Balance as at 31/03/2022
	£m	£m	£m	£m
Schools Block	2.969	(2.405)	0.897	1.461
High Needs Block	(13.850)		(2.130)	(15.980)
Early Years Block	2.109		0.823	2.932
Central School Services Block	0.500		(0.011)	0.489
Total DSG Allocation	(8.272)	(2.405)	(0.421)	(11.098)

*Brackets reflect an over-drawn reserve

2.2. The notional position of the Early Years Reserve is a surplus of £2.932 million.

3. Use of the DSG Reserve for Early Years DSG purposes.

- 3.1. As part of the “Early Years NFF 2022-23” paper that was brought to the Schools Forum in January it was recommended that the Early Years Working group review recommendations to utilise an appropriate proportion of the DSG reserve that would benefit all Early Years providers.
- 3.2. It is prudent to ensure that a sufficient amount of reserves would be retained due to continued uncertainty around future funding for all early years providers allowing for the continuation in maintaining the increase in universal rates in 2023/24.
- 3.3. On the 9th May 2022 a proposal was taken to the Early Years working group for a number of grants that would be open to all Early Years providers in order to help with post covid-19 recovery in the Primary Areas of Learning and continuous support and development for providers.
- 3.4. The views of both Schools Forum and the Early Years Working group are greatly important to us in the Council. With this in mind we are looking for support on this proposed use of reserves which has already been unanimously supported by the Early Years Working group.
- 3.5. Full take up by every provider of each of the 5 grants would result in £1.665million of the DSG reserves being utilised. On top of this £0.163 million of reserves will be utilised for the phasing out of the additional funding for Mainstream Nursery Schools.
- 3.6. Details of the Grant and amounts can be found in Appendix 1.
- 3.7. As agreed in January, any further future allocation of DSG reserves for Early Years services will be allocated to all providers on the same basis.

Brian J. Smith

Finance Portfolio Lead for Education, Children & Families

Email: briansmith@warwickshire.gov.uk

Tel: 01926 742462

Use of DSG Reserves-Grant Options for funded early years providers

The focus area for grant allocation is linked to Covid-19 Recovery in the Prime Areas of Learning

Rationale:

Concerns have been raised by parents, schools and early years experts about the impact of lack of access to Early Childhood Education and Care (ECEC) on young children's development.

<https://post.parliament.uk/impact-of-covid-19-on-early-childhood-education-care/>

Available evidence suggests that changes in access to ECEC has impacted pre-school children in a number of ways, including socio-emotional and behavioural development and mental health, physical development and school readiness.

Evidence also suggests however that children and families have experienced the pandemic in very different ways, which has shaped any impacts on development, both positive and negative. Negative impacts are more likely for disadvantaged children and children with SEND, as well as vulnerable children.

Cognitive development

- Research has highlighted the positive impact of attending ECEC on some aspects of cognitive development during COVID-19 for some groups of children. For example, a UK study involving 189 families explored the association between time spent in ECEC during the pandemic, socio-economic status and children's cognitive development. More time spent in ECEC during the 2020 pandemic was associated with greater gains in receptive vocabulary. For example, compared to peers, children who accessed 1 day a week of ECEC understood 24 more new words during Spring to Winter 2020, while those attending 2 days per week understood 48 new words over the same period.

Social, emotional and behavioural development and mental health

- As part of Ofsted's series of reports on the impact of COVID-19, interviews were conducted with ECEC providers in autumn 2020. Responses from 208 registered providers in October 2020 and 739 providers in November 2020, cited particular concerns around children's personal, social and emotional development upon returning to settings. In the DfE's Early Years Foundation Stage statutory framework, which sets the standards for learning, development and care for children from birth to five, each child must be assigned a key person. Their role is to help ensure that every child's care is tailored to meet their individual needs, to help the child become familiar with the setting, offer a settled relationship for the child and build a relationship with their parents. Research undertaken by York St John University and Kids Planet Day Nurseries highlighted the significant disruption to the key person role as a consequence of the pandemic, reducing the consistency of emotional support.

Physical development

- Access to outdoor space is important for physical activity and mental health, as well as opportunities to play and socialise. Play promotes cognitive, physical, social and emotional well-being in young children. Concerns have been raised by academics and charities throughout the pandemic about the limited opportunities for children to play and engage in physical activity due to pandemic restrictions. The COVID-19 pandemic has also highlighted the unequal access to green spaces by different populations and the proportion of families with no access to gardens or

communal spaces. For example, analysis by the Children's Commissioner shows that over 1 million children did not have access to a private garden during lockdown.

School readiness

- One of the objectives of Government ECEC policy is to improve school readiness. Some research has focused on the impact of the pandemic on the extent to which children are ready for school as evaluated at entry to Reception. A survey of 528 early years and primary school teaching professionals conducted by Kindred squared and YouGov found that on average 43% of children were reportedly not school-ready upon entering Reception. The increased number of children not considered school-ready was attributed to non-attendance at nursery by over half of respondents (62%).
- The Education Endowment Foundation published the interim report of the School Starters Study in April 2021, with the final report expected in Spring 2022. The survey of 58 schools in England found that 76% of schools reported children needed more support when entering school in the Autumn Term 2020 than previously. Communication and language development; personal, social and emotional development; and literacy were all cited as particular areas of concern by schools.

Grant Option	Costs	Audit requirement
<p>1. Funded Childminders / Funded providers on a domestic premises</p> <p>Speech, Language and Communication Development: Time to Talk Package</p>	<ul style="list-style-type: none"> Wellcomm Assessment pack £485 Time to Talk Tier 1 training £40 Time to Talk Tier 2 training £215 x 5 60-minute sessions online Time to Talk Tier 3 training £100 x 3 90 minute online sessions £150 cover costs contribution <p>Total: £990</p>	<p>Evidence of purchase of the GL</p> <p>Evidence of attendance at training</p>
<p>2. Funded providers on a non-domestic premises / Schools</p> <p>Communication and Language</p> <p>Time to Talk training at Tier 2 and Tier 3</p> <p>For settings with a Wellcomm Pack</p> <p><i>If lower levels of training have previously been accessed, then higher level entry is accepted. The money saved can be spent on additional cover time.</i></p> <p><i>If you wish to train a second person this is also acceptable</i></p>	<ul style="list-style-type: none"> Time to Talk Tier 1 training £40 Time to Talk Tier 2 training £215 Time to Talk Tier 3 training £100 Cover costs for 9.5 hours training at £21 p/hr: £200 X 5 days cover for Assessment and intervention at £150 a day = £750 <p>Total: £1305</p>	<p>Attendance at Tier 1 and Tier 2 training</p> <p>Submission of Wellcomm data may be requested</p> <p>Examples / case studies regarding intervention activity may be requested as a part of the audit process</p>
<p>3. Supporting PSED</p> <p>Understanding and using the Leuven Scales for emotional well-being and levels of engagement in learning</p> <p>Supporting effective transition and auditing practice</p>	<ul style="list-style-type: none"> <i>Attend a 90-minute webinar to refresh or learn about the Leuven Scales for emotional well-being and levels of engagement in learning £40</i> <i>Make use of two days contribution to release time included in this package, using this to assess children within your setting and plan intervention work</i> <i>Explore the Warwickshire Transition Tool Kit materials and the Warwickshire Information Sharing Transfer Profile.</i> <i>Use the audit within the tool kit to review practice</i> <i>Plan for the transition of children to reception, including contact with the receiving schools where this will be beneficial</i> 	<p>Attendance at webinar</p> <p>Anonymised data may be requested as part of the audit process</p> <p>Samples of completed Warwickshire Information Sharing Transfer Profiles will</p> <p>Samples of completed audits may be requested as a part of the audit process</p>

	<ul style="list-style-type: none"> Share documentation with staff. Make effective use of the contribution to two days release time included in this package to complete the Warwickshire Information Sharing Profile <p>Total: £640</p>										
4. Physical Development	<p>Access the three- part webinar Understanding Outdoor learning in the EYFS £135 - runs during the Autumn term, or a recording can be ordered.</p> <p>Autumn 2022 Package</p> <p>Part 1: Monday 31st October Part 2: Monday 14th November Part 3: Monday 28th November</p> <p>Time: 1:30pm - 3:00pm</p> <p>https://training.earlyexcellence.com/w/uk/courses/64-understanding-outdoor-learning-in-the-eyfs</p> <p>Or download the CPD Programme: The power of outdoor Learning. This is more suited to Schools. Cost: £395</p> <p>https://earlyexcellence.com/national-events/the-power-of-outdoor-learning/</p> <p>Depending on the option selected, the remaining grant can be used to support release costs to develop an action plan for the development of outdoor learning as a result of the training.</p> <table border="1"> <tr> <th colspan="3">Grant £600</th></tr> <tr> <td>Training</td><td>£135</td><td>£395</td></tr> <tr> <td>Release</td><td>£465</td><td>£205</td></tr> </table>	Grant £600			Training	£135	£395	Release	£465	£205	<p>Evidence of training booked and attended will be required</p> <p>A number of action plans will be requested for audit processes</p>
Grant £600											
Training	£135	£395									
Release	£465	£205									
5. Cognitive Development Improving the quality of practitioner interaction	<p>Understanding and using the Sustained Shared thinking and Emotional Well-being Audit to improve practitioner interaction.</p> <p>This package includes a 90-minute online session to understand how to use the SSTEWS audit, joint observation, and discussion of video material. It is followed by the opportunity to carry out elements of the audit tool in your own setting before returning for a follow up session with the group to discuss the experience and reflect on the actions to improve practice.</p> <p>Cost of Training £150 Cover to undertake audit: £300</p> <p>Total: £450</p>										

Schools Forum**23rd June 2022****SEND & Inclusion Change Programme****Recommendations**

- That the Forum comments upon progress of the SEND & Inclusion Change Programme

1. Purpose

- 1.1 The report provides an update on activity on the Special Educational Needs and Disabilities (SEND) & Inclusion Change Programme since the previous report to School Forum and in particular an update on the long term financial forecast.

2. SEND & Inclusion Change Programme

- 2.1 The vision for SEND in Warwickshire is that all our children and young people lead a fulfilling life and are part of their community.
- 2.2 Through the SEND & Inclusion Change Programme we will work together to:
- Improve outcomes for our children and young people with SEND
 - Take decisions in a clear, fair and transparent way
 - Ensure that systems are sustainable, so that we are working within our allocated funding
 - Secure education, employment and training for our young people with SEND (age 16-25)
- 2.3 The programme itself is funded by Warwickshire County Council. Funding to continue the programme into 2022/23 has been agreed through the Council budget process.
- 3. Summary update on Programme and Projects**
- 3.1 The project approach adopted by Warwickshire County Council is:
- a) Project to have initial approval of a Project Proposal Document (PPD)
 - b) A full business case (FBC) is then developed including mapping of the 'as-is' position and 'to-be' position, along with the plan to move from one to the other and confirmation of the benefits

- c) Projects go live for implementation
- d) Project closed and lessons learnt report

3.2 Projects were separated into three phases. Phase 2 projects are now underway. The overall status report is below:

OCT 20	NOV 20	DEC 20	JAN 21	FEB 21	MAR 21	APR 21	MAY 21	JUNE 21	JULY 21	Aug 21	Sept 21	Oct 21	Nov 2021	Dec 21	Jan 22	Feb 22	Mar 22	April 22
Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red	Red

	Compromised	At risk of compromise	On Target	To be agreed	Completed	Total
PPD		1	1			2
FBC		3	3			6
LIVE	1	4	2			7
Closed					5	5
Paused			2			2
Total	1	8	8	0	5	22

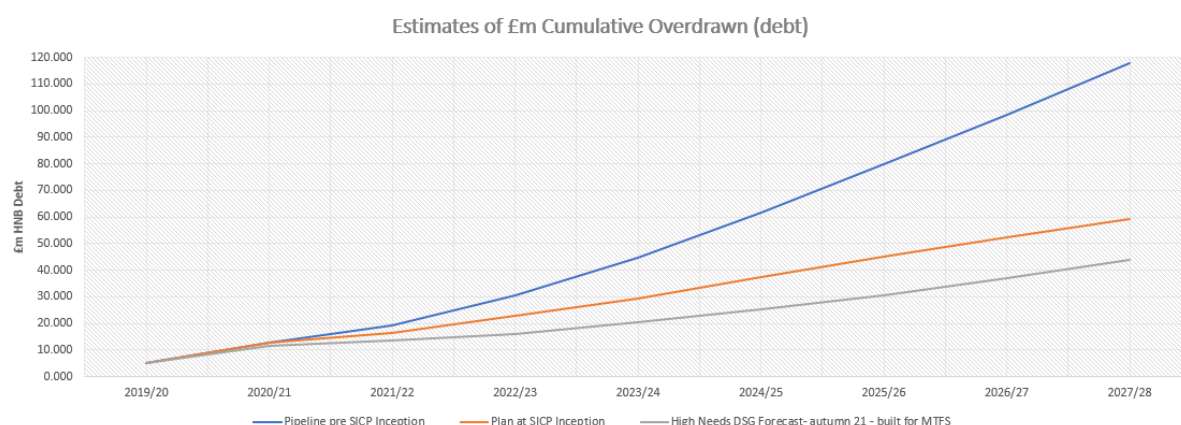
3.3 The following projects are highlighted:

- a) The Warwickshire Academy (a new special school) is now open.
- b) The Inclusion Framework trial, seeking to intervene earlier and avoid barriers created through traded services, is underway with 20 schools taking part.
- c) The Schools Top-Up Funding trial is underway (see separate paper).
- d) The SEND Capital Strategy project is in place recommending further resourced provision and expansion of special schools in areas of population growth.
- e) The Workforce Development project has transferred to the Written Statement of Action workstream.
- f) The EHC plan Annual Reviews project is set to start.

4. Overall financial impact so far

- 4.1 Quality and performance measures are reported to the SEND Partnership and the SEND & inclusion Change Programme Board. This report focuses on financial impact under the objective to achieve financial sustainability.
- 4.2 As set out in the DSG monitoring report, High Needs Block outturn overspent by £2.130m in 2021/22. This is less than the forecast £11.352m forecast at the inception of SEND Change Programme and indeed less than 2020/21 (Outturn £8.610m). However, it is still an overspend and significant financial pressure remains in this area. The detail on areas of overspend against budget is set out in the DSG outturn report (Item 8 on this Schools Forum Agenda).

- 4.3 Being precise on cause and effect remains a barrier until all financial information is stored in the Synergy system alongside activity and profile data. Additional funding through the High Needs Block and the 0.5% transfer from the Schools Block have clearly been significant factors, along with the Change Programme, in reducing spend against the forecast.
- 4.4 In light of the latest figures, the high level cumulative overspend forecast has been updated. This is demonstrated in the graph below. The blue line represents the cumulative overspend forecast in May 2020 had there been no intervention. The orange line shows the predicted overspend based upon SEND & Inclusion Change Programme interventions, again set at May 2020. The grey line shows the latest forecast.



- 4.5 The latest forecast shows that a better outlook compared to May 2020, although still a cumulative overspend of over £40m by 2027/28.
- 4.6 Based on latest data available, there remains a clear direction of travel on key factors affecting spend:
- More children and young people with SEND are being supported in mainstream settings.** 1,571 children were supported in mainstream settings at January 2022 compared to 1,430 the year before. This is also higher than the 2017 level (1,475) and higher than the number placed in state-funded special schools. New guidance to schools on the graduated approach was launched in October 2021.
 - More children are supported in state-funded specialist settings.** This was expected due to population growth, increased complexity of need and less use of independent specialist provision (ISP). 1,563 children are supported in state-funded specialist setting in January 2022 compared to 1,544 in 2021.
 - The numbers of children and young people attending independent specialist provision (ISP) has reduced slightly** from 253 in January 2021 to 250 in January

2022. Comparative benchmarking for 2022 shows that Warwickshire is now in line with the national average at 5.2% and below statistical neighbours (5.3%). Warwickshire was at 10.6% in 2015. It has been Warwickshire's aim to reduce the proportion of learners in ISP to be in line with national levels. This has been achieved in 2022.

- d) **The number of children attending specialist resourced provision is increasing.** Four new resourced provisions and partnerships in September, creating 142 places across the County. Utilisation is up from 69 places this time last year to 109. These provisions allow for specialist provision in mainstream settings delivering positive outcomes, value for money and freeing up places in specialist settings. Two new resourced provisions are proposed for September subject to DfE approval.
- e) **The number of new EHC plans issued has reduced.** The number of new EHC plans issued in the calendar year 2021 was 492 compared with 583 the previous year. This trend is contrary to national and statistical neighbours.
- f) **The number of EHC plans in pre-school years remains low.** The project is working to identify the appropriate time for requesting a EHC needs assessment in early years as a form of early intervention. Most pre-school children with an EHC plan have it issued in the summer term prior to Reception year.
- g) **The unit price of residential placements has reduced but the number of placements has increased.**
- h) **New cost centres have been created to monitor spend on alternative provision.** This allows for better monitoring of spend in this area from April 2021. New guidance is also being developed in this area. Costs in this area have significantly reduced.
- i) **The number of supported internships has significantly reduced as a result of Covid-19 to 26.** This has had a significant impact on the financial forecast.

5. Other pressures on the High Needs Block

- 5.1 Special schools have not received additional funding that mainstream schools have received through the Schools Supplementary Grant. Applying the same formula that mainstream schools have received additional funding for would add approximately £778k to the current forecast. The SEND & Inclusion Change Programme Board is considering this proposal. In addition, the ESFA guidance has changed resulting the local authority having to pay for the Teachers Pay and Pension Grant. The additional contribution required is £660 per place.

6. Recommendation

- 6.1 That the Forum comments upon progress of the SEND & Inclusion Change Programme

Ross Caws

SEND & Inclusion Strategy and Commissioning Lead

Email: rosscaws@warwickshire.gov.uk

Tel: 01926 745105

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Schools Forum**23rd June 2022****SEND Top-Up Funding Project****Recommendation:**

To comment on the Schools Top-Up Funding Project prior to decision by the SEND & Inclusion Change Programme Board on the next steps.

1. Purpose

- 1.1 This report provides an update on the Schools Top-Up Funding project. Decisions regarding this project will be taken by the SEND & Inclusion Change Programme Board, however the views of Schools Forum are welcomed.

2. Top-up Funding for EHC Plans

- 2.1 As noted in an earlier agenda item, the local authority provides top-up funding for learners with an Education, Health and Care Plan (also referred to as element 3 funding). Expenditure from the High Needs Block in mainstream schools and special schools is almost exclusively on top-up funding to schools to deliver the provision set out in section F of the EHC Plan.
- 2.2 As part of the SEND & Inclusion Change Programme, a project was set up to review the current top-up funding system. It was considered that the current funding system for schools of Bands C and D was no longer fit for purpose, with the average top-up funding allocation in mainstream schools (approximately £9,000) above the Band D allocation (£8,415). A considerable amount of administrative time is spent by schools and the local authority writing and considering 'costed individual education plans' for funding above Band D. Generic special schools also reported that funding levels on the special school matrix had remained unchanged since 2016.
- 2.3 The objectives of the Top-Up Funding project have been to:
- a) Ensure funding matches the provision in the EHC plan (section F)
 - b) Ensure appropriate funding is released sooner

In addition, the project also had an aim to establish a system that recognised needs across both mainstream and specialist settings. In line with Change Programme objectives top-up funding must deliver positive outcomes, be allocated in a transparent and fair manner and be financially sustainable.

- 2.4 Through the project, the local authority has worked with a stakeholder group, including members of the Schools Forum, to develop methodologies for a new top-up funding system.
- 2.5 Two methodologies were developed. The first is a 6x4 funding matrix describing dividing each of the four broad areas of special educational need into 6 levels of support. A score is then given for each level based on the contents of the EHC plan. Each score equates to a funding band. Some needs (eg. social emotional and mental health needs) have a higher funding weighting to recognise the higher level of resource required to deliver support. There are 16 funding bands ranging from £860 top-up to £23,060 top-up.
- 2.6 The second method was a costed calculator. Essentially this is an excel spreadsheet with drop-down list costing each element of each individual plan.
- 2.7 A trial was set up to run during the 2021/22 academic year. The trial has run from December 2021 and is still current (June 2022). 21 schools and settings agreed to take part. The local authority aimed to fund through these two methods over 100 children in order to establish:
 - a) Which method was most usable (in terms of leading to quicker decision-making)
 - b) Which method provided the most accurate use of funding (linked to provision in the EHC plan)
 - c) Whether either method was financially sustainable
 - d) Whether either method improved placement stability
 - e) Whether either method improved deliver of the outcomes in the EHC plan

3. Findings of the trial

- 3.1 Unfortunately, since the trial began only 15 children have received funding through the new methods. There are variety of reasons for this, including the staffing shortages in schools in the Spring term due to Covid-19. This has meant that requests to submit matrix and/or costed calculator returns have not been made. Additional training and reminders have been sent out and numbers are increasing week by week. However, overall there is insufficient evidence to judge whether or not the new methods are

financially sustainable, have improved placement stability or have improved the delivery of outcomes.

- 3.2 It is clear that schools have a preference on which methodology to use. The first methodology, the matrix, has been welcomed as clear and easy to use by all schools that have received the training. The second method, the costed calculator, is considered difficult to use – particularly where advice in EHC plans is not specific about group sizes or number of hours per week.

4. Going forward

- 4.1 The intention was to finish the trial and for the Change Programme Board to make a decision in July 2022. In the current position, the options are:
- a) Abandon the project and continue with current top-up funding system
 - b) Extend the trial
 - c) Agree one allocation system for implementation
 - d) Agree one allocation system and phase implementation to allow for changes in implementation
- 4.2 The stakeholder group were unanimous in their support of the matrix method, but realised that there was not enough evidence to prove whether this method was financially sustainable or improved outcomes. Therefore the group has recommended option d. In essence, the preferred allocation method is clear, but the funding that supports each band still requires further evidence. Implementation could be staged to allow for regular review of financial sustainability and outcomes.

5. Recommendations

- 5.1 The local authority welcomes comment from Schools Forum prior to decision by the SEND & Inclusion Change Programme Board on the next steps for the Schools Top-Up Funding Project.

Ross Caws

SEND & Inclusion Strategy and Commissioning Lead

Email: rosscaws@warwickshire.gov.uk

Tel: 01926 745105

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Item 12

Schools Forum – Forward Plan 2022-23

The table below contains provisional items for the Schools Forum for the next rolling year.

This table will be updated and reported to each meeting of the Forum.

Date	For Decision	For Information / Comment
Thursday 29th September 2022 2pm to 4pm 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
10 November 2022 Extraordinary Meeting (date is subject to change)	<ul style="list-style-type: none"> 0.5% transfer (if required) 	
12 January 2023 2pm to 4pm	<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 2pm to 4pm	<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
22 June 2023 (TBC) 2pm to 4pm	<ul style="list-style-type: none"> De-delegation & Disapplication Consultation Timetable 2024-25 Section 48 – Scheme for Financing Schools (subject to any ESFA guidance changes) 	<ul style="list-style-type: none"> DSG 2022-23 Outturn 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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