

Schools Forum

Date: Thursday 22 June 2023
Time: 2.00 pm
Venue: Harris Sports Centre, 79 Mellish Road, Rugby

Items on the agenda:

1. **Apologies**
2. **Voting and Actions from the Last Meeting** 3 - 6

Matters for Decision

3. **Update on Schools Forum Membership** Verbal Report
4. **De-delegation and Disapplication Consultation Timetable 2024-25** 7 - 10
5. **Update on Section 48-Scheme for Financing Schools** 11 - 48

Matters for Information/Comment

6. **DSG 2022-23 Outturn** 49 - 56
7. **DSG Recovery Plan** Verbal Report
8. **Forward Plan** 57 - 58
9. **Chair's Business** Verbal Report

Date of Next Meeting:

Thursday 28 September 2023, 2:00pm to 4:00pm
Virtual meeting via Microsoft Teams

Monica Fogarty
Chief Executive
Warwickshire County Council
Shire Hall, Warwick

WARWICKSHIRE SCHOOLS FORUM**Voting and Actions of the meeting held on 23rd March 2023****Microsoft Teams meeting 14:00 – 16:00 pm****SCHOOL FORUM MEMBERS**

Amy Woodward	North Leamington School (Academy)
Andy Mason	Stratford Upon Avon School (Academy)
Faye Padfield	Abbots Farm Infant School (Maintained Governor)
Michael Cowland	The Diocese of Coventry Multi Academy Trust
Nicci Burton	Atherstone and Bedworth Heath Nursery School (Maintained)
Nick Evans	Evergreen School (Special Maintained)
Paul Gillett	Representative from a Teacher's Union
Philip Johnson	Whitstone Infant School (Maintained Governor)
Rebecca Harrison	Park Hill Thorns Federation (Maintained)
Ricky Emms	The Priors School (Academy)
Siobhan Roberson	Harris Church of England School (Academy)
Sybil Hanson	Coventry Church of England Diocese Representative

OFFICERS/OBSERVERS

Andrew Felton	Assistant Director - Finance
Brian Smith	Education, Children and Families Technical Specialist
Councillor Kam Kaur	Portfolio Holder for Education
Dalbir Kaur	Accountant, Children & Education - Clerk to Schools Forum
Jane Carter	Education Delivery Lead
Purnima Sherwood	Service Manager for Finance
Ross Caws	Strategy and Commissioning Lead

1. Apologies**Apologies were received from the following members and Officers:**

Alison Davies	The Avon Valley School (Maintained)
Carrie Clare	Park Lane Primary & Race Leys Junior (Academy)
Jane Burrows	Myton School (Academy)
Duane Chappell	Strategy & Commissioning Manager (SEND)
Kamaljit Kaur	Senior Accountant (Team Lead) Children & Education
Sarah Bromley	PVI - Castle Nursery
Joss Andrews	Dunchurch Infant School and Nursery (Maintained) apologies received after the meeting
Mary Anne Burrows	PVI-The Burrow Nursery & Pre-School (was waiting to join. Did not appear in Lobby)
Johnny Kyriacou	Assistant Director - Education Services

The following members and officers did not attend and did not give their apologies:

Alison Ramsay	Nicholas Chamberlaine School (Academy)
Catherine Crisp	Hillmorton Primary School Rugby (Maintained)
Chris Baird	Assistant Director - Education Services
Peter Husband	16-19 Partnership Sector
Rose Gunn	Arden Forest Infant School (Maintained)

2. Voting and Actions from the Last Meeting (Chair)

Agreed

No Action

3. Update on membership (Dalbir Kaur)

Faye Padfield – Governor at Abbots Farm Infant School. Faye Padfield’s membership is ending on 31 March 2023. We would like to thank Faye for her support and commitment to the Schools Forum.

Stephanie Ferries – Business Manager at Bridgetown Primary School who has resigned end of Jan 2023 due to change of employment.

We would like to thank Stephanie for her contribution to Schools Forum and wish her all the best in her new role.

We have 4 vacant posts in the following sectors:

- 1 vacancy Primary Maintained Schools Headteachers or Representatives
- 2 Vacancy Secondary Academy Schools Headteachers or Representatives
- 1 Vacancy Special Academy Headteachers or Representatives and Governors

Actions: I will send email invite to these sectors to call for expression of Interest and conduct election if necessary. The nomination window will be opened for four weeks.

I will also send a short paragraph to Heads up (WCC weekly news) about these vacant posts. The outcome will be reported back to schools forum in next June meeting.

Matters for decision:

4. DSG 2023-24 Budget (Brian Smith) (Started 0:0:00, Ended 0:25:24)

Please note: the start and the end time is the recording time of the meeting.

Recommendation:

The Schools Forum members are asked to note:

- a) Note the DSG budget for 2023/24 for the Schools, High Needs and Early Years blocks.

The Schools Forum members are asked to approve:

- b) Approve the Central School Services block (CSSB) budget of the DSG budget for 2023/24.

Voting: 10 members agree

Action: Officers to consider the option of providing some background information of the reports to schools forum notably to the new members.

5. Section 48-Scheme for Financing Schools (Purnima Sherwood) (Started 0:25:25, Ended 0:32:28)

Recommendations:

The **maintained school representatives** are asked to note:

- a) The maintained school representatives of Schools Forum are asked to note the recommended changes to the Scheme for financing of schools.

The **maintained school representatives** are asked to approve:

- b) The maintained school representatives of Schools Forum are asked to approve the timetable for consultation on the changes with maintained schools.

Voting: 5 members agree

Action: Report to schools forum in June the outcome of the consultation.

6. Annual review of future meetings (Purnima Sherwood) (Started 0:32:32, Ended 0:37:21)

Recommendations:

The Schools Forum members are asked to decide if they want to have a face-to-face meeting in June 2023.

We have had a discussion at the previous meetings about whether we want to continue with having team meetings. The Teams meetings do encourage a better attendance. However, there was discussion to meet in June in person.

Unfortunately, we could not find a suitable venue at Council offices to cater for 40 people for June meeting. However, Michael Cowland has kindly offered a space to hold the meeting at Harris Church of England Academy in Rugby.

Philip Johnson (Chair) has agreed to hold face- to- face meeting at this venue.

Ricky Emms preferred Teams meeting and asked if there is chance of a hybrid meeting.

Michael Cowland to confirm if the space at Rugby school is still available. Clerk will email schools forum after hearing from Michael.

Action: Clerk to check if we can have hybrid option for 22 June 2023 meeting.

Also, Nick Evans from Evergreen school offered a space to schools forum members if they would like to have a networking session. This will provide an opportunity to have a conversation with students and have a catch up with members. Schools Forum members are very welcome at any time or we can set a date for networking session.

Please note we could not use this space for June meeting due to space capacity to accommodate 40 people.

Matters for Information/Comment:

7. DSG Monitoring Report 2022-23 (Brian Smith) (Started 0:37:21, Ended 0:58:31)

Recommendations:

The Schools Forum is recommended to:

- a) Note the DSG forecast financial outturn position for 2022/23, as at P10.
- b) Note the forecasted position of the DSG reserve at financial outturn position for 2022/23.

No Action

8. Update on Academisation of Schools (Dalbir Kaur) (Started 0:58:37, Ended 1:0:36)

Recommendations:

The Schools Forum members are asked to note:

- a) Since last update on Academisation of schools in September 2022 the following two schools have now converted to academy status:

Newbold And Tredington C.Of E. Primary School - November 2022

Moreton Morrell C.Of E Primary School - March 2023

There are 122 maintained schools as of 2 March 2023. This includes 6 Maintained Nursery schools, 113 Maintained Primary Schools, 1 Maintained Secondary School and 2 Maintained Special Schools.

- b) 15 more schools are planning to convert to academy status within the next two years.

Action: The next update on Academisation of schools in September 2023 schools forum.

9. Forward Plan (Dalbir Kaur) (Started 1:0:39, Ended 1:1:43)

If there is any item that school forum wants to add to the agenda or to the forward plan, please send it to schools funding email address with the relevant information.

Also, members can send an email to School funding if they want to have any specific information on reports or if they have any questions on reports.

10. Chairs Business (Philip Johnson) (Started 1:1:47, Ended 1:2:56)

Chair formally welcomed Johnny Kyriacou, our new Assistant Director of Education Services.

Chair thanked Chris Baird who has been doing the interim role and leaving at the end of March 2023.

Chair also, thanked Fay Padfield for her contributions to Schools Forum. Fay Padfield's membership is ending in March 2023.

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

Meeting concludes at 15:25pm.

Next Meeting on Thursday 22nd June 2023, 2:00pm to 4:00 pm face-to-face (TBC)

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

Item 4

Schools Forum

22 June 2023

Consultation Timetable 2023-24

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 2024-25.
2. 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 transfers between funding blocks, for example, from the schools Block DSG to the High Needs Block.

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
 - To transfer up to 0.5% from, for example, the Schools Block DSG to, for example, 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 2023-24 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 Please note when DfE removed the School Improvement Monitoring and Brokering Grant allocated to Local Authorities (which came into effect from April 2023) the Secretary of State retained the power to approve the de-delegation contrary to the decision of Schools Forum. This is to ensure councils are adequately funded to exercise their core school improvement activities should Schools Forum not be in favour of the de- delegation.
- 2.4 For 2023/24 the School Improvement reserve will be utilised to fund activity that was previously funded by the School Improvement Monitoring and Brokering Grant (as agreed by Schools Forum). For 2024/25, the de-delegation timetable and proposals will include this activity.
- 2.5 Warwickshire currently has 1 secondary maintained school and 113 maintained primary schools.
- 2.6 The proposed de-delegation timetable is as follows:

Date	Action
Monday, 26 June 2023	Consultation sent to all maintained Primary and Secondary Schools (Headteachers and Chairs of Governors)
Friday, 15 September 2023	Deadline for Schools to respond to the consultation
Thursday, 28 September 2023	Schools Forum receive responses from schools and make de-delegation decisions for 2024/25 budgets.

4. National Funding Formula and 0.5% transfer to High Need Block

- 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.
- 4.2 The first indication of Warwickshire's funding for 2024-25 is expected to be towards the end of August 2023 when the ESFA publishes indicative DSG allocations. These will be based on October 2022 school census data pupil numbers and will be updated in December 2023 to reflect the actual October 2023 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, for example, the transfer of up to 0.5% of schools block DSG to the High Needs Block.
- 4.4 The proposed timetable for consulting schools and school's forum on funding proposals for 2024-25 is detailed in the table below. Please note that the ESFA have not yet confirmed the Disapplication deadline for 2024/25 and therefore this timetable is subject to change. If the deadline changes, the Extraordinary Schools Forum meeting scheduled for 16 November may also need to change.

Date	Action
Monday, 11 September 2023	Provisional date to 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, 16 November 2023	Provisional date for extraordinary Schools Forum to discuss outcomes from consultation with schools.
Friday, 17 November 2023	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

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Schools Forum

22 June 2023

Section 48 – Scheme for the Financing of Schools

This report relates to Maintained Schools only.

Recommendation

1. The maintained school representatives of Schools Forum are asked to approve the updated Scheme (which reflects the same proposed changes brought to March's Schools Forum meeting).

1. Introduction

- 1.1. Warwickshire County Council is required to publish a Scheme for financing of schools setting out the financial relationship between the authority and the schools it maintains.
- 1.2. The guidance the local authority publishes covers the following legislation:
 - Section 48 of the Schools Standards and Framework Act 1998, and Schedule 14 to the Act.
 - Schools and Early Years Finance (England) Regulations 2018.
- 1.3. The Department for Education (DfE) periodically revise their guidance to Local Authorities. As such, the changes reflect the DfE's most updated guidance prior to the March 2023 Schools Forum meeting

2. Outcome of Consultation

- 2.1. Following the March Schools Forum meeting, the draft changes were sent to all maintained schools for consultation. The consultation started on Monday 27 March and concluded on Tuesday 2 May 2023 (reflecting a 5 week period to allow for school holidays and bank holidays).
- 2.2. Two responses were received; but no objections to the proposed amendments were made.

Table of Comments

Ref	Comment
1	Just to note that [the school] agree with the changes. No further comments needed.
2	<p>The revisions proposed reflect what is being applied to us as a school facing a budget deficit, so is understandable.</p> <p>What of course the scheme does not address is the underlying reasons for such deficits arising which are not related to the management of the funding available but that the total provided is inadequate both overall and especially with regard to the financial support of SEN pupils. in the latter case the issue of the timeliness of what support is offered is also an issue.</p>

- 2.3. As no objections were made, it is recommended that Schools Forum approve the proposed amendments to the Scheme.

Purnima Sherwood

Service Manager for Finance Delivery

Email: purnimasherwood@warwickshire.gov.uk

Scheme for the Financing of Schools

SECTION 48 of the School Standards and Framework Act 1998

June 2023

Produced by the Finance Delivery Team



*Working for
Warwickshire*

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 schools may use any scheme that the Secretary of State has said is available to schools without specific approval.

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. This will be considered where schools cannot set a balanced budget without seriously impacting on the educational provision at the school.
- 4.9.2. The LA will consider the following:
- the nature of the circumstances which gave rise to the deficit and whether it could be foreseen
 - the school's track record in financial management
 - significant falling rolls
 - the robustness of the deficit recovery plan
 - school in special measures or serious weaknesses

- other circumstances agreed by the LA as bring reasonable

4.9.3. Deficit Recovery Plan

The purpose of a recovery plan is to identify the actions that can be taken to bring a school budget back to a balanced position within an agreed period. Schools with a licensed deficit agreement must produce a recovery plan that demonstrates they are able to achieve a balanced budget over the agreed licensed deficit period.

The plan will include reasons for the deficit having arisen, details of measures that will be taken to bring the school back in to a balanced budget situation, including management arrangements, a forecast of future pupil numbers, school expenditure and school budget shares; forecast deficits at the end of each financial year and a timescale for bringing the budget into balance.

The request for a licenced deficit will be reviewed by LA finance officers and, if satisfied, be sent to the Assistant Director for Education Services and the Assistant Director for Finance (Deputy S151 Officer) for approval. LA officers will determine the schools that are required to have Sustainability Action Group meetings.

All schools requesting a licenced deficit must agree a Deficit Recovery Plan with the Local Authority.

4.9.4. 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) Where schools are required to attend Sustainability Action Group meetings with Local Authority officers to discuss and support the Deficit Recovery Plan, this will be prioritised by schools and by the Local Authority. Progress against the Deficit Recovery Plan will be monitored at these meetings. Where the school has a change of circumstances which results in a movement from the agreed plan, the school must discuss the situation with the Local Authority at the earliest opportunity.
- ix) In those exceptional circumstances where schools are unable to bring the school budget back to a balanced position within the agreed Deficit Recovery Plan period, this will be escalated by the LA Sustainability Action Group representatives to the AD for Education Services and the AD for Finance.

4.9.5. 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 (which will be within no more than three years). Bank funds will be monitored and invoices sent for the repayment (either in instalments or in a lump sum – as agreed with the school).

4.9.6. 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 31 May 2023)
Maintained Nursery Schools
Atherstone Nursery School
Bedworth Heath Nursery School
Kenilworth Nursery School
Stockingford Maintained Nursery School
Warwick Nursery School
Whitnash Nursery School
Maintained Primary Schools
Abbey C.Of E. Infant School
Abbots Farm Infant School
Abbots Farm Junior School
All Saints C.Of E. Junior School, Warwick
All Saints C.Of E. Primary School, Nuneaton
Alveston C.Of E. Primary School
Arden Forest Infant School
Arley Primary School
Barford St. Peter's C.Of E. Primary School
Bawnmore Infant School
Bidford-On-Avon C.Of E. Primary School
Bilton C.Of E. Junior School
Bilton Infant School
Binley Woods Primary School
Bishops Tachbrook C.Of E. Primary School
Bishopton Primary School
Boughton Leigh Infant School
Boughton Leigh Junior School
Bournebrook C.Of E. Primary School
Briar Hill Infant School
Bridgetown Primary School
Brookhurst Primary School
Brownsover Community School
Chetwynd Junior School
Chilvers Coton Community Infant School
Clapham Terrace Community Primary School and Nursery
Claverdon Primary School
Clifton-Upon-Dunsmore C.Of E. Primary School
Clinton Primary School
Coten End Primary School
Croft Junior School
Cubbington C.Of E. Primary School

Dunchurch Boughton C.Of E. (Voluntary Aided) Junior School
Dunchurch Infant School
Dunnington C.Of E. Primary School
Eastlands Primary School
Emscote Infant School
Ettington C.Of E. Primary School
Exhall Cedars Infant School
Exhall Junior School
Galley Common Infant School
Glendale Infant School
Goodyers End Primary School
Great Alne Primary School
Hampton Lucy C.Of E. Primary School
High Meadow Community School
Hillmorton Primary School
Holy Trinity C.Of E. Primary School
Hurley Primary School
Ilmington C.Of E. Primary School
Kingsbury Primary School
Knightlow C.Of E. Primary School
Lapworth C.Of E. Primary School
Lighthorne Heath Primary School
Long Lawford Primary School
Loxley C.Of E. Community Primary School
Mappleborough Green C.Of E. Primary School
Michael Drayton Junior School
Middlemarch School
Milby Primary School
Milverton Primary School
Nathaniel Newton Infant School
Newburgh Primary School
Newdigate Primary School and Nursery
Northlands Primary School
Nursery Hill Primary School
Our Lady's Catholic Primary School, Princethorpe
Outwoods Primary School
Paddox Primary School
Park Hill Junior School
Priors Field Primary School
Provost Williams C.Of E. Primary School
Quinton Primary School
Race Leys Infant School
Radford Semele C.Of E. Primary School
Shottery St. Andrew's C.Of E. Primary School
Shrubland Street Community Primary School
Shustoke C.Of E. Primary School

Snitterfield Primary School
St. Andrew's Benn C.Of E. (Voluntary Aided) Primary School
St. Anthony's Catholic Primary School
St. John's Primary School
St. Joseph's Catholic Primary School, Leamington
St. Lawrence C.Of E. (Voluntary Aided) Primary School
St. Margaret's C.Of E. Junior School
St. Mary Immaculate Catholic Primary School, Warwick
St. Mary's Catholic Primary School, Southam
St. Matthew's Bloxam C.Of E. Primary School
St. Nicholas C.Of E. Primary School, Kenilworth
St. Patrick's Catholic Primary School
St. Paul's C.Of E. Primary School, Leamington
St. Paul's C.Of E. Primary School, Nuneaton
St. Peter's Catholic Primary School
Sydenham Primary School
Telford Infant School
Telford Junior School
The Canons C.Of E. Primary School
The Dasset C.Of E. Primary School
The Revel C.Of E. (Aided) Primary School
Thomas Jolyffe Primary School
Thorns Community Infant School
Water Orton Primary School
Weddington Primary School
Welford-On-Avon Primary School
Wembrook Primary School
Westgate Primary School
Wheelwright Lane Primary School
Whitestone Infant School
Whitnash Primary School
Wilmcote C.Of E. (Voluntary Aided) Primary School
Wolston St. Margaret's C.Of E. Primary School
Wolverton Primary School
Wolvey C.Of E. Primary School
Maintained Secondary Schools
The Avon Valley School and Performing Arts College
Maintained Special Schools
Evergreen School
Exhall Grange Specialist 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

Schools Forum

22nd June 2023

2022/23 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 2022/23.

1. Introduction

1.1. This report sets out the final outturn position of the Dedicated Schools Grant (DSG) for 2022/23.

2. 2022/23 Final Outturn Position

2.1. The total DSG allocation for Warwickshire, as last reported to Schools Forum in **March 2023**, was £523.653m, with total recoupment of £276.961m, resulting in a net allocation across Blocks after recoupment of £246.692m. There were no further changes to the last allocation reported.

2022/23 Revised DSG Allocations	Original Allocation	Change	Latest Allocation	Reason for Change
	£m	£m	£m	
Schools Block	397.752			
Less: National Non-Domestic Rates[1]	(3.624)			
	394.128	(261.475)	136.277	Academy Recoupment
Total High Needs	82.482	3.549	86.031	£3m additional HN funding and £0.6m import export adjustment
Less: recoupment	(14.564)	(0.922)	(15.486)	High Needs recoupment
High Needs Block	67.918	2.627	70.545	
Early Years Block	34.396	1.346	35.742	EY funding adjustment based on Jan 22 census data
Central School Services Block	4.128		4.128	
Total DSG Allocation	500.570	(254.875)	246.692	-

- 2.2. The final DSG outturn position for 2022/23 is an overspend of £3.930m. There is an increase of £0.343m to the forecast projected at January 2023, as reported to Schools Forum in March 2023. This is primarily due to increase in placements on ISP's and Mainstream top ups within the High Needs Block.
- 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: 2022/23 Outturn	Latest Allocation	Drawdown from Reserves	Actual Outturn	Outturn Variance	Forecast Variance as at P10
	£m	£m	£m	£m	£m
Schools Block	136.277	1.070	137.244	(0.103)	(0.030)
High Needs Block	70.545		74.981	4.436	4.119
Early Years Block	35.742		35.334	(0.408)	(0.532)
Central School Services Block	4.128		4.134	0.006	0.030
Total DSG Allocation	246.692	1.070	251.692	3.930	3.587

- 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 £3.930m equates to a 0.79% overspend of the total original DSG allocation (see table 1), which is within the DfE threshold. Nevertheless, as Schools Forum is aware, the Council has a detailed recovery plan.
- 2.5. Although the Total DSG overspend position of the four blocks £3.930m, in reality we are not able to move funding between blocks in year without School Forum approval, so the key financial risk to be highlighted in Table 2 is the £4.436m 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. 2022/23 Reserves

Table 3: 2022/23 Reserves	Opening Balance 01/04/2022	In Year Drawdowns	Effect of outturn	Closing Balance as at 31/03/2023
Total DSG Reserve	(11.098)	(1.070)	(3.587)	(15.755)

- 3.1. The overall negative reserve balance is primarily driven by the cumulative deficit from the High Needs block.

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 (£0.103m underspend)

4.1. There is a small underspend of £0.103m on the Schools block.

High Needs Block (£4.436m overspend)

4.2. High Needs overspend of £4.436m. This overspend excludes the £15.980m cumulative deficit from previous years, as per DfE guidance, which has been carried forward to 2022/23 and are held on the council's balance sheet as DSG debt.

4.3. This final position of £4.436m is considerably greater than that planned by the SEND & Inclusion Change Programme (SICP) at the start of the year which had assumed that the overspend would be £2.245m, so this is a deterioration in this position. This is somewhat mitigated going forward with the larger than expected HNB DSG settlement figure for 2023/24. The final out-turn position will be triangulated into the long term DSG recovery plan, to take account of any on-going pressures (as well as the increased funding). This will be reported back to the SICP board for any mitigating action to ensure that the overall DSG recovery plan is covered by the updated MTFs proposals.

4.4. The overspend is made up as follows:

- £3.710m on top ups in Independent Schools & OLA Special Schools
- £0.127m on Tier 4 Hospital Education
- £1.729m of SEND commissions – This overspend is for additional agreed places at special schools and resourced provisions during the year. Due to late clarification of the TPP to special schools by the DfE, it was not confirmed until well into the financial year that these were payable by WCC, and no budgetary provision had been made. This has been rectified for 2023/24.
- £0.484m on the Mainstream EHCP Top Ups

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

- £0.284m for special school top ups
- £0.151m on Post 16 top ups
- £0.102m on resourced provision, this has reduced from the previous forecasts due to non-realisation of service level agreements within other parts of the service.
- £0.143m for SEND Integrated services
- £1.121m for Alternative provision

4.5. Proposals for closing the overspend are continually being reviewed and monitored as part of the SEND and Inclusion change programme. Of the overspent budgets on the High Needs

Block detailed above, £20.416m has savings/interventions identified in future years as part of the DSG recovery plan.

Early Years Block (£0.408m underspend)

4.6. Overall, Early Years underspent by £0.408m net position.

- Funding for 3 & 4 year olds underspent by £1.087m
- Funding for 2-year-olds overspent by £0.137m.
- Pupil Premium funding for WCC Schools overspent by £0.037m
- Disability Access Fund underspent by £0.020m.
- Early Years - Sufficiency & Business Support underspent by £0.152m
- Also included in the Early Years position is planned one off expenditure of £0.677m, which consists of the release of a package of Covid recovery related grants available to all early years providers and mainstream nurseries. Take up of the first tranches in 2022/23 was not as large as expected but there will be future tranche launches in the new financial year for further expenditure, but this is dependent on individual providers applying.

The overall underspend was in part a result of the revised funding was issued in August by ESFA which increased the 3&4 years old allocation by £1.2m. This block of the DSG is subject to a revised post year end funding adjustment by the ESFA in the next financial year once the spring census data has been confirmed. The underspend will cover this adjustment.

Central Schools Services Block- CSSB (£0.006m overspend)

4.7. There are small overspends of £0.006m on various services.

Brian Smith

Finance Portfolio Lead for Education, Children & Families

Email: briansmith@warwickshire.gov.uk

Tel: 01926 742462

Appendix A

Schools Block	Latest Budget	Final Outturn	Outturn Variance	Forecast Variance as at P10
	£m	£m	£m	£m
Mainstream Individual School Budgets	132.370	132.370	0.000	0.000
Growth Fund (exceptional pupil numbers)	2.328	2.256	(0.072)	(0.031)
Schools Block Contingency	0.789	0.838	0.049	0.049
De-delegated budgets				
School Performance	0.195	0.184	(0.011)	0.000
STS SEND Support (Previously "EIS")	0.031	0.011	(0.020)	(0.020)
Ethnic Minority & Traveller Achievement Service	0.242	0.241	(0.002)	(0.017)
Free School Meals	0.019	0.021	0.002	0.000
Teaching Union Cover	0.066	0.027	(0.039)	(0.003)
Non-Teaching Union Cover	0.016	0.016	0.000	0.000
Occupational Health	0.013	0.013	0.000	0.000
Central Establishment Charges	0.040	0.040	0.000	0.000
Education Functions - DBS	0.168	0.157	(0.011)	(0.008)
Total Schools Allocations	136.278	136.174	(0.103)	(0.030)

High Needs Block	Latest Budget	Final Outturn	Outturn Variance	Forecast Variance as at P10
	£m	£m	£m	£m
SEN – Place Funding for Maintained Mainstream, Special and Resourced Provision	6.147	6.285	0.138	(0.000)
SEN Top up – Mainstream Schools & Academies	12.343	12.827	0.484	0.025
SEN Top up – WCC Special Schools & Academies	20.065	19.781	(0.284)	(0.690)
SEN Top up – Independent & OLA Special Schools	14.502	18.212	3.710	4.175
Tier 4 Hospital Education	0.180	0.307	0.127	0.220
Resourced Provision – SEN Support	1.765	1.663	(0.102)	(0.130)
SEND Speech & Language	0.000	0.000	0.000	0.000
Post 16 Funding	8.581	8.430	(0.151)	(0.148)
SEND Commissions	0.453	2.182	1.729	1.674
SEND Integrated Services (Low incidence SEND)	1.080	1.082	0.002	(0.002)
SEND Integrated Services (Flexible Learning)	0.771	0.709	(0.062)	(0.067)
Area Behaviour Partnerships (Primary and Secondary Exclusions)	2.761	2.489	(0.272)	(0.345)
Contribution to Early Intervention Behaviour Panels	0.064	0.062	(0.002)	(0.002)
Alternative Provision	0.922	0.074	(0.848)	(0.623)
SEND Integrated Services (Specialist Teaching Service)	1.055	0.964	(0.090)	(0.106)
Integrated Disability Service SEN Inclusion Grant (EY)	0.385	0.395	0.010	0.000
High Needs Contingency/ (Shortfall)	(1.957)	(1.908)	0.049	0.139
Central Establishment Charges	1.428	1.428	0.000	0.000
High Needs Allocations	70.544	74.980	4.436	4.119

Early Years Block	Latest Budget	Final Outturn	Outturn Variance	Forecast Variance as at P10
	£m	£m	£m	£m
Nursery schools (Universal Hours)	1.664	1.664	0.000	0.000
Nursery Funding 3&4 year olds (Universal funding - Independent Providers & Nursery Classes)	19.884	18.839	(1.045)	(1.352)
Nursery Funding 3&4 year Olds (Additional 15 hours)	8.555	9.152	0.597	0.583
Maintained Nursery Supplement	0.703	0.741	0.038	0.000
DSG Pupil Premium	0.220	0.256	0.037	0.261
Funded 2 year olds	3.032	3.169	0.137	0.104
Disability Access Fund	0.165	0.145	(0.0202)	0.000
IDS TL Early Years	0.866	0.763	(0.103)	(0.106)
Early Years - Sufficiency & Business Support	0.249	0.222	(0.027)	(0.001)
Early Years Quality & Development	0.089	0.068	(0.021)	(0.020)
EYB Central Establishment Charges	0.314	0.314	0.000	0.000
Early Years Allocations	35.742	35.334	(0.408)	(0.531)

Central Schools Services Block	Latest Budget	Final Outturn	Variance	Forecast Variance as at P10
	£m	£m	£m	£m
Children's Mental health	0.150	0	(0.150)	(0.150)
Admissions	0.673	0.653	(0.020)	0.00
Heads Termly / SACRE	0.018	0.000	(0.018)	(0.018)
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	0.559	0.466	(0.093)	(0.093)
Employers Liability Insurance	0.045	0.039	(0.006)	0.000
Teachers Pensions Employer Contribution Grant (TPECG)	0.484	0.424	(0.060)	(0.060)
Schools Central Services (DSG) Budget Balance	(0.320)	0.031	0.351	0.351
Education functions for all schools:				
Planning for the education service as a whole (Sch 2, 15b)	0.378	0.378	0.000	0.000
Formulation and review of local authority schools funding formula (Sch 2, 15d)	0.047	0.047	0.000	0.000
School attendance (Sch 2, 16)	0.377	0.377	0.000	0.000
Responsibilities regarding the employment of children (Sch 2, 18)	0.069	0.069	0.000	0.000
Admissions (Sch 2, 9)	0.086	0.086	0.000	0.000
Cost of support services for Education Functions	0.560	0.560	0.000	0.000
Central Schools Services Allocations	4.129	4.134	0.005	0.030

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Item 8

Schools Forum – Forward Plan 2023-24

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

Date	For Decision	For Information / Comment
28 September 2023 2pm to 4pm Microsoft Teams	<ul style="list-style-type: none"> De-delegation 2024-25 	<ul style="list-style-type: none"> DSG 2023-24 Forecast 2024-25 National Funding Formula (year 6) Timetable and consultation DSG Recovery Plan Update Academy Update Early Years & Childcare Place Sufficiency
16 November 2023 (TBC) Extraordinary 2pm to 4 pm Microsoft Teams	<ul style="list-style-type: none"> 0.5% transfer (if required) 	
11 January 2024 2pm to 4pm Microsoft Teams	<ul style="list-style-type: none"> 2024-25 National Funding Formula 2024-25 Early Years Funding Formula 2024-25 Pupil Growth Fund 	<ul style="list-style-type: none"> DSG 2023-24 Forecast DSG Recovery Plan Update
21 March 2024 2pm to 4pm Microsoft Teams	<ul style="list-style-type: none"> DSG 2024-25 Budget Section 48 – Scheme for Financing Schools (subject to any ESFA guidance changes) Annual review of future meeting 	<ul style="list-style-type: none"> DSG Recovery Plan Update 2023-24 SF Membership update Update on Academisation of Schools
20 June 2024 (TBC) 2pm to 4pm Face-to-Face (TBC)	<ul style="list-style-type: none"> De-delegation & Disapplication Consultation Timetable 2025-26 Section 48 – Scheme for Financing Schools (subject to any ESFA guidance changes) 	<ul style="list-style-type: none"> DSG 2023-24 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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