

Blackpool Council

4 March 2019

SCHOOLS FORUM

Tuesday, 12 March 2019 at 9.15 am
in Room A, @The Grange, Bathurst Avenue, Blackpool FY3 7RW

A G E N D A

1 WELCOME, INTRODUCTIONS AND APOLOGIES

2 DECLARATIONS OF INTEREST

Members are asked to declare any interests in the items under consideration and in doing so state:

(1) the type of interest concerned either a

- (a) personal interest
- (b) prejudicial interest
- (c) disclosable pecuniary interest (DPI)

and

(2) the nature of the interest concerned

If any member requires advice on declarations of interests, they are advised to contact the Head of Democratic Governance in advance of the meeting.

3 MINUTES OF THE PREVIOUS MEETING (Pages 1 - 10)

To agree the minutes of the meeting held on 15 January 2019 as an accurate record.

To discuss any matters arising, not discussed elsewhere on the Agenda.

4 LOCAL AUTHORITY UPDATE

Paul Turner, Head of Service for School Standards, Safeguarding and Inclusion, to provide a verbal update to the Forum on relevant Local Authority developments.

5 ACADEMY AND FREE SCHOOL UPDATE

Paul Turner, Head of Service for School Standards, Safeguarding and Inclusion, to provide a verbal update to the Forum on relevant Academy and Free School developments.

6 INCLUSION UPDATE

6a Inclusion (Pages 11 - 14)

Paul Turner to provide a written update to the Forum including an overview of other provision including alternative schools.

6b Illuminate Funding

Paul Turner to provide a verbal update including an outline of the funds received by each sector through the Illuminate funding.

7 DEDICATED SCHOOLS GRANT BUDGET MONITORING 2018-19 (Pages 15 - 18)

Mark Golden, Finance Manager, to provide a written update to the Forum.

8 HIGH NEEDS UPDATE (Pages 19 - 24)

Hilary Wood, Head of Business Support and Resources, to provide a written report.

9 DEDICATED SCHOOLS GRANT BUDGET PROPOSAL 2019-20 (Pages 25 - 28)

Hilary Wood, Head of Business Support and Resources, to provide a written report to the Forum outlining the 2019/2020 Budget Proposal.

10 EARLY YEARS FUNDING FORMULA 2019-20 (Pages 29 - 30)

Paul Sharples, School Funding and PFI Manager to provide a written report on the Early Years Funding Formula proposals for 2019-2020.

11 SCHEME FOR FINANCING SCHOOLS (Pages 31 - 86)

Paul Sharples, School Funding and PFI Manager to outline the updates from the Department for Education on the Scheme for Financing Schools for consultation with the Schools Forum.

12 DATE OF THE NEXT MEETING

The Forum to note the date of the next meeting as Tuesday 18 June 2019 at 9.15am @The Grange, Bathurst Avenue, Blackpool, FY3 7RW.

Venue information:

Ground floor meeting room, accessible toilets, no-smoking building.

Other information:

For queries regarding this agenda please contact Danielle Bowater, Democratic Governance Adviser, Tel: 01253 477202, e-mail danielle.bowater@blackpool.gov.uk

Copies of the agendas and minutes of the Schools Forum are available on the Council's website at www.blackpool.gov.uk

This page is intentionally left blank

Public Document Pack Agenda Item 3

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 15 JANUARY 2019

Present:

Primary School Head Teachers/Representatives

Ms J Hirst, Bispham Endowed (Chairman)
Ms E Allen, St John Vianney

Primary School Governor Representative

Ms M Lonican, School Governor representative

Academy School Representatives

Mr S Brennand, Unity
Mr R Farley, Westminster
Ms T Harrison, Thames
Ms J Heywood, Devonshire
Mr D Medcalf, St Georges
Mr D Logan, (ACT)
Mr E Vitalis, Bright Futures

Special School Academy Representative

Ms S Fielder, Park Academy

Special School Maintained Representative

Ms K Haworth, Woodlands

Non-Schools Members

Ms A Baines, Staff/Teacher Associations
Mr R Rendell, Early Years Strategic Group
Mr A Iredale for Mr S Hughes, Blackpool and the Fylde College

In Attendance:

Cllr K Benson, Cabinet Member for Schools and Learning

Mr M Golden, Finance Manager
Mr P Sharples, School Funding and Private Finance Initiative Manager
Mrs H Wood, Head of Business Support and Resources
Ms L Donkin, Consultant in Public Health
Ms S Osborne, Public Health Co-Ordinator (observing)
Mrs D Bowater, Democratic Governance Adviser (minutes)

1 WELCOME, INTRODUCTIONS AND APOLOGIES

Hilary Wood, Head of Business Support, opened the meeting where introductions were made and apologies for absence were received from Wendy Casson, Education Diversity Phil Thompson, Head of SEND and Paul Turner, Head of Schools, Safeguarding and Inclusion.

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 15 JANUARY 2019

2 DECLARATIONS OF INTEREST

No declarations of interest were noted.

3 ELECTION OF CHAIRMAN

The Forum elected Jo Hirst as Chairman of the Schools Forum until January 2020.

4 ELECTION OF VICE CHAIRMAN

The Forum elected Edward Vitalis as Vice Chairman of the Schools Forum until January 2020.

5 MINUTES OF THE LAST MEETING HELD ON 9 OCTOBER 2018

The minutes of the Schools Forum held on 9 October 2018 were agreed as a correct record of the meeting pending the addition of apologies from Elaine Allen, St John Vianney School.

Matters arising from the minutes were noted:

Item 3: An update on the progression of the Children's Centre Consultation. It was noted that an update was anticipated by the end of January 2019. It was agreed that the Schools Forum would potentially arrange an extra-ordinary meeting to discuss the outcome and the impact on Children Centre finance. A provisional date of 12 February 2019 was agreed to hold the meeting. It was agreed that Roger Farley would email Sara McCartan for an update on the Children's Centre consultation.

Item 3: Recruitment of School Safeguarding Adviser. It was noted that Jeremy Mannino had been appointed as the new School Safeguarding Adviser.

Item 10: An update on the Alternative Provision lead to work with schools. It was noted that the appointed representative had been absent from work and would not be in a position to resume the task upon return to work. The Department for Education was sourcing a replacement lead.

Item 12: Management Improvement Factor. It was noted that following discussions, the Local Authority would assume responsibility for the shortfall on the Management Improvement Factor provision.

Item 13: Schools funding formula, the Local Authority submitted information to the Secretary of State that they had approved a transfer of up to one per cent from the Schools Block. It was noted that the Local Authority had submitted the information and awaited a response. It was further noted that due to additional high needs funds, the Department for Education required further consultation with Schools Forum to take place.

Item 13: Schools Funding formula briefings for headteachers. It was noted that Hilary Wood had attended both the Primary and Secondary headteacher meetings to provide information on the Schools Funding Formula, however the position had since changed

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 15 JANUARY 2019

which would be discussed at Agenda item 13.

Resolved:

- **That a provisional extraordinary meeting be arranged for 12 February 2019 to discuss Children's Centre finance, subject to sufficient progress being made by that date.**

6 PUBLIC HEALTH UPDATE

Lynn Donkin, Consultant in Public Health, provided an update including Oral Health Surveys, Schools Health Education Unit survey, PSHE Support Officer, Adverse Childhood Experiences and Trauma and the new model of stop smoking support.

In relation to Oral health, it was reported that greater improvement had been identified in the oral health of five years olds in Better Start areas which was positive. It was requested that Lynn Donkin would share the information with Mark Golden.

As a comment, it was suggested that timely survey distribution be considered to avoid 'survey fatigue' amongst young people and to ensure the most accurate data was collected. It was recognised that Public Health and HeadStart discussed survey schedules to avoid too many at once to the same age group.

It was reported that a new model of stop smoking support had been launched and secondary schools would be invited to develop and trial the new service. It was noted that vaping provided a new area of concern which introduced potential addiction and cost to young people.

Finally, it was noted that the NHS had outlined a new long term plan to address mental health. It was also noted that the HPV vaccine would be available to boys from September 2019 in addition to girls, an update would be provided at the next meeting.

Resolved:

- **To note the update.**

7 LOCAL AUTHORITY UPDATE

Hilary Wood, Head of Business Support and Resources, provided an update from the Local Authority. It was noted that the Children's Services department of the Local Authority had received an inspection from the Office for Standards in Education, Children's Services and Skills (Ofsted) in November and December 2018 and the report would be published on 17 January 2019.

8 ACADEMY AND FREE SCHOOL UPDATE

Hilary Wood, Head of Business Support and Resources, presented the Academy and Free School update. It was noted that an update on the Special Free School would be presented at item 11. It was further noted that Langdale Free School had appointed a temporary Headteacher, with the permanent role out to advert. It was also noted that Roseacre had joined the Achievement through Collaboration Multi-Academy Trust on 1 December 2018.

9 INCLUSION UPDATE

9a Inclusion

Hilary Wood, Head of Business Support and Resources, presented the Inclusion update and the Blackpool Education, Registers and Admissions Panel (BERA) Report was discussed.

It was noted that in year fair access had reduced with more pupils attending mainstream settings.

It was further noted that there was a growing demand for Elective Home Education, which was consistent with the trend across other authorities, but also presented a concern for the local authority of how to quality assure the education provided at home.

It was commented that Pupil Referral Unit provision should not be included within the SERF data, or that the heading be changed to reflect that the table showed primary provision rather than just SERFs within the report.

It was commented that alternative schools were not included within the presented information as they were not monitored by the local authority. It was suggested that it would be helpful to receive an overview picture of other provision from Paul Turner.

Finally, it was noted that permanent exclusions were lower than in previous years which was encouraging for schools.

Resolved:

- **Paul Turner to provide an overview picture of other provision including alternative schools to be presented at the March 2019 meeting.**

9b Illuminate Funding

Hilary Wood, Head of Business Support and Resources, provided the Illuminate Funding report to seek approval of the revised criteria for Illuminate funding for primary and secondary pupils and to seek agreement to apply the criteria respectively to eligible pupils admitted since September 2018. It was noted that there had been discussion in October 2018 but further amendments had been made to the criteria in consultation with schools.

Following a question, it was confirmed that the administration of the criteria would be undertaken by the local authority Admissions Team.

Prior to agreement, it was noted that some of the wording presented required further amendments to ensure clarity. Tracy Harrison and Elaine Allen agreed to contact Paul Turner to discuss the changes required.

Pending the amendments to the wording, 14 attendees were in favour of approving the criteria for the Illuminate Funding set out in paragraph 3.1 (Secondary), 3.2 (Primary) and 3.3 (Discretionary).

It was agreed that the revised criteria should be applied retrospectively to eligible pupils admitted since September 2018 with 14 attendees in favour of the recommendation.

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 15 JANUARY 2019

It was requested that further data be presented at the March 2019 Schools Forum to highlight the amount of money received by each sector.

Resolved:

- **Agree in principle the criteria for the Illuminate Funding set out in paragraph 3.1 (Secondary), 3.2 (Primary) and 3.3 (Discretionary) pending amendments to the wording.**
- **To delegate Tracy Harrison and Elaine Allen to approve the changes to the wording of the criteria for the Illuminate Funding.**
- **To agree that the revised criteria should be applied retrospectively to eligible pupils admitted since September 2018.**
- **Paul Turner, Head of Service for School Standards and Safeguarding, provide further data at the March 2019 Schools Forum to highlight the amount of money received by each sector through Illuminate Funding.**

10 DEDICATED SCHOOLS GRANT BUDGET MONITORING 2018/2019

Mark Golden, Finance Manager, provided a report on the budget position of the 2018 – 19 Dedicated Schools Grant and reserves as at 30 November 2018.

It was recognised that the main pressure continued to be within the High Needs Block with the four main areas of concern being the numbers in special schools being higher than planned equating to a forecast overspend of £197k; the numbers in the pupil referral unit (PRU) being higher than planned equating to a forecast overspend of £215k; the numbers in post 16 following the September 2018 intake being higher than planned equating to a forecast overspend of £225k; and an overspend forecast of £170k for out of borough placements.

It was reported that additional funding for Blackpool of £296,160 would be received for a two year period for children with special educational needs and disabilities (SEND) which could offset some of the pressures on the High Needs block.

In response to a question, it was noted that education provision post 16 was challenging to forecast as young people with special education needs can now continue in education until the age of 25 so it was difficult to judge when young people would leave education.

It was commented that the High Needs block continued to overspend. It was noted that predictions were always tentative within that group.

It was further commented that the new special free school may not achieve the savings anticipated and realistic predications were needed. It was noted that the new special free school would be discussed at the High Needs Agenda item.

It was also commented that there were high numbers in special schools due to parent preferences. It was noted that 79% of Blackpool's children with Education, Health and Care Plan (EHCP) attended specialist provision compared to approximately 50% in other areas. It was suggested that the application of the threshold to receive an EHCP differed across local authorities.

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 15 JANUARY 2019

Hilary Wood reported that the Department for Education had suggested that the Opportunity Area is considering funding a programme of SEND audits with the view to identifying strengths and areas for development in Blackpool schools. It was suggested that a number of audits were already taking place in school settings. It was suggested that all audits that were being undertaken across schools should be linked and the Joint Consultative Group should discuss this.

It was suggested that looking at data from other 'similar' authorities could provide some items for consideration. Post 16 transience in relation to other coastal towns was suggested as a good comparison.

A more realistic forecast of expenditure was sought. It was noted that the local authority had lobbied nationally and on a North West basis in relation to high needs.

Resolved:

- **Request that the Joint Consultative Group discuss how SEND audits can be coordinated.**

11 HIGH NEEDS UPDATE

Hilary Wood, Head of Business Support and Resources, provided an update on the latest developments relevant to the High Needs budget.

It was noted that the Isos Partnership had published a report to look at the trends of SEND expenditure.

In Blackpool, a three year plan was established to address the financial concerns and a sub-group created to monitor the plan. It was reported that the additional funding of £296k would not offset pressures. It was noted that the new Lotus Special Free School would not open until September 2020 and the use of temporary accommodation would not be feasible.

It was noted that the High Needs Working Group had identified a cohort of primary pupils who could be grouped together due to similar need and the local authority was exploring the potential for provision to be established locally, possibly as a satellite to the Lotus School.

It was noted that an out of borough placement typically costs between £30 – 35k, whereas a place at the special free school would cost approximately £22k.

12 DRAFT 2019/2020 DEDICATED SCHOOLS GRANT BUDGET PROPOSAL

Hilary Wood, Head of Business Support and Resources, provided a report to share the provisional estimates for the use of Dedicated School Grant in 2019-20 including the draft budget figures and anticipated percentage changes.

Following a question it was noted that the percentage change in relation to the SERF and place funding and top-up funding was due to the decommissioning of provision at Highfield and Marton.

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 15 JANUARY 2019

Primary Heads reported that following discussion, there was concern of the proposed one per cent transfer from the Schools Block to the High Needs Block. The consequences of maintaining a deficit in the budget were sought to be considered. It was noted that the Department for Education had not outlined the specific consequences but a new requirement from March 2019 would be for local authorities to produce a deficit recovery plan over three years if a deficit over 1 per cent of the total Dedicated Schools Grant was accumulated. It was reported that the vote by Primary Heads at their recent meeting was for a 0.5 per cent transfer.

It was commented that efficiency savings may not equate to a positive impact on children and families.

13 SCHOOLS FUNDING FORMULA 2019/2020 PROPOSALS

Paul Sharples, School Funding and Private Finance Initiative Manager, presented the local authority's proposal for the allocation of the schools funding formula for 2019-20.

It was noted that elements of the paper had been initially presented to Schools Forum in October 2018 but further changes to the Department for Education's model had been made in December 2018.

Following discussion, Schools Forum members agreed to the following recommendations:

- Continue to apply the National Funding Formula unit values;
- Set a minimum funding guarantee of 0.5 per cent compared to 2018/19;
- Apply the one per cent funding floor protection compared to 2017/18 baselines;
- Increase the minimum per pupil funding levels in line with the national funding formula;
- Continue to set the mobility factor unit value at an amount affordable within the total allocated funding for that factor;
- Set an effective cap at a level to ensure that the formula is affordable overall with scaling of 100 percent above the cap.

Following discussion, the Schools Forum members did not agree to the recommendation to 'transfer one per cent of the total Schools Block funding to the High Needs Block'. It was agreed by twelve members to transfer 0.5 per cent and not one per cent of the total Schools Block funding to the High Needs block.

In response to the decisions made, Hilary Wood indicated that a discussion would be undertaken with the Director of Children's Services at the local authority, the Director of Resources and Councillor Benson as the local authority may still decide to submit a request to the Secretary of State for a one per cent transfer from the Schools Block to the High Needs Block in spite of the lack of support of the Schools Forum.

It was recognised that systems and measures were being taken and considered to address the pressure within the High Needs budget deficit.

It was suggested that the issues relating to pressures in the High Needs system be raised

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 15 JANUARY 2019

at the Opportunity Area Board and the School Improvement Board to encourage the identification of solutions to address the issues using the totality of funding available in Blackpool.

Resolved:

- **The recommendations agreed including:**
 - **Continue to apply the National Funding Formula unit values;**
 - **Set a minimum funding guarantee of 0.5 per cent compared to 2018/19;**
 - **Apply the one per cent funding floor protection compared to 2017/18 baselines;**
 - **Increase the minimum per pupil funding levels in line with the national funding formula;**
 - **Continue to set the mobility factor unit value at an amount affordable within the total allocated funding for that factor;**
 - **Set an effective cap at a level to ensure that the formula is affordable overall with scaling of 100 percent above the cap.**
- **To transfer 0.5 per cent and not one per cent of the total Schools Block funding to the High Needs block.**
- **That the issues relating to pressures in the High Needs system be raised at the Opportunity Area Board and the School Improvement Board to encourage the identification of solutions to address the issues using the totality of funding available in Blackpool.**

14 PUPIL GROWTH CONTINGENCY 2019/2020

Paul Sharples, School Funding and Private Finance Initiative Manager, provided a report and approval was sought for the 2019-20 level of Pupil Growth Contingency at £77k based on the October 2018 census data.

It was reported that Mereside Primary Academy was the only school to meet the eligibility criteria as Gateway and Armfield Academies would be funded via estimated numbers through the funding formula.

Following discussion, it was agreed to approve the value of the pupil growth contingency at £77k in 2019-20, which was calculated based on the October 2018 census. Schools Forum members wished to note that any further growth contingency be carefully considered to avoid payment for places that were not utilised.

Resolved:

- **To approve the value of the pupil growth contingency at £77k in 2019-20, which was calculated based on the October 2018 census.**
- **To note that any further growth contingency be carefully considered to avoid payment for places that were not utilised.**

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 15 JANUARY 2019

15 DE-DELEGATION OF SERVICES AND RETENTION OF FUNDING FOR EDUCATION FUNCTIONS 2019-2020

Paul Sharples, School Funding and Private Finance Initiative Manager, provided a report to seek approval for the continued de-delegation of services and the retention of funding for Education Functions.

Consideration of free school meal eligibility checks were discussed. Maintained mainstream primary school members were asked to vote and agreed to the continued de-delegation of funding for free school meal eligibility checks.

Consideration of Insurance provision was discussed. Maintained mainstream primary school members were asked to vote and agreed to move to direct charging for insurance.

Consideration of Union duties was discussed. Maintained mainstream primary school members were asked to vote and agreed to the continued de-delegation of funding for PTA union duties at £4.00 per pupil.

Furthermore, it was agreed by the special school maintained representative that they be included in the free school meals and union duties collective arrangements.

Consideration of Education Functions was discussed. Maintained school members, including primary, special and pupil referral unit members were asked to vote and agreed to the amount of £34.63 per pupil being retained from school budgets for the purpose of funding education functions.

Resolved:

- **Agreed to the continued de-delegation of funding for free school meal eligibility checks.**
- **Agreed to move to direct charging for insurance.**
- **Agreed to the continued de-delegation of funding for PTA union duties at £4.00 per pupil.**
- **Agreed by the special school maintained representative that they be included in the free school meals and union duties collective arrangements.**
- **Agreed to the amount of £34.63 per pupil being retained from school budgets for the purpose of funding education functions.**

16 DATE OF NEXT MEETING

The Forum noted the date of the next meeting as Tuesday 12 March 2019 at 9.15am, @The Grange, Bathurst Avenue, Blackpool, FY3 7RW.

The provisional extraordinary Schools Forum meeting would take place on Tuesday 12 February 2019 at 9.15am, an invitation would be circulated as required.

MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 15 JANUARY 2019

Chairman

(The meeting ended 12.30pm)

Any queries regarding these minutes, please contact:

Danielle Bowater Democratic Governance Adviser

Tel: 01253 477202

E-mail: danielle.bowater@blackpool.gov.uk

Report to: **SCHOOLS FORUM**

Relevant Officer: Paul Turner, Head of Service for School Standards, Safeguarding and Inclusion

Date of Meeting: 12 March 2019

INCLUSION UPDATE

1.0 Purpose of the report:

1.1 To provide an overview of the Blackpool Education Registers and Admissions (BERA) Panel Data Extract including in year fair access panel, permanent exclusions and Education Diversity figures – January 2019

2.0 Recommendation(s):

2.1 To note the report

3.0 Background Information

3.1 This report provides information for the Blackpool Council teams who work with pupils who are new to area, missing from education or electively home educated. It also highlights the numbers of pupils who are accessing the pupil referral unit and the other provisions at Educational Diversity. It is used as a monitoring and challenge framework for the team within the School Standards, Safeguarding and Inclusion service.

This report is used to highlight the work that staff members and teams carry out in relation to engaging the hardest to reach families and pupils, on a statutory basis.

List of acronyms:

BERA – Blackpool Education, Registers and Admissions panel.

OOSR – Out of school register.

IYFAP – In Year Fair Access Panel.

EHE – Elective Home Education.

CME – Children missing education.

EHC – Education Health and Care (plan).

KS3 – Key Stage 3 (Y7-Y9 traditionally.)

KS4 – Key Stage 4 (Y9-Y11 traditionally.)

LCC – Lancashire County Council.

SERF – Special Educational Resource Facility.

List of Appendices:

Appendix 6a - Blackpool Education Registers and Admissions (BERA)
Panel Data Extract– January 2019

BERA DATA EXTRACT (IYFAP, Permanent Exclusions & Ed Diversity Figures) – JANUARY 2019

In Year Fair Access Referrals Year 2018-19							
Total Referrals 2016-17 = 69 (including 2 students who did not go on roll until the 2017-18 period)							
Total Referrals 2017-18 = 58 (including 6 students who did not go on roll until the 2018-19 period)							
Current Yearly Total of Referrals = 40							
Closed Referrals = 31					Active Referrals = 9		
Provision	KS		2018-19 To date	2017-18	2016-17	Name	Identified Provision
Mainstream	KS1	1	11	31	29	S.M. Yr 10	TBC
	KS3	2				D.B. Yr 11	TBC
	KS4	8				L.M. Yr 8	TBC
Ed Diversity	KS2	-	11	17	26	Y.A. Yr 10	TBC
	KS3	5				C.W. Yr 11	TBC
	KS4	6				B.C. Yr 10	TBC
Left area/missing out			1	4	10	W.F. Yr 8 EHE	St George's
LAC Residential			-	-	-	R.J. Yr 9	St Mary's
EHE			-	2	1	K.L. Yr 11 EHE	TBC
Over School Age/CME			-	-	3		
No offer (LCC resident)			-	-	-		
Reintegrations			8				
						Reintegration Active Referrals = 0	

PERMANENT EXCLUSIONS						
Total for 2016-17 = 45						
Total for 2017-18 = 44						
Running Total for 2018-19 = 17*						
School	KS		Totals	Number dereg to EHE	Name	School
Aspire	KS3	4	7	12	J.O. (Yr 8)	Montgomery
	KS4	3			L.D. (Yr 9)	Aspire
Highfield	KS3	-	-	7	S.K. (Yr 10)	Aspire
	KS4	-			C.W. (Yr 10)	Aspire
Montgomery	KS3	5	6	5	A.K. (Yr 10)	Aspire
	KS4	1				
South Shore	KS3	2	2	8		
	KS4	-				
St George's	KS3	1	2	5		
	KS4	1				
St Mary's	KS3	-	-	2		
	KS4	-				
Unity	KS2		-	11		
	KS3	-				
	KS4	-				
Ed Diversity	KS3	-	-	2		
LCC Schools			8	4		

*Includes figures for the current month – does not include LCC schools

EDUCATIONAL DIVERSITY
Numbers in Centres as at 5th February 2019

SERF PROVISION					
	No attending	Capacity		No attending	Capacity
Bispham Smile Centre	7	8	Mereside – Pathways	8	8
Boundary	No Data	16	Pegasus	16	12

On Roll	PEGASUS	ORACLE	SPECIALIST	ATHENA	HHM	TOTAL
Yr 11		22	29 (2)	30 (1)	9 (2)	90 (34.5%)
Yr 10		29	14 (2)	18 (2)	8 (3)	69 (26.5%)
Yr 9	35 (2)	7		13 (1)	3 (2)	58 (22%)
Yr 8	13 (2)		1	9 (3)		23 (9%)
Yr 7	1			2 (1)	1	4 (1.5%)
Yr 6	9 (1)				1	10 (4%)
Yr 5	6 (3)					6 (2%)
Yr 4	1					1 (0.5%)
Yr 3						
Yr 2						
R / Yr 1						
Total	65	58	44	72	22	261
Capacity	70	50	60	75	15	270

* Numbers in brackets = children with an EHCP

Pegasus Willows & Oxford

Oracle KS4

Specialist Atlas/VALT

Athena

HHM

Home & Hospital

Home Tuition

	Centre	On Roll		Centre	On Roll		Centre	On Roll
KS2	Pegasus	16	KS3	Pegasus	49	KS4	Pegasus	0
	HHM	1		Specialist	1		Oracle	51
				Athena	24		Specialist	43
				Oracle	7		Athena	48
				HHM	4		HHM	17
	TOTAL			17	TOTAL			85

Report to: **SCHOOLS FORUM**
Relevant Officer: Mark Golden, Finance Manager
Date of Meeting: 12 March 2019

DEDICATED SCHOOLS GRANT BUDGET MONITORING 2018-2019

1.0 Purpose of the report:

1.1 To report the budget position of the 2018-19 Dedicated Schools Grant as at 31 January 2019 - Appendix 7(a).

1.2 To report the amount of Dedicated Schools Grant reserves as at 31 January 2019 – Appendix 7(b).

2.0 Recommendation:

2.1 To note contents of the report.

3.0 Background:

3.1 The monitoring report at appendix 7(a) reflects the budgets as approved at the March 2018 Schools Forum.

3.2 As in 2017-18, the main pressures are within the High Needs Block. As at January 2019 there are four areas of concern:

- Numbers in special schools are higher than planned resulting in a forecast overspend of £223k.
- Numbers at the PRU are higher than planned resulting in a forecast overspend of £228k.
- Numbers in Post 16 following the September intake are higher than planned resulting in a forecast overspend of £244k.
- £460k of additional growth was built in to the Out of Borough budget based on 2017-18 spend and demand projections. However, placements are still forecast to overspend by £220k.

3.3 An announcement on 16 December 2018 by the Education Secretary Damian Hinds of additional funding for Children with special educational needs and disabilities has helped to offset these cost pressures. Blackpool's share of the £250m is £296,160 in each of the next two years.

4.0 List of Appendices:

- 4.1 Appendix 7(a) - Dedicated Schools Grant 2018-2019 Budget Monitoring Report to 31 January 2019.
Appendix 7(b) - Dedicated Schools Grant Reserves as at 31 January 2019.

List of Acronyms:

DSG	-	Dedicated Schools Grant
LA	-	Local Authority
HNB	-	High Needs Block
SSA	-	Special Support Assistant
ESFA	-	Education and Skills Funding Agency
SERF	-	Special Education Referral Unit
PRU	-	Pupil Referral Unit

Appendix 7(a) - Dedicated Schools Grant 2018-2019 Budget Monitoring Report to 31 January 2019

Service	2018/19						Comments	Movement since last Schools Forum
	Budget	In Year Adj.	Recoupment	Adjusted Budget	Forecast Outturn	Variance		
	£000s	£000s	£000s	£000s	£000s	£000s		
Schools Block								
Local School Budget								
- Delegated	79,124	0	(61,698)	17,426	17,426	0		0
- Third Party & Public Liability Insurance (de-delegated)	290	0	0	290	290	0		0
- Union Duties (de-delegated)	18	0	0	18	7	(11)	Request to cfwd £11k as an earmarked reserve	(11)
- Free School Meals Eligibility Checks (de-delegated)	11	0	0	11	11	0		0
- Education Functions (retained)	154	0	0	154	154	0		0
Pupil Growth Contingency	76	0	149	225	222	(3)		(3)
	79,673	0	(61,549)	18,124	18,110	(14)		(14)
Central School Services Block								
Servicing of Schools Forum	15	0	0	15	15	0		0
Licences & Subscriptions	80	0	0	80	82	2		2
School Admissions	153	0	0	153	153	0		0
Contribution to Combined Budgets - Children's Centres	1,000	0	0	1,000	1,000	0		0
Former ESG Retained Duties								0
- Education Welfare	204	0	0	204	204	0		0
- Asset Management	57	0	0	57	57	0		0
- Statutory / Regulatory Duties	77	0	0	77	77	0		0
	1,586	0	0	1,586	1,588	2		2
Total Schools Block	81,259	0	(61,549)	19,710	19,698	(12)		(12)
High Needs Block								
Special Schools								
Place Funding	4,092	0	(2,340)	1,752	1,752	0		0
Top-up Funding	2,453	0	0	2,453	2,676	223	Higher numbers in special schools	26
SERFs								
Place Funding	395	0	(155)	240	240	0		0
Top-up Funding	140	0	0	140	144	4		4
Transport	77	0	0	77	77	0		0
Pupil Referral Units								
Place Funding	2,580	0	0	2,580	2,580	0		0
Top-up Funding	1,107	0	0	1,107	1,335	228	Pace of reductions slower than forecast	13
Mainstream Schools								
Top-up Funding	810	0	0	810	963	153	Increase in numbers in Autumn Term plus ad-hoc payments	119
Exceptional Circumstances Funding	119	0	0	119	75	(44)		(44)
Post-16 Education	1,746	0	(762)	984	1,228	244	Reflects September 2018 intake	19
Out of Borough	4,039	0	0	4,039	4,259	220	Higher numbers	50
Specialist Advisory and Referral Service (SARS)	1,092	0	0	1,092	1,074	(18)	Supplies and Services underspend	(5)
Access and Inclusion	335	0	0	335	211	(124)	School Safeguarding Advisor vacancy saving plus £78k Illuminate underspend	(83)
Other High Needs Central Services (Management, Central Support Costs, Admin Support, Pension Top-slice)	772	0	0	772	767	(5)		(5)
Total High Needs Block	19,757	0	(3,257)	16,500	17,381	881		94
Early Years Block								
2 Year Old Grants	1,651	0	102	1,753	1,748	(5)	Funding is adjusted by DfE based on participation	3
Early Years Pupil Premium	98	0	13	111	124	13	Funding is adjusted by DfE based on participation	2
3 & 4 Year Old Grants	5,996	0	698	6,694	6,582	(112)	Funding is adjusted by DfE based on participation	(85)
Early Years Inclusion Fund	10	0	0	10	10	0		0
Disability Access Fund	41	0	0	41	41	0		0
Early Years Central Services	382	0	0	382	371	(11)	Supplies and services savings	(5)
Total Early Years Block	8,178	0	813	8,991	8,876	(115)		(85)
Total Expenditure	109,194	0	(63,993)	45,201	45,955	754		(3)
Dedicated Schools Grant Income	(108,794)	0	64,303	(44,491)	(44,683)	(192)	Addtl £296k SEND grant (16th Dec), £104k adj re EY lines above	80
Post-16 funding from the EFA	0	0	(310)	(310)	(310)	0		0
One off use of Reserves as approved at March 16 Forum	(400)	0	0	(400)	(400)	0		0
Total Income	(109,194)	0	63,993	(45,201)	(45,393)	(192)		80
In year (under)/over spend	0	0	0	0	562	562		77

Appendix 7(b) - Dedicated Schools Grant Reserves as at 31 January 2019

Description	Brought Forward 01/04/18	Total Expenditure FY 2018-19	Surplus / (Deficit) at 31st March 2019	Comments
Uncommitted DSG Reserve	25,677	0	25,677	
2018-18 DSG in year deficit	0	562,000	(562,000)	Overspend forecast as at 30th November 2018
Equal Pay Earmarked Reserve	0	0	0	
Rates Holding Account	0	0	0	
SSA Voluntary Redundancy Reserve	0	0	0	
Insurance Holding Account	0	0	0	
	25,677	562,000	(536,323)	

Report to: **SCHOOLS FORUM**
Relevant Officer: Hilary Wood, Head of Business Support and Resources
Date of Meeting: 12 March 2019

HIGH NEEDS UPDATE

1.0 Purpose of the report:

1.1 To update Schools Forum members on latest developments relevant to the High Needs budget.

2.0 Recommendation(s):

2.1 To note and discuss the contents of this report.

3.0 Background Information

3.1 As with many areas around the country, Blackpool is currently experiencing financial pressures on its High Needs Budget. In order to better understand Blackpool's financial position, a three year plan was created in advance of the current financial year, which sought to bring expenditure within available funding by 2020/21. A sub group of the Forum was established to monitor the plan, and the group continues to meet to discuss emerging issues and potential solutions

3.2 The medium term plan has been revised to take account of recent activity and updated forecasts (see Appendix 8a to this report). Since it was last reported at Schools Forum, the forecast overspend on the High Needs Block for 2018/19 has worsened from £490k to a predicted £585k. This is over and above the £800k funding transferred from the Schools Block and Council resources.

3.3 The updated medium term plan incorporates more realistic predictions of future expenditure based on an analysis of trends over recent years. This now shows that the in year deficit is highly likely to continue to increase, reaching over £1.6m in 2020/21 before starting to reduce as a result of ongoing actions to address the pressures. Using this set of assumptions, the cumulative deficit against DSG would reach over £4.3m by the end of 2021/22. The plan makes no assumptions about transfers from other blocks of the DSG beyond 2019/20.

3.4 One of the significant areas of forecast growth is expenditure on special school placements. As a result of recent increases in pupil numbers and forecasts based on trends in recent years, it is proposed that commissioned places are increased as follows:

	Current	April 2019	September 2019
Highfurlong	63	76	76
Park	255	270	290
Woodlands	100	110	110

3.5 The forecasts beyond this timeframe are concerning, as numbers are set to rapidly increase to levels which are unsustainable, both from a financial point of view, and also with respect to the physical capacity of the school buildings.

3.6 At its meeting in February, the High Needs Working Group reviewed the main areas of significant spend and growth in order to identify possible opportunities to generate savings. The four main areas discussed were:

- Pupil Referral Unit – an external review has been commissioned by the local authority, which will consider, amongst other aspects, whether financial efficiencies can be delivered. The review will also consider the operation of the primary behaviour SERF units.
- Out of Borough provision – the opening of the Lotus special free school in September 2020 will deliver savings on the cost of school places for up to 48 pupils aged 10 to 16 with social, emotional and mental health needs. Consideration is also being given to the extension of provision to cover primary aged pupils, potentially in a satellite unit based in a mainstream school.
- Post-16 – a review of costs is to be undertaken with providers. Consideration is also being given as to how alternative providers could be established in the local area in order expand the range of lower cost options available for students with additional needs.
- Special schools – in order to reduce the number of pupils in special schools, more pupils will need to be supported within mainstream settings. Schools have been offered the opportunity for staff from Park special school to carry out a review of SEND support in their school, using their expertise to make recommendations about how practice could be improved. To date, there has been a low level of take-up of this offer. It is proposed that a small number of schools are identified to take part in a pilot, where SEND reviews are undertaken by Park school, and robust evaluation is carried out to evaluate the impact of implementing the recommendations on outcomes for pupils. The local authority is also planning to visit other local authorities where

effective systems have been put in place to support a greater proportion of pupils with additional needs to be educated in mainstream schools.

List of acronyms:

SERF – Special Educational Resource Facility

Appendices:

Appendix 8a – High Needs budget medium-term financial plan

This page is intentionally left blank

High Needs Block Medium-Term Financial Plan

Service	2017/18	2018/19	2019/20	2020/21	2021/22	Notes Current Version
	Budget	Budget	Budget	Budget	Budget	
	£000s	£000s	£000s	£000s	£000s	
High Needs Block						
New Free School (opening September 2020 - c£1m pa when full)	-	-	-	350	863	Assumes 24 places from September 2020, increasing to 48 from September 2021
Special Schools						
Place Funding	3,880	4,093	4,677	4,760	4,813	April 2018 to August 2018 234 (P), 63 (HF) and 100 (W); from September 2018 255 (P), 63 (HF) and 100 (W); from April 2019 270 (P), 76 (HF) and 110 (W); from September 2019 290 (P), 76 (HF) and 110 (W); from September 2021 290 (P), 80 (HF) and 115 (W)
Top-up Funding	2,151	2,676	2,470	2,812	3,150	
SERFs						
Place Funding	500	395	320	320	320	Highfield and Matron SERFs decommissioned from September 2018
Top-up Funding	280	144	105	105	105	Highfield and Marton SERFs decommissioned from September 2018
Transport	120	77	77	77	77	
Pupil Referral Units						
Place Funding	2,580	2,580	2,533	2,354	2,104	Reduced from 258 places to 250 from September 2019, 225 from September 2020 and 200 from September 2021
Top-up Funding	1,436	1,335	1,303	1,264	1,088	Forecast numbers:- April to August 2019 280, September 2019 to March 2020 235, April to August 2020 275, September 2020 to March 2021 225, April to August 2021 225, September 2021 to March 2022 200
Mainstream Schools						
Top-up Funding	777	963	833	833	833	SSA Manager post disestablished (part of SEN restructure), offset by increase in support following decommissioning of SERFs
Exceptional Circumstances Funding	57	75	163	163	163	Increase in funding to Highfield and Marton following decommissioning of SERFs
Post-16 Education	1,725	1,990	2,023	2,076	2,131	Increase in placement costs including inflationary increase @ 3%. Increase in proportion of Head of SEN post allocated to HNB from 2018/19
Out of Borough	3,225	4,259	4,440	3,962	2,931	Based on 16 year-olds leaving, 20 new placements each year @£35k per place and inflationary increase @3%, offset by transfers into new Free School starting in September 2020
Specialist Advisory and Referral Service (SARS)	1,070	1,074	1,082	1,082	1,082	SEN restructure partially offset by £25k Park SLA finishing September 2018
Access and Inclusion	267	211	335	335	335	Restructure savings offset by School Safeguarding Advisor post
Other High Needs Central Services	772	767	772	772	772	
(Management, Central Support Costs, Admin Support, Pension Top-slice)						
Total High Needs Block Expenditure	18,840	20,638	21,133	21,266	20,766	
Available High Needs Block funding	18,840	18,957	19,496	19,636	19,876	Includes additional funding for new Special Free School
Additional High Needs Block allocation in-year		296	-	-	-	
Schools Block Transfer		400	431	-	-	
Council Funding		400	-	-	-	
(Surplus) / Deficit		585	1,206	1,630	890	
Cumulative (Surplus) / Deficit		585	1,792	3,422	4,312	

This page is intentionally left blank

Report to: **SCHOOLS FORUM**
Relevant Officer: Hilary Wood, Head of Business Support and Resources
Date of Meeting: 12 March 2019

DEDICATED SCHOOLS GRANT BUDGET 2019/20

1.0 Purpose of the report:

1.1 To share with Schools Forum the proposals for the use of Dedicated Schools Grant (DSG) in 2019/20.

2.0 Recommendation(s):

2.1 To agree the proposal for future use of Dedicated Schools Grant (DSG).

3.0 Background Information

3.1 At its meeting in January 2019, Schools Forum was presented with the provisional estimates for expenditure against Dedicated Schools Grant in 2019/20. This early consideration was required in order to support the request for the transfer of funding from the Schools Block to the High Needs Block, given the projected pressures in that area.

3.2 At that time, the High Needs Block was projecting an overspend in 2019/20 of c.£1.1m. Schools Forum rejected the local authority's proposal to transfer 1% from the Schools Block to help to offset these pressures, and instead gave its support for a transfer of 0.5%, which has now been implemented.

3.3 The forecasts for 2019/20 have been updated, and are presented at Appendix 9a to this report.

Schools Block

3.4 The Schools Block is showing a breakeven position against the allocation of £82.578m, after the transfer of £415k to the High Needs Block. The total is an increase of 4% compared to the amount allocated through this block in 2018/19.

Central Schools Block

3.5 The Central Schools Block is showing proposed expenditure of £1.590m against the allocation of £1.606m. This allows £16k to be transferred to the High Needs Block.

High Needs Block

- 3.6 Estimates of expenditure against the High Needs Block have been updated since the January meeting. Forecast spend now amounts to £21.133m against an allocation of £19.496m, which is a 7% increase on the budget for 2018/19. The pressure of £1.637 is being partially offset by transfers from the Schools Block and the Central Schools Services Block, resulting in a net overspend of £1.207m.
- 3.7 The previous report gave further information about the longer-term forecasts for the High Needs Block, together with some proposed actions to seek to reduce expenditure in future years.

Early Years Block

- 3.8 Expenditure against the Early Years Block allocation of £8.998m is shown as a breakeven position. The 10% increase in the allocation derives purely from an increase in participation levels (including the full-year effect of the 30-hour entitlement for working parents), as the funding rate from central government has remained unchanged since 2017/18.

List of acronyms:

DSG – Dedicated Schools Grant

List of Appendices:

Appendix 9a – Draft DSG Budget 2019/20

	2019/20	2018/19	Movement	% Change	Notes
	Total	Total			
Schools Block					
Local Schools Budget (including de-delegated amounts)	82,313,699	79,123,753	3,189,946	4%	
- Third Party & Public Liability Insurance (de-delegated)	-	289,869	(289,869)	-100%	
- Union Duties (de-delegated)	18,216	18,148	68	0%	
- Free School Meals Eligibility Checks (de-delegated)	11,710	11,262	448	4%	
- Education Functions (retained)	157,705	154,031	3,674	2%	
Pupil Growth Contingency	76,705	76,231	474	1%	
	82,578,035	79,673,294	2,904,741	4%	
Central Schools Services Block					
Servicing of Schools Forum	15,000	15,000	-	0%	
Licences & Subscriptions	84,967	79,962	5,005	6%	
School Admissions	152,712	152,712	-	0%	
Contribution to Combined Budgets	1,000,000	1,000,000	-	0%	
Former ESG retained duties					
- Education Welfare	204,000	204,000	-	0%	
- Asset Management	56,600	56,600	-	0%	
- Statutory / Regulatory duties	77,000	77,000	-	0%	
	1,590,279	1,585,274	5,005	0%	
High Needs Block					
Special Schools					
Place Funding	4,676,667	4,092,500	584,167	14%	
Top-up Funding	2,469,897	2,453,388	16,509	1%	
Total Special Schools	7,146,564	6,545,888	600,676	9%	
SERFs					
Place Funding	320,000	395,000	(75,000)	-19%	
Top-up Funding	105,260	139,840	(34,580)	-25%	
Transport	77,442	77,442	-	0%	
Total SERFs	502,702	612,282	(109,580)	-18%	
Pupil Referral Units					
Place Funding	2,533,333	2,580,000	(46,667)	-2%	
Top-up Funding	1,303,410	1,106,526	196,884	18%	
Total Pupil Referral Units	3,836,743	3,686,526	150,217	4%	
Mainstream Schools					
Top-up Funding	832,813	809,748	23,065	3%	
Exceptional Circumstances Funding	162,984	118,866	44,118	37%	
Total top-up for Mainstream Schools	995,797	928,614	67,183	7%	
Post-16 Education	2,022,759	1,746,440	276,319	16%	
Out of Borough	4,440,300	4,038,535	401,765	10%	
Specialist Advisory and Referral Service (SARS)	1,081,517	1,091,517	(10,000)	-1%	
Access and Inclusion	335,151	335,151	-	0%	
Other High Needs Central Services (Management, Central Support Costs, Admin Support, Pension Top-slice)	771,865	771,865	-	0%	
	21,133,397	19,756,818	1,376,579	7%	
Early Years Block					
2 Year Old Grants	1,749,615	1,651,547	98,068	6%	
3 & 4 Year Old Grants	6,659,183	5,996,279	662,904	11%	
Early Years Pupil Premium	110,617	97,607	13,010	13%	
Disability Access Fund	47,355	41,000	6,355	16%	
Early Years Inclusion Fund	10,000	10,000	-	0%	
Other Early Years Central Services (Management, Central Support Costs, Training, Admin Support, Pension Top-slice)	421,229	382,181	39,048	10%	
	8,998,000	8,178,614	819,386	10%	
Total	114,299,711	109,194,000	5,105,711	5%	
DSG	(113,093,000)	(108,794,000)	(4,299,000)	4%	
EFA	-	-	-		
Council Match Funding	-	(400,000)	400,000		
	(113,093,000)	(109,194,000)	(3,899,000)		
Deficit / (Surplus)	1,206,711	-	1,206,711		

	Schools Block	Central Schools Services Block	High Needs Block	Early Years Block	Total
Original DSG Allocations 2019/20	82,993,000	1,606,000	19,496,000	8,998,000	113,093,000
Proposed transfers between blocks	(414,965)	(15,721)	430,686	-	-
Council Match Funding	-	-	-	-	-
Allocations above	82,578,035	1,590,279	19,926,686	8,998,000	113,093,000

This page is intentionally left blank

Report to: **SCHOOLS FORUM**
Relevant Officer: Paul Sharples, Schools Funding and PFI Manager
Date of Meeting: 12 March 2019

EARY YEARS FUNDING FORMULA 2019/20

1.0 Purpose of the report:

1.1 To consider the local authority's proposed formula for three- and four-year old early education, as well as the value of the Inclusion Fund for 2019/20, and to note the funding rate for two-year olds.

2.0 Recommendation(s):

2.1 To agree to the local authority's proposed formula for three and four year old early education for 2019/20 as outlined in paragraph 3.3. Voting is restricted to school and PVI members.

2.2 It is recommended that the Early Years Inclusion Fund is maintained at £10,000 for 2019/20.

2.3 To note the local authority's funding rate for two year olds at £5.00 per hour.

3.0 Background Information

Three- and four-year old funding rates

3.1 In March 2018, Schools Forum agreed to the local authority's proposed formula for three and four year old early education, following the two-year phased implementation of the early Years National Funding Formula from April 2017.

3.2 Following the publication of the Early Years funding rates in December 2018, the local authority carried out the annual review of the funding formula in collaboration with the Early Years Strategic Group. As funding rates have remained the same as those in 2018/19, the proposed funding formula for 2019/20 is also to remain unchanged.

3.3 The 2019/20 funding proposals can be summarised as follows:

	£ per child per hour
Base rate	£4.03
Deprivation:	
Top 0-10% of deprived postcodes	16p
Top 11-20% of deprived postcodes	8p
Top 21-30% of deprived postcodes	4p
Quality supplement:	
Education led by staff with Early Years Teacher Status (or EY Professional), or other suitably qualified teacher (i.e. QTS foundation stage/primary)	8p

3.4 **Early Years Inclusion Fund**

The Early Years Inclusion Fund is set aside from the three- and four-year old grant in order to support settings to improve early learning and development outcomes for children with additional needs. It is proposed that the value of the Inclusion Fund is maintained at £10,000 in 2019/20.

3.5 **Two-year old funding rates**

Blackpool's funding for eligible two year olds will remain at £5.20 for 2019/20, therefore the local authority proposes to retain the current funding rate for providers, at £5.00 per hour.

List of acronyms:

PVI – Private, Voluntary and Independent

Report to: **SCHOOLS FORUM**
Relevant Officer: Paul Sharples, Schools Funding and PFI Manager
Date of Meeting: 12 March 2019

DIRECTED REVISION OF SCHEME FOR FINANCING SCHOOLS

1.0 Purpose of the report

1.1 This report updates on changes to the Department for Education guidance, which are expected to be reflected in Blackpool's Scheme for Financing Schools.

2.0 Recommendation

2.1 To approve the revisions for incorporation in Blackpool's Scheme for Financing Schools (maintained schools representatives).

3.0 Background Information

3.1 Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. Any amendments to schemes must be consulted on and approved by the members of Schools Forum representing maintained schools.

3.2 On 5 February 2019, the Department for Education issued updated statutory guidance for local authorities on schemes. The Draft Scheme for Financing Blackpool Schools contained at Appendix 11(a) to this report contains all proposed changes, highlighted in red.

List of Appendices:

Appendix 11(a) – Draft Scheme for Financing Blackpool Schools.

This page is intentionally left blank

SCHEME FOR FINANCING BLACKPOOL SCHOOLS

~~June 2018~~
February 2019

SCHEMES FOR FINANCING SCHOOLS: SECTION 48 OF THE SCHOOL STANDARDS AND FRAMEWORK ACT 1998, AND SCHEDULE 14 TO THE ACT

Issued by the Secretary of State for Education for the purposes of paragraph 1(2) of Schedule 14 to the School Standards and Framework Act 1998 ('the Act')

LIST OF CONTENTS

1. INTRODUCTION

- 1.1 The funding framework
- 1.2 The role of the scheme
 - 1.2.1 Application of the scheme to the Authority and maintained schools
 - 1.2.2 Compliance
- 1.3 Publication of the scheme
- 1.4 Revision of the scheme
- 1.5 Delegation of powers to the head teacher
- 1.6 Maintenance of schools

2. FINANCIAL REQUIREMENTS

- 2.1.1 Application of financial controls to schools
- 2.1.2 Provision of financial information and reports
- 2.1.3 Payment of salaries; payment of bills
- 2.1.4 Control of assets
- 2.1.5 Accounting policies (including year-end procedures)
- 2.1.6 Writing off of debts
- 2.2 Basis of accounting
- 2.3 Submission of budget plans
 - 2.3.1 Submission of financial forecasts
- 2.4 Efficiency and value for money
- 2.5 Virement
- 2.6 Audit: General
- 2.7 Separate external audits
- 2.8 Audit of voluntary and private funds
- 2.9 Register of business interests
- 2.10 Purchasing, tendering and contracting requirements
- 2.11 Application of contracts to schools
- 2.12 Central funds and earmarking
- 2.13 Spending for the purposes of the school
- 2.14 Capital spending from budget shares
- 2.15 Notice of concern
- 2.16 Schools Financial Value Standard (SFVS)
- 2.17 Fraud

3. INSTALMENTS OF BUDGET SHARE; BANKING ARRANGEMENTS

- 3.1 Frequency of instalments
- 3.2 Proportion of budget share payable at each instalment
- 3.3 Interest clawback
 - 3.3.1 Interest on late budget share payments
- 3.4 Budget shares for closing schools
- 3.5 Bank and building society accounts
 - 3.5.1 Restrictions on accounts
- 3.6 Borrowing by schools

4. THE TREATMENT OF SURPLUSES AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES

- 4.1 Right to carry forward surplus balances
- 4.2 Reporting on and control of the use of surplus balances
- 4.3 Interest on surplus balances
- 4.4 Obligation to carry forward deficit balances
- 4.5 Planning for deficit balances
- 4.6 Charging of interest on deficit balances
- 4.7 Writing off deficits
- 4.8 Balances of closing and replacement schools
- 4.9 Licensed deficits
- 4.10 Loan schemes

5. INCOME

- 5.1 Income from lettings
- 5.2 Income from fees and charges
- 5.3 Income from fund raising activities
- 5.4 Income from the sale of assets
- 5.5 Administrative procedures for the collection of income
- 5.6 Purposes for which income may be used

6. THE CHARGING OF SCHOOL BUDGET SHARES

- 6.1 General provision
- 6.2 Circumstances in which charges may be made

7. TAXATION

- 7.1 Value Added Tax
- 7.2 CIS (Construction Industry Taxation Scheme)
- 7.3 Employee payments

8. THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

- 8.1 Provision of services from centrally retained budgets
- 8.2 Timescales for the provision of services bought back from the Authority using delegated budgets
- 8.3 Packaging
- 8.4 Service level agreements
- 8.5 Teachers Pensions

9. PRIVATE FINANCE INITIATIVE/PUBLIC PRIVATE PARTNERSHIP CLAUSES

10. INSURANCE

- 10.1 Insurance cover

11. MISCELLANEOUS

- 11.1 Right of access to information
- 11.2 Liability of governors
- 11.3 Governors expenses
- 11.4 Responsibility for legal costs
- 11.5 Health and Safety

- 11.6 Right of attendance for Chief Finance Officer
 - 11.7 Delegation to new schools
 - 11.8 Optional delegated funding
 - 11.9 Special Educational Needs
 - 11.10 'Whistleblowing'
 - 11.11 Child protection
 - 11.12 Redundancy/early retirement costs
12. RESPONSIBILITY FOR REPAIRS AND MAINTENANCE
13. COMMUNITY FACILITIES / EXTENDED SERVICES
- 13.1 Introduction
 - 13.2 Consultation with the LA
 - 13.3 Funding agreements
 - 13.4 Other prohibitions, restrictions and limitations
 - 13.5 Supply of financial information
 - 13.6 Audit
 - 13.7 Treatment of income
 - 13.8 Health and safety
 - 13.9 Insurance
 - 13.10 Taxation
 - 13.11 Banking

ANNEX A

Schools to which the Scheme applies

ANNEX B

Property Management Arrangements: responsibility for repairs and maintenance

SECTION 1: INTRODUCTION

1.1 The Funding Framework

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

Under this legislation, local authorities determine for themselves the size of their Schools Budget and their non-schools education budget – although at a minimum a local 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. Local authorities may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under s.45A of the Act. The amounts to be retained centrally are decided by the Authority concerned, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

Local authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the Governing Body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in a scheme made by the Authority in accordance with s.48 of the Act and regulations made under that section. All proposals to revise the scheme must be approved by the Schools Forum, though the Authority may apply to the Secretary of State for approval in the event of the Forum rejecting a proposal or approving it subject to modifications that are not acceptable to the Authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school* and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (*Section 50 has been amended to provide that amounts spent by a Governing Body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act.)

The Authority may suspend a school's right to a delegated budget if the provisions of the school financing 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 School Standards and Framework Act 1998).

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, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school. ~~After each financial year the Authority must publish a statement showing out turn expenditure at both central level and for each school, and the balances held in respect of each school.~~

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State, ~~but each school must receive a copy of each year's budget and out-~~

~~turn statements so far as they relate to that school or central expenditure.~~ Regulations also require a Local Authority to publish their scheme and any revisions to it on a website accessible to the general public, by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

1.2 The role of the scheme

Aims

- The overriding aim of the Scheme is to secure excellence in an education service in which pupils have equal opportunity to learn, grow and lead a healthy life to the greatest extent possible.
- The statutory framework within which the Scheme operates is defined in Sections 45-53 of the School Standards and Framework Act 1998.
- Within the provisions of the Act, the Authority will set the framework within which governing bodies will exercise their delegated powers. It will develop policies for the service, including its curriculum policy, and co-ordinate national and local specific grant initiatives. Its monitoring role will ensure that its overall responsibility for the Service is met and that programmes for raising standards and pupil achievement are in place and operating effectively.
- The Scheme sets out the financial relationship between the Authority and the maintained schools which it funds. The Scheme contains requirements relating to financial management and other issues which are binding on both the Authority and the schools.

Partnership

The Scheme aims to enable:

- A. The Authority to give leadership to the whole community by giving a clear direction for education through:
- planning for the development of high quality education;
 - securing resources for the development of education;
 - providing full information about educational facilities and services;
 - monitoring and evaluating educational provision against agreed targets;
 - supporting schools in the achievement of their goals, in a way that is responsive to demographic, social and economic needs, and for
- B. Schools, Headteachers and Governors to have maximum financial and managerial responsibility in order to be able to:
- provide high quality education;
 - implement the Authority's policies;
 - discharge their statutory duties;
 - be accountable,
- within a context which is consistent with local needs and priorities.
- C. Pupils to have equal access to education opportunities, including:
- the National Curriculum and other curricula requirements; and
 - social, physical, cultural and community activities.
- D. Parents to have available information and responsive and sensitive services which support their own and their children's progress through and beyond the school system.

Resources

The Scheme distributes finite resources to maintained primary, secondary and special schools in the Authority and ensures the retention of sufficient funding by the Authority to enable it to discharge its statutory duties and to achieve its aims.

Objectives

To achieve the aims of the Scheme:

- A.** Schools will establish their aims and objectives in the light of the National Curriculum, the Authority's policies, this Scheme and their statutory duties through a Development Plan and: -
- provide a broad, balanced, relevant and appropriate differentiated curriculum;
 - secure the efficient, effective and economical management of the school and its finances;
 - deliver their statutory duties and responsibilities;
 - establish a review process to monitor the effectiveness and efficiency of the school in discharging its functions.
- B.** The Authority will establish a means of consultation and negotiation to identify community and service needs and compatibility with school development plans and, in particular, through its own Service Plan will work within a framework which ensures school effectiveness and which can prioritise policy implementation to:
- review and revise its policies with schools;
 - review the framework in which education is provided in Blackpool;
 - communicate its expectations of schools and devise a means of monitoring and evaluating the achievement of these targets and the discharge by schools of their statutory duties;
 - review the resources available to schools and the allocation mechanism;
 - secure for schools a range of professional services offering advice and guidance and a development programme for teachers, governors and other staff within the education service;
 - develop a computerised management information system appropriate to the requirements of the scheme;
 - exercise its statutory duties to ensure the probity and regularity of financial transactions in schools.

Special Educational Needs

A clear description of an Authority's and schools' responsibilities in respect of pupils with special educational needs is established by the Education Act 1996. These are outlined below:
-

- A.** The Local Authority is responsible for:
- ensuring that pupils with special educational needs receive appropriate provision, where possible in ordinary schools;
 - planning its overall provision for special education, and reviewing it periodically;
 - assessing those pupils whose special educational needs may require the protection of a statement or an Education, Health and Care Plan (EHCP), defining those needs in annually reviewed statements or plans;

- determining the provision to be made for all children and identifying a suitable school, in consultation with parents, to deliver that provision;
- ensuring that the provision specified in each pupil's statement or EHCP is made available.

B. Governing bodies of schools are responsible for:

- educating pupils assigned to them by the Authority;
- ensuring that the provision specified in statements or EHCPs is made available;
- delivering the National Curriculum to all pupils, subject to the provisions specified in statements or EHCPs.

1.2.1 Application of the scheme to the Authority and maintained schools

This scheme applies to all community schools, voluntary aided and controlled schools, special schools, pupil referral units (PRUs) and trust schools maintained by Blackpool Council. Within the Blackpool Council there are no nursery schools for which the scheme would have applied. The scheme does not apply to academies. A list of schools to which the scheme applies is shown at Annex A.

1.2.2 Compliance

The Authority may suspend delegation to the Governing Body for persistent or substantial failure to comply with the requirements of this Scheme, or for unsatisfactory management of the budget share following consideration of a report by the Section 151 Officer* and the Director of Children's Services, which shall also be submitted to the Governors, and acting in accordance with any statutory procedures for the time being in force in respect of such matters including notice required, appeals etc. A school may appeal to the Secretary of State regarding suspension of delegation.

1.3 Publication of the scheme

A copy of the scheme will be supplied to the Headteacher and to the Governing Body of each school covered by the scheme. Any approved revisions will also be notified to each such school. A copy will be available for reference at all reasonable times and without charge at each school and at the Council offices, Bickerstaffe House, Blackpool. The Scheme will be published on a website which is accessible to the general public and any revised version 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.

** The Section 151 Officer is the officer responsible under Section 151 of the Local Government Act 1972 for the proper administration of the Authority's financial affairs*

1.4 Revision of the scheme

The scheme will be kept under review to ensure that it operates to the advantage of pupils and schools. The Authority is committed to working in close co-operation with its schools to ensure the future success of the scheme. Consultation will continue to ensure that all schools and governing bodies can contribute to the development of the scheme.

All proposed revisions must be submitted to the Schools Forum for their approval. 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.

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

1.5 Delegation of powers to the head teacher

The Governing Body of each school should consider the extent to which it wishes to delegate its financial powers to the head teacher, and to record its decision (and any revisions) in the minutes of the Governing Body. A formal scheme of delegation is recommended for this purpose. The scheme should state the responsibilities of the Headteacher and Governing Body in respect of the annual budget plan; the first formal budget plan of each financial year must be approved by the Governing Body, or by a committee of the Governing Body.

Such decisions by the Governing Body will be subject to any requirements of regulations to be made under Section 38 of the Act and Schedule 11 thereto.

1.6 Maintenance of schools

The Local Authority is responsible for maintaining the schools covered by the scheme, and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary school where some of the expenses are, by statute, payable by the Governing Body). Part of the way an authority maintains schools is through the funding system put in place under sections 45 to 53 of the School Standards and Framework Act 1998.

SECTION 2: FINANCIAL REQUIREMENTS

2.1.1 Application of financial controls to schools

- A.** Governing bodies of schools operating with delegated budgets have considerable freedom in determining spending priorities and in the day-to-day operation of schools. However, in the exercise of their delegated powers, they have to comply with certain conditions specified under the scheme and with other overall policies approved by the Authority.
- B.** The conditions laid down seek to balance the need for governing bodies to have freedom to manage delegated budgets with the need to maintain accountability and control over public funds. The conditions specified will ensure that sound and proper procedures are operated and, in addition, the Authority makes available comprehensive guidance to assist governing bodies in the exercise of their powers.
- C.** The Section 151 Officer has a particular responsibility to exercise supervision over all financial matters and to maintain an adequate internal audit of the Council's activities.
- D.** The Section 151 Officer's responsibilities in this area are in part discharged through the drawing up of financial regulations and standing orders to lay down procedures for financial administration. In the management of their delegated budgets, schools shall abide by all of the authority's requirements on financial controls and monitoring, not only those in this scheme.
- E.** The financial requirements in this section refer throughout to requirements and powers of "Governors". This may be taken to include, where appropriate, Headteachers under any scheme of financial delegation drawn up by Governors to operate within their school (see section 1.5). Equally, where a school does not qualify for delegated authority to manage its own budget share under the scheme, "the Director of Children's Services" should be read, where appropriate, in place of "Governors". In this way, whoever is responsible for managing a school's budget share will operate under the same financial regulations.
- F.** The financial regulations provide in general terms for a flow of information between schools and the Authority, in order for the Authority to be able to discharge its proper statutory and monitoring function.
- G.** Governors shall be responsible for ensuring that these financial regulations are observed in their school.

2.1.2 Provision of financial information and reports

- A.** All accounts and financial records shall be kept in a form approved by the Section 151 Officer who will also be responsible for the submission of all claims for grants to Government departments.
- B.** For the purpose of complying with these regulations Governors shall provide the Section 151 Officer with any information which (s)he may require and, in addition, shall allow him/her or his/her representative access where necessary to the documents and records under their control.
- C.** Governors must provide the Director of Children's Services with details of anticipated and actual expenditure and income, in a form and at times determined by the Authority. These details are not required for submission more often than once every three months

except for those connected with tax or banking reconciliation, unless the Authority has notified the school in writing that in its view the school's financial position requires more frequent submission or the school is in its first year of operation.

- D. Where schools are part of the Authority's on-line financial accounting system the restriction to a minimum 3-month interval does not apply.

2.1.3 Payment of salaries; payment of bills

The administration of payroll and pensions shall be undertaken by the Assistant Chief Executive, or in a manner approved by him/her.

Creditor transactions will be processed in accordance with procedures established by the Section 151 Officer.

2.1.4 Control of assets

- A. Governors shall be responsible for the safe custody and physical control of stores and equipment and for the maintenance of an inventory of its moveable non-capital assets in a form approved by the Section 151 Officer.
- B. In particular, Governors shall ensure that formal arrangements exist for the authorisation of the disposal of surplus or obsolete stores and equipment in line with guidance issued by the Section 151 Officer.
- C. Governors shall arrange periodic physical checks of equipment and stores against relevant records by officers other than those responsible for their custody and control.
- D. The Section 151 Officer has formulated a statement of recommended practice regarding the control of assets.
- E. Schools ~~may determine~~ **are encouraged to make** their own arrangements for keeping a register of assets worth less than £1,000, **especially those assets that are portable and attractive, such as cameras.**

2.1.5 Accounting Policies (including year-end procedures)

- A. The Local Authority may specify the format of financial reports required by the Section 151 Officer and in particular relating to any accounting policies including the year-end procedures.
- B. Schools may determine how their own financial records are maintained, including any financial management systems they may wish to use. The school will meet any costs relating to the modification of the school's financial software to provide the required output to the Section 151 Officer.
- C. The financial position of individual schools will be monitored in relation to the information produced by the Authority's central accounting system.
- D. The Governors must follow any year-end procedures laid down by the Section 151 Officer.

2.1.6 Writing off of debts

Where the school is unable to recover income due to it, procedures should be in place to write-off the debt. Governors may wish to delegate this task within limits to the Headteacher and/or a committee of the Governing Body (see section 1.5). All bad debts written-off by the school will be charged to the school's budget share. The Headteacher is responsible for ensuring that the appropriate accounting entries are made in the school's and the Section 151 Officer's accounting records.

Governors may wish to consider the following as a guide to delegation in this matter:

- A. Bad debts up to the value of £500 (or other level as determined by the Governing Body) may be written off by the Headteacher (or other person/committee as appropriate) without prior reference to the Governing Body. All such written-off amounts must be reported to the next meeting of the Governing Body or nominated committee.
- B. For bad debts in excess of £500 (or other level as determined) the approval to write-off must be given in advance by the Governing Body (or a nominated committee).

2.2 Basis of accounting

Reports and accounts requested by the Authority must be on an accruals basis unless stipulated otherwise.

2.3 Submission of budget plans

At the beginning of the financial year, the Governing Body or a committee of the Governing Body shall prepare and approve detailed estimates of income and expenditure for their school for the coming financial year and submit these to the Authority by 31st May for information in a form to be prescribed. The budget should take full account of estimated deficits or surpluses at the previous 31st March and the assumptions underpinning the budget plan.

Governors shall also supply such additional information (e.g. updated budgets, revised estimates of expenditure) as the Authority may require for the purposes of monitoring and evaluation under the scheme. The intervals at which revised plans will be requested will not be less than once every three months. The Authority will take into account the Consistent Financial Reporting framework in specifying any reporting format.

The Authority will supply schools with all income and expenditure data which it holds which is necessary to efficient planning by schools and will also supply an annual statement showing when this information will be available at times throughout the year. The Authority may supply such information electronically.

2.3.1 Submission of financial forecasts

Schools are required to submit a financial forecast covering each year of a multi-year period for which schools have been notified of budget shares beyond the current year. This forecast should confirm that a school is undertaking effective financial planning and the overall position will be used in support of the Authority's balance control mechanism.

2.4 Efficiency and value for money School Resource Management

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

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

2.5 Virement

- A. During the year it may be necessary to transfer funds between budget heads. This process is known as virement. Governors may allocate budgets or exercise budget virement of all sums delegated as part of their budget share (apart from virement out of any earmarked funds) as follows:
- (i) to/between all estimate heads for which responsibility has been delegated under the Blackpool Council approved scheme of delegation;
 - (ii) to expenditure heads designated as "earmarked sums" under the scheme of delegation, provided that the appropriate Authority is informed;
 - (iii) to finance capital expenditure subject to the approval of the Authority.
- B. Governing bodies may wish to consider the delegation of authority in this matter to the Headteacher (see section 1.5) either fully or up to a specified level.

2.6 Audit: General

The Section 151 Officer shall, to the extent (s)he considers necessary or desirable, conduct or arrange for the examination and audit of the school's accounts, excluding voluntary school funds.

The Section 151 Officer or his/her representative shall have access for any necessary examination and audit, at all reasonable times, to all cash, property, documents, books of accounts, and vouchers appertaining any way to the finances of the Authority, and shall be entitled to require such explanations and information as may be reasonably considered necessary to satisfy him or herself of the correctness of any matter under examination. Similar rights of access and explanation shall be given to the Authority's external auditor.

2.7 Separate external audits

A Governing Body may spend funds from its budget share to obtain external audit certification of its accounts, separate from any Local Authority internal or external audit process.

2.8 Audit of voluntary and private funds

- A. The Authority will not, as a general rule, supervise the financial administration of voluntary school funds, and Governors shall be responsible for making contributors to such funds aware of this fact. However, Governors must provide audit certificates in respect of the voluntary and private funds held by schools and of the accounts of any trading organisations controlled by the school.
- B. Governors may apply to the Authority for specified voluntary funds to be administered under the Authority's supervision. If the Authority agrees such funds shall acquire "official" status and shall be conducted as a separate fund account under the requirements of these financial regulations (amended where appropriate by agreement between the Authority and the Governors). The Authority shall be entitled to charge an administration fee to such funds.
- C. The Consistent Financial Reporting framework requires that private funds under the control of the Governing Body be included.

- D. Governors may also request the Section 151 Officer to undertake an audit of voluntary school funds that remain outside the Authority's official jurisdiction. The Authority may levy a charge for this service.

2.9 Register of business interests

- A. The Governing Body of each school must establish a register which lists for each member of the Governing Body and the Headteacher:
- I. any business interests they or any member of their immediate family have;
 - II. details of any other educational establishments that they govern;
 - III. any relationships between school staff and members of the governing body.
- B. The register must be up-to-date with notification of changes and there must be an annual review of entries.
- C. The register must be available for inspection by governors, the Local Authority, staff and parents and must be published on the school website.

2.10 Purchasing, tendering and contracting requirements

Standing Orders relating to contracts

In accordance with Section 135 of the Local Government Act 1972, a local Authority has to make Standing Orders in respect of contracts for the supply of goods and services, and such Standing Orders have to include provisions for securing competition and for regulating the manner in which tenders are invited. The Blackpool Council has made (and reserves the right to amend the financial limits from time to time) the following Standing Orders in relation to contracts entered into by the governing bodies of schools with delegated budgets:

- A. For contracts up to £50,000 cost:
- (i) Governors may enter into contracts which do not exceed £10,000 without the need to seek either written quotations or tenders, provided the Governors are satisfied that value for money is being achieved;
 - (ii) Governors may enter into contracts between £10,000 and £50,000 in value provided that the Governors receive a reasonable number of (not less than three) written competitive quotations for each contract.
- If it proves impossible for the Governors to comply with the above requirements, they must record in writing their reasons.
- B. For contracts exceeding £50,000 Governors shall be required to advertise for tenders. Ten days public notice must be given in one or more of the local newspapers circulating in the district. Where the value of the contract exceeds £75,000 (or for building and constructional works £200,000), a notice should also appear in the appropriate trade journals/newspapers.
- C. Tenders should be submitted in a plain sealed envelope addressed to the Clerk of the Governors with the envelope making it clear that it is a tender for a particular product or service. No other mark or names should appear on the envelope. Tenders should be kept in a secure place and opened at the one time in the presence of at least two appropriate persons, (one of whom should be a Governor) appointed by the Governing Body for this purpose.
- D. A record of all tenders opened should be kept for a period of at least two years.
- E. For a contract where a payment is to be received by the Authority/school, the highest tender should be accepted, but where a payment is to be made by the Authority/school,

the lowest tender should be accepted. Departure from these requirements may occur only with the prior approval of the Governing Body (which must be minuted) and the reasons for not complying with the conditions must be specified in writing and notified immediately to the Authority.

In determining the value of a tender or quotation in monetary terms, consideration can be given to the quality of the product being supplied. The Governors shall use their best endeavours to ensure that value for money is being obtained when deciding upon the successful tenderer.

There is no obligation imposed upon the Authority or Governors to accept any of the tenders that have been received.

- F. In entering into contracts, Governors shall ensure that contract conditions comply with Blackpool Council's Standing Orders in respect of the following matters:
- (i) Every contract which exceeds £50,000 in value or amount shall provide for the payment of liquidated damages by the contractor where the contractor fails to comply with the contract conditions; and
 - (ii) A clause should be inserted in every contract, which entitles the contract to be cancelled, and costs/losses to be recovered in the event of bribery or corruption by the contractor. Bribery or corruption includes a contractor offering or giving or agreeing to give to any person any gift or consideration of any kind as an inducement or reward for taking or not taking certain action in relation to the contract or any other contract with the Authority or if the contractor or any person employed by the contractor or acting on his/her behalf is found guilty of any offence under the Prevention of Corruption Act 1889/1916 or under Section 177 of the Local Government Act 1972.
- G. In order to enable the Authority to consider whether to exclude contractors from tendering or to make recommendations to governing bodies, governors should refer details to the Authority of any person or firm withdrawing a tender or declining to sign a contract upon being called to do so, or carrying out the contract in an unsatisfactory manner. The Authority may then agree that the contractor should be placed upon the Authority's Exclusion List which would exclude the contractor from tendering for Authority contracts for up to a period of three years and Governors of schools with delegated budgets will be recommended to comply with the provisions of the Authority's Exclusion List.
- H. Where a private architect or consultant is employed to act in the carrying out of works or purchase of supplies, it shall be a term of appointment that (s)he shall observe the procedures set out in these Standing Orders.
- I. Prior to the letting of any contracts the Governing Body must assess, where relevant, the health and safety competence of contractors (see also section 11.5).

The Clerk to the Governors shall record in a book to be kept for the purpose, particulars of any Notice given by a Governor of a pecuniary interest in a contract or other matter.

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

2.11 Application of contracts to schools

- A. Schools have the right to opt out of authority arranged contracts.

- B. For contracts entered into by the Authority following consultation with the Governing Body, the school is bound into these contracts for their duration.
- C. These include:
 - a. contracts which schools have agreed to be covered by in respect of services for which funding was delegated by the Authority prior to 1st April 1999;
 - b. contracts which schools agree to be covered by in respect of services for which funding is delegated by the Authority after 1st April 1999; and
 - c. certain contracts approved by the Secretary of State for services for which funding is delegated after 1st April 1999, irrespective of the agreement of schools.
- D. Governing bodies are empowered under paragraph 3 of Schedule 1 to the Education Act 2002 to enter into contracts, however in most cases they do so on behalf of the Local Authority as maintainer of the school and the owner of funds in the budget share and the Authority must be made aware of contracts in excess of £75,000. When the Governing Body has clear statutory obligations, for example contracts made by foundation schools, this provision does not apply.

2.12 Central funds and earmarking

- A. The Local Authority may make sums available to schools from central funds, in the form of allocations, which are additional to and separate from the schools' budget shares. Such allocations are subject to conditions setting out the purpose or purposes for which the funds may be used and while these conditions need not preclude virement (except, of course, where the funding is supported by a specific grant which the Local Authority itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share. These might, for example, be sums for Special Educational Needs or other initiatives funded from the central expenditure of a Local Authority's Schools Budget or other Local Authority budget.
- B. Such earmarked funding from centrally retained funds may be spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given, and may not be vired into the budget share. Schools must maintain financial records to be able to demonstrate that this requirement has been complied with.
- C. Earmarked funds must be returned to the Authority if not spent within any period stipulated by the Authority over which schools are allowed to use the funding.
- D. The Local Authority is barred from making any deduction in respect of interest costs to the Local Authority from payments made to schools of devolved specific or special grant.

2.13 Spending for the purposes of the school

- A. Governors are empowered to incur expenditure up to the value of the total resources available to the school (i.e. balance carried forward from previous year plus school budget share plus any additional allocations awarded during the course of the year).
- B. Governors are empowered to enter into financial commitments extending into a subsequent financial year provided that they can be contained within the total resources which are estimated to be available for the year in question, having regard to all other likely calls on those resources.
- C. By virtue of section 50(3A), 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.

- D. The School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2004 (s1 2004/444) allow schools to spend their budgets on pupils who are on the roll of other maintained schools.

2.14 Capital spending from budget shares

- A. Where the total resources available to the school are sufficient to cover the cost of works, which are of a revenue nature, the Governors have the authority to charge the expenditure to the school budget. ~~This regulation applies to all schools in Blackpool.~~
- B. Where the total resources available to the school are sufficient to cover the cost of works which are of a capital nature, the Governors have the authority to charge such expenditure to the school budget subject to notification to, and consultation with, the Authority. ~~This regulation applies to all schools in Blackpool.~~
- C. In exercise of its powers under Section 282 of the Education Act 1993, the Authority will assist Governors of Aided or Special Agreement Schools by allowing the use of the school delegated budget initially to finance expenditure on approved capital schemes pending receipt of DfE grant on the basis that:
- (a) approved capital schemes costing less than £15,000 can be initially financed in this way without prior approval of the Director of Children's Services but in consultation with the Section 151 Officer; and
 - (b) approved capital schemes costing £15,000 or more can be initially financed in this way subject to notification to, and consultation with, the Director of Children's Services and the Section 151 Officer. The Director of Children's Services may advise on the merits of the proposed expenditure but consent can be withheld only on health and safety grounds.

~~These requirements are included to ensure compliance with School Premises Regulations and DfE Construction Standards, and Health and Safety legislation~~ **the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010.**

- D. Detailed guidance on the procedures to be followed will be issued from time to time by the Director of Children's Services and the Section 151 Officer.
- E. These requirements do not affect expenditure from any capital allocation made available by the Local Authority outside the delegated budget share.

2.15 Notice of concern

The Authority may issue a notice of concern to the Governing Body of any school it maintains where, in the opinion of the Section 151 Officer and the Director of Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local Authority or the school.

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

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

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

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

In the event of any dispute between the school and Authority the matter will be referred to the Chair of the appropriate Council Scrutiny Committee or their representative for resolution.

2.16 Schools Financial Value Standard (SFVS)

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

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

Maintained schools that did not achieve the Financial Management Standard in Schools (FMSiS) must submit the form to the local authority before 31 March 2012, and annually thereafter.

All other maintained schools with a delegated budget must submit the form to the local authority before ~~31 March and annually thereafter~~ **the end of the financial year.**

2.17 Fraud

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

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

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

For the purposes of this section, Budget Share includes any place-led funding for special schools or pupil referral units.

3.1 Frequency of instalments

- A. For schools that have a bank account the frequency with which the budget share will be made available to governing bodies will be at least once a term. Instalments of the total budget share will be made available by direct transfer into the local bank account nominated by the Governing Body.
- B. The Local Authority will, however, make available budget share instalments on a monthly basis to schools which so request it; provided that the request is made prior to the start of the relevant financial year.
- C. Advances will be made to school bank accounts on a regular basis consistent with a school's need to spend. Variations in the pattern of advances (including transfers of pay and/or non-pay advances) will be agreed by the Section 151 Officer in consultation with the school concerned and will be notified to schools immediately prior to the commencement of each financial year.

3.2 Proportion of budget share payable at each instalment

The budget share will be made available based on the monthly profile of the financial year immediately prior to the year concerned. This will be adjusted where the school is able to demonstrate, based on the Governors' approved budget plan submitted to the Authority by 31 May, the inappropriateness of the previous year monthly profile.

3.3 Interest clawback (for bank account schools only)

- A. An amount will be deducted from each advance to reflect the loss of interest to the Authority of advances being made to the school earlier than the invoices would normally be paid and will reflect the actual interest rate earned on General Fund balances at the time of the advance.
- B. The amount subject to interest clawback will be calculated by comparison of the cumulative advances and the cumulative standard monthly profile for all schools. Schools will be notified of the interest rate applied to each advance.

3.3.1 Interest on late budget share payments

The Local Authority will add interest to late payments of budget share instalments where such late payment is the result of a Local Authority error. The interest rate used will reflect the rate earned on the General Fund over the period of the delay in payment or the current Bank of England base rate which ever is the greater.

3.4 Budget shares for closing schools

Budget shares of schools, for which approval for discontinuation has been secured, may be made available until closure on a monthly basis net of estimated pay costs, even where some different basis was previously used.

3.5 Bank and building society accounts

- A. All schools are permitted to have external bank accounts into which their budget share instalments (as determined by other provisions) are paid. Where schools have such accounts the school may retain all interest payable on the account unless they choose to have an account within a Local Authority contract which makes other provision.
- B. A school wishing to commence operating its own bank account may do so only after giving a period of notice of four months. New bank account arrangements may be made with effect from the beginning of each financial year.
- C. Schools without bank accounts at 1st July 2011 cannot have one until any deficit balance is cleared
- D. The Local Authority will transfer to a new school bank account by 1st April an amount agreed by both the school and the Local Authority as the estimated surplus balance held by the Local Authority in respect of the school's budget share, on the basis that there is then a subsequent correction when accounts for the relevant year are closed.
- E. This provision does not apply to school imprest accounts which shall be provided by agreement with the Section 151 Officer and which shall operate under any instructions (s)he may issue. Credits cards or procurement cards issued by the Section 151 Officer against the Council's bank account are subject to regulations issued by the Section 151 Officer.

3.5.1 Restrictions on accounts

- A. The Section 151 Officer may specify a list of banks or building societies from which the school must select a new bank account in accordance with the Authority's Treasury Management policy.
- B. The school may open an account in the name of the school rather than the Local Authority providing that the account mandate states that the Local Authority is owner of the funds in the account, that it is entitled to receive statements and that it can take control of the account if the school's right to a delegated budget is suspended by the Local Authority.
- C. Budget share funds paid by the Local Authority and held in school accounts remain Local Authority property until spent per section 49(5) of the School Standards and Framework Act.
- D. The Governing Body must approve a scheme of delegation relating to the use of the bank account, including the approval of authorised signatures and a named officer responsible for the account reconciliation. Governors, who are not members of staff, may not be signatories of the bank account.

3.6 Borrowing by schools

Governing bodies may borrow money only with the written permission of the Secretary of State. This provision does not apply to any preapproved limited schemes made available by the Secretary of State or any loan scheme run by the Local Authority. Schools will be permitted to set up debit cards or procurement cards against a school bank account but will be barred from the setting up of credit card facilities or utilising finance leases, which are regarded as a form of borrowing.

SECTION 4: THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES

4.1 The right to carry forward surplus balances

- A. Any underspendings against the total resource available, as determined upon the closure of the year's accounts, will accrue automatically to the school and will be added to the school's budget share for the following year.
- B. For schools opening new bank accounts, see paragraph 3.5D in relation to the transfer of surplus balances.

4.2 Controls on surplus balances

- A. Surplus balances held by schools as permitted under this scheme are subject to the following restrictions with effect from 1 July 2011:
 - a. The Authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;
 - b. The Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance;
 - c. The Authority shall then deduct from the resulting sum any amounts which the Governing Body of the school has declared to be assigned for specific purposes permitted by the Authority, and which the Authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.
 - d. Sums assigned for specific purposes must fall into one of the following categories:

(i) General contingency

Schools may retain school balances for the purpose of contingency up to the following values:

Secondary schools 5% of the delegated budget

Primary and Special Schools 8% of the delegated budget

Or £10,000 if this is greater than % threshold.

(ii) Temporary pupil numbers fluctuations

Where it can be clearly demonstrated that a change in pupil numbers is anticipated for up to one academic year and this is not part of a general pupil number trend within the school, a school may hold additional contingency to avoid staff reduction and recruitment in quick succession. This provision recognises that in such occasional circumstances a school is able to demonstrate value for money by retaining experienced or key staff above the recommended pupil teacher ratios.

(iii) Capital Works

Where balances are held for funding towards capital works the school must demonstrate that all the following apply to the purpose:

- a) the project is key to the delivery of school improvements and the raising of standards in achievement and learning
- b) the project has been approved by Governors in the School Improvement plan and that it clearly addresses priorities identified in the asset management plan.
- c) it is not possible to fund the balances component from other sources, e.g. Devolved capital
- d) a clear timescale is identified by which the project will be operational.

(iv) Voluntary Aided schools may hold balances to meet the anticipated of 10% Governors contributions towards schemes listed under capital purposes

(v) Preparation for Increase in Pupil numbers

Planned increase in pupil numbers to occur with the coming academic year may result in the school incurring additional expenditure before the funding of pupils is allowed for within the Fair Funding arrangements. Schools may, after consultation with the Authority, hold balances to provide for setting up costs, including the early recruitment and appointment of staff where this is considered appropriate.

(vi) Other Specific School Improvement Priorities

The Authority will consider other specific items within a School Development Plan individually. Consideration will be given to likely achievement of the investment, the timescale of delivery and impact on school priorities.

Determination of Appropriateness

The Authority has the responsibility to determine the appropriateness of sums held in balances. This will be undertaken by the Director of Children's Services or his/her representative. In the case of Voluntary Aided schools this determination will be made in consultation with the relevant Diocese.

- e. The Authority has the responsibility to determine the appropriateness of sums held in balances. This will be undertaken by the Director of Children's Services or his representative. In the case of Voluntary Aided schools this determination will be made in consultation with the relevant Diocese.
- f. If the result of steps a-e leaves a significant excessive uncommitted balance and/or

where some level of redistribution would support improved provision across the local area, then the Authority may deduct from the current year's budget share an amount equal to the excess.

- B. Funds deriving from sources other than the Authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.
- C. Funds held in relation to a school's exercise of powers under Section 27 of the Education Act 2002 (community facilities) will not be taken into account unless added to the budget share surplus by the school as permitted by the Authority.
- D. The total of any amounts deducted from schools' budget shares by the Authority under this provision are to be applied to the Schools Budget of the Authority.

4.3 Interest on surplus balances

Interest will be paid on any unspent funds held within the General Fund in accordance with the rules determined by the Section 151 Officer from time to time and at a rate equivalent to that applied to the Authority's general balances.

4.4 Obligation to carry forward deficit balances

Any deficit balances will be deducted from the following year's budget share.

4.5 Planning for deficit budgets

With the exception of the provisions on anticipation of budgets set out in 4.9 below, Governors shall not approve a budget that exceeds their total available resources. Any unplanned deficit on the final accounts will be deducted from the following year's budget share for the school.

4.6 Charging of interest on deficit balances

The Authority will charge interest on deficit balances. All deficit balances will attract an interest charge calculated on the same basis as that applying to general school balances.

4.7 Writing off deficits

In no circumstances is the Authority permitted to write off the deficit balance of any school.

4.8 Balances of closing and replacement schools

- A. As the Education Acts make no provision for transfer of balances between schools where a school were to permanently close, any balance (whether surplus or deficit) is to revert to the Local Authority; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus transfers to an academy where a school converts to academy status under section 4(i) (a) of the Academies Act 2010.
- B. Using Section 47 of the School Standards and Framework Act the Local Authority will make allocations to new schools which have the effect of giving them the benefit of additional sums which are equal to or less than the balances of relevant closing schools. Where a new school is to attract additional funding this extra funding will be reduced to recognise the deficit of a preceding school, however, the deficit of the preceding school will not be set against the new school's budget share.

4.9 Licensed deficits

- A. Governors may apply to anticipate their budget. Normally, deficits should be for a specific objective, relate to the following year's budget only and will be subject to a limit of 10% of the school's budget share. However, in exceptional circumstances agreement may be reached with a school to allow a budget anticipation, subject instead to the following more flexible conditions:
- there being a realistic prospect of recovery over a reasonably short timescale (normally two, and not more than three years);
 - the Governors giving a formal indication of their willingness to implement an action plan designed to achieve recovery over a defined timescale and operate within the resources available thereafter;
 - the Governors being willing to work together with the Authority in the agreement and implementation of a recovery plan.
- B. All licensed deficits will be subject to the agreement of the Director of Children's Services and the Section 151 Officer, and will attract an interest charge calculated on the same basis as that applying to general school balances. Budget anticipations will be approved in any year up to a maximum of 40% of the total collective balances.

4.10 Loan schemes

- A. The Authority may operate a loan scheme which does not operate by way of licensed deficit but rather by way of actual payments to schools on condition that a corresponding sum is repaid from the budget share. Such a scheme would have the following conditions:
- a. The maximum period over which the loan must be repaid is 4 years.
 - b. The loan arrangement will be agreed for one or more of the following purposes:
 - high priority building works per Asset Management Plan criteria;
 - IT equipment priority included in the School Development Plan.
 - c. The minimum loan size will be £5,000 and the maximum will be £50,000, subject to consultation on an annual basis with the Schools Forum.
 - d. A maximum of 40% of the collective schools' balances held by the Local Authority will be used to provide finance for the loan scheme and licensed deficits in total.
 - e. The Section 151 Officer and the Director of Children's Services will consider all loan applications for affordability and appropriateness.
- B. Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income. If loans are made to fund a deficit, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer in individual cases.

SECTION 5: INCOME

5.1 Income from lettings

Schools may retain income from lettings of the school premises, which would otherwise accrue to the Local Authority, subject to alternative provisions arising from any joint use or PFI/PPP agreements. Schools may utilise such income to cross-subsidise lettings for community and voluntary use or to support extended school functions, provided there is no net cost to the budget share.

Income from lettings of school premises should not be payable into voluntary or private funds without the authority of Section 151 Officer. **However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.**

In respect of the use of school premises for non-school purposes

- A. The Authority will issue guidelines to governors on the use of premises for community and other purposes, with the available powers of direction being considered only in exceptional circumstances.
- B. Schools are reimbursed the costs of any non-school activities in school premises which are undertaken by the Authority. These activities include adult education classes, and youth and community service provision. Schools are also reimbursed for the use of premises under statutory provisions, mainly for election purposes and for parish or community council purposes. In both these cases reimbursements to school budgets is calculated on the basis of a standard formula.
- C. Agreed arrangements for the use of school premises for recreational or community purposes will apply, subject to agreement of the detailed arrangements with individual governing bodies.
- D. Use of premises, (including use relating to school purposes, e.g. parent teacher associations, school fund-raising events etc.), is for governors to determine. Any charges for such use are determined and collected under arrangements made by the Governing Body. The Authority issues guidelines about the need for users to complete forms of indemnity, to observe local planning regulations and maintain good relations with the local community.
- E. Schools are reminded of the need to ensure that income from lettings is correctly classified for VAT purposes (see also Section 7.1)

5.2 Income from fees and charges

Schools may retain income from fees and charges except where a service is provided by the Local Authority from centrally retained funds. However, schools must comply with the charging policy statements as issued by the Authority.

5.3 Income from fund-raising activities

A school may retain, for its own benefit, income generated through fund-raising activities.

5.4 Income from the sale of assets

Schools may retain the proceeds of the sale of assets (net of VAT) except in cases where the asset was purchased with non-delegated funds (in which case the Local Authority will decide

whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the Local Authority.

5.5 Administrative procedures for the collection of income

The Section 151 Officer may issue guidelines relating to the collection of income and the safeguarding of cash receipts.

5.6 Purposes for which income may be used

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

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General provision

- A. The budget share of a school can be charged by the Local Authority without the consent of the Governing Body only in circumstances expressly permitted by the scheme. The Local Authority must consult schools as to the intention to so charge, and notify schools when it has been done.
- B. For each of these circumstances the Local Authority would have to be able to demonstrate that the Authority had necessarily incurred the expenditure now charged to the budget share. This means that where the Authority cannot incur a liability because the statutory responsibility rests elsewhere no charging is possible. Therefore the position on charging will vary between categories of school.
- C. The Local Authority cannot act unreasonably in the exercise of any power given by the scheme, or it may be the subject of a direction under Section 496 of the Education Act 1996.
- D. Governing bodies are reminded that the Local Authority is required to charge salaries of school-based staff to school budget shares at actual cost.

6.2 Circumstances in which charges may be made

- A. Costs incurred by the Local Authority in respect of the premature retirement of any member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the Authority shall agree with the Governing Body in writing before the retirement occurs.
- B. All expenditure incurred to secure resignations and redundancies where ~~the school had not followed Local Authority advice~~ **there is good reason to charge this to the school (see Annex B)** shall be met from the school's budget share as laid out in section 57 (5) of the School Standards and Framework Act 1998.
- C. Awards by courts and industrial tribunals against the Local Authority arising from action or inaction by the Governing Body contrary to the Local Authority's advice. Awards may sometimes be against the Governing Body directly and would fall to be met from the budget share. Where the Local Authority is joined with the Governing Body in the action and has expenditure as a result of the Governing Body not taking Local Authority advice, the charging of the budget share with the Local Authority expenditure protects the Local Authority's position.
- D. Expenditure by the Local Authority in carrying out health and safety work or capital expenditure for which the Local Authority is liable where funds have been delegated to the Governing Body for such work, but the Governing Body has failed to carry out the required work.
- E. Expenditure by the Local Authority incurred in making good defects in building work funded by capital spending from budget shares, where the Local Authority owns the premises or the school has voluntary controlled status.
- F. Expenditure incurred by the Local Authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the Local Authority.

- G. 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 monies are owed by the school to the Local Authority.
- H. Recovery of penalties imposed on the Local Authority by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs, Teachers Pensions, the Environment Agency or regulatory authorities as a result of school negligence.
- I. Correction of Local Authority errors in calculating charges to a budget share (e.g. pension deductions). Before applying this provision the Local Authority will consider whether it is reasonable to do so.
- J. Additional transport costs incurred by the Local Authority arising from decisions by the Governing Body on the length of the school day, and failure to notify the Local Authority of non-pupil days resulting in unnecessary transport costs.
- K. Legal costs, which the Local Authority incurs because the Governing Body did not accept the advice of the Local Authority. (See also section 11).
- L. Costs of necessary health and safety training for staff employed by the Local Authority, where funding for training had been delegated but the necessary training not carried out.
- M. 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.
- N. Cost of work done in respect of teacher pension remittance and records for schools using non-Local Authority payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations
- O. Costs incurred by the Local Authority in securing provision specified in a statement of Special Educational Need or an Education, Health and Care Plan (EHCP) where a 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.
- P. Costs incurred by the Local Authority due the submission by the school of incorrect data
- Q. Recovery of amounts spent from specific grants on ineligible purposes.
- R. Costs incurred by the Local Authority as a result of a Governing Body being in breach of the terms of a contract.
- S. 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.
- T. Costs incurred by the authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

SECTION 7: TAXATION

7.1 VALUE ADDED TAX

- A. VAT incurred by schools when spending funds made available by the Local Authority is treated as being incurred by the Local Authority and qualifies for reclaim by the Local Authority. This includes expenditure incurred by the Local Authority in respect of works at Voluntary Aided schools (for which the Governors are responsible) subject to the Local Authority ordering, receiving, paying and funding the works.
- B. As part of the Authority's VAT registration schools are able to recover (in respect of their own expenditure) the input tax attributable both to their business and non-business activities. Subject to compliance with requirements for possession of valid tax invoices from suppliers, such VAT is charged to and recovered on a central VAT ledger and no input tax falls in the schools' accounts.
- C. Separate detailed guidance on all VAT matters is available from the Section 151 Officer.

7.2 CIS (Construction Industry Taxation Scheme)

- A. The CIS Scheme relates to construction and maintenance work as defined in the Inland Revenue Construction Industry Tax Deduction Scheme booklet IR14/15.
- B. Where a contractor or sub-contractor does not hold a current '714' Tax Exemption Certificate the Authority must make a deduction from all payments for the labour element of the work. Invoices requiring a deduction of CIS. must be forwarded to the Central Payments Section for processing.

7.3 Employee payments

No payments to employees should be made without reference to payroll procedures to ensure that all necessary adjustments for taxation and National Insurance have been made. This also applies to the reimbursement of travel expenses, casual employment payments and other ad hoc payments.

SECTION 8: THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1 Provision of services from centrally retained budgets

A. It is for the Local Authority to determine on what basis services from centrally retained funds will be provided to schools, including services such as Premature Retirement Costs and Redundancy Costs. The Authority will not discriminate in its provision of services on the basis of categories of schools except where **this would be permitted under the School and Early Years Finance Regulations or the dedicated schools grant conditions of grant.:**

- ~~• funding has been delegated to some schools only; or~~
- ~~• such discrimination is justified by differences in statutory duties.~~

8.2 Timescales for the provision of services bought back from the Authority using delegated budgets

A. The term of any arrangement with a school to buy services or facilities from the Local Authority is limited to a maximum of three years from the inception of the scheme or the date of the agreement, whichever is the later, and limited to periods not exceeding five years for any subsequent agreement relating to the same services. **Contracts for supply of catering services may be limited to a maximum of five years, with a maximum agreement of seven years if the contract is extended.**

B. When the Local Authority provides a service for which expenditure is not retainable centrally, it must be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools are charged differentially.

8.3 Packaging

A. The Authority will offer to provide services on a buyback basis in a way which does not unreasonably restrict schools' freedom of choice among services available.

B. Where appropriate, the Authority will provide services for which funding has been delegated on a buy-back basis, or will otherwise make arrangements for the provision of the service through alternative providers.

C. The Authority may offer packages singly or in combinations and may offer a discount for those schools that take up a wide range of services.

8.4 Service level agreements

A. Services or facilities (with the exception of catering) that are provided under a service level agreement on a buyback basis will be reviewed at least every three years if the agreement lasts longer than that.

B. Service Level Agreements relating to catering may be for a period of up to seven years with a review date of at least every five years.

C. Where services are provided on an ad hoc basis they may be charged for at a different rate than if provided on the basis of an extended agreement.

- D. In relation to 8.3 B and C, centrally arranged premises and liability insurance are specifically excluded from these requirements, as the limitations envisaged may be impracticable for insurance purposes.
- E. A list of those services that are available on a buy-back basis for the financial year commencing 1st April is notified to all schools and that schools will be given at least one month to consider the terms of agreement. The Authority will revise this list in line with changes to centrally retained items as appropriate.
- F. The Local Authority may provide services for buy back by schools at a cost which at least covers all costs relating to the provision of that service. The Local Authority is not permitted to subsidise a buy back service over the life of a buy back arrangement.

8.5 Teachers Pensions

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

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

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

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

SECTION 9: PRIVATE FINANCE INITIATIVE / PUBLIC PRIVATE PARTNERSHIP

Schools wishing to enter into a Private Finance Initiative or a Public / Private Partnership should consult with the Director of Children's Services and the Section 151 Officer at the earliest opportunity.

The Authority will agree with each Governing Body the basis of charges relating to PFI/PPP and the treatment of monies withheld from contractors due to poor performance.

The Authority may charge a school's budget share amounts agreed under a PFI/PPP agreement entered into by the Governing Body of the school.

SECTION 10: INSURANCE

10.1 Insurance cover

- A. Insurances shall be effected under arrangements made and administered by the Section 151 Officer. Where schools wish to take out insurance in areas not covered by existing Blackpool Council insurance arrangements this may be carried out in consultation with the Section 151 Officer.
- B. Governors shall notify the Section 151 Officer promptly of all new risks, liabilities, properties or vehicles, which require to be insured under the scheme and of any alterations affecting risks or insurances indicating the amount of cover required.
- C. Governors shall immediately notify the Section 151 Officer of any fire, loss, accident or other event which may give rise to a claim under the Authority's insurance arrangements.
- D. Governors may, subject to Financial Regulations, amend or extend the Council's general insurance arrangements in respect of their school, provided that any additional cost arising is borne by their budget share.
- E. Schools may request the delegation of that expenditure relating to the arrangement of insurances for their school. Any school wishing to make its own insurance arrangements in this manner must give a minimum of four months notice to the Section 151 Officer. Any such insurance arrangements are subject to the approval of the Section 151 Officer to ensure adequacy of insurance cover.
- F. In considering the adequacy of insurance cover the Local Authority must have regard to the actual risks which might reasonably be expected to arise at the school in question in operating such a requirement, rather than applying an arbitrary minimum level of cover for all schools.
- G. Where funds for insurance are delegated the Local Authority may require the school to demonstrate that cover relevant to an Authority's insurable interests, under a policy arranged by the Governing Body, is at least as good as the relevant minimum cover arranged by the Authority. (see also 6.2 (F))
- H. It should be noted that there are additional insurance requirements for Voluntary Aided schools.

SECTION 11: MISCELLANEOUS

11.1 Right of access to information

The keeping of accounts and financial records, including supporting systems and procedures, have to be undertaken in a manner approved by the Section 151 Officer, who continues to be responsible for specifying all banking, insurance and payroll arrangements in accordance with the Financial Regulations. School accounts are also subject to regular audit.

Schools are reminded of the requirements of compliance with statutory regulations regarding the maintenance and use of personal data. A summary of relevant data protection principles is provided to all schools.

11.2 Liability of governors

As the Governing Body is a corporate body, and because of the specific terms of Section 50(7) of the School Standards and Framework Act 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share or exercise of their duties and responsibilities under this scheme of delegation provided they act in good faith and do not knowingly exceed their statutory or delegated powers.

Where governors have any doubt about the legality of any action that they wish to take, they should seek advice from the Authority for which service there will be no charge. Apart from certain specific responsibilities of governors of Voluntary Aided schools, any claim made against governors will be dealt with by Blackpool Council. There is no need for governing bodies to effect any separate insurance arrangements other than existing arrangements in Voluntary Aided Schools.

11.3 Governors' expenses

The Local Authority may delegate to the Governing Body of a school yet to receive a delegated budget, funds to meet governors' expenses which are set by the Local Authority.

Under section 50(5) of the School Standards and Framework Act 1998, only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget share. No payment of any other allowances should be made. Schools are also barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him/her to schools under special measures.

11.4 Responsibility for legal costs

Legal costs resulting from legal action incurred by the Governing Body (although the responsibility of the Local Authority as part of the cost of maintaining the school unless they relate to the statutory responsibility of voluntary aided school governors for buildings) may be charged to the school's budget share unless the Governing Body acts in accordance with the advice of the Authority.

In the event of a conflict of interest between the Local Authority and the Governing Body, the Governing Body may seek independent legal advice. In order to ensure the appropriate procurement of legal advice the Governing Body may wish to consult with the National Association of Governors and Managers or the National Governors Council.

11.5 Health and Safety

In expending the school's budget share governing bodies must have due regard to duties placed on the Local Authority in relation to health and safety. The Authority's Corporate Health and Safety Manual on health and safety matters is provided to all schools.

11.6 Right of attendance for Chief Finance Officer

The Section 151 Officer, or his/her representative, shall have the right to attend meetings of governing bodies to give advice or to report on financial matters when (s)he deems it necessary to do so to fulfil his/her statutory responsibilities.

11.7 Delegation to new schools

The Authority is empowered to delegate selectively and optionally to the governing bodies of schools which have yet to receive delegated budgets.

By virtue of section 49 of the Act a new school must receive a delegated budget in the funding period prior to the funding period within which it opens (that is to say, the funding period during which it first admits pupils), unless the Authority has obtained the Secretary of State's approval to make arrangements in place of those in the regulations.

11.8 Special Educational Needs

A statement of Governors' responsibilities in relation to pupils with Special Educational Needs is provided to all schools. In particular, governing bodies must use their best endeavours in spending the budget share to secure the special educational needs of their pupils.

11.9 'Whistleblowing'

The Local Authority will supply all schools with procedures and guidance to be followed by persons working at a school or school governors who wish to complain about financial management or financial propriety at the school and this guidance will contain information on how such complaints will be dealt with.

11.10 Child Protection

Schools are required to release staff to attend child protection case conferences and other related events and the cost of any staffing cover shall be met from the school budget share.

11.11 Redundancy/early retirement costs

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded:

- A. Costs incurred by the Local Authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the Governing Body in writing (whether before or after the retirement occurs) that they shall not be so met.
- B. Costs incurred by the Local Authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.

- C. The fact that the Local Authority have a policy precluding dismissal of their employees by reason of redundancy is not to be regarded as a good reason for the purposes of B. above; and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c. 18).

The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the Local Authority's budget. In the former case, the Local Authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy.

- D. Where a Local Authority incurs costs in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or in respect of the dismissal (or for the purpose of securing the resignation) of any member of the staff of a maintained school who is employed for those purposes, they shall recover those costs from the Governing Body except in so far as the Local Authority agree with the Governing Body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.
- E. Any amount payable by virtue of D. above by the Governing Body of a maintained school to the Local Authority shall not be met by the Governing Body out of the school's budget share for any financial year.
- F. Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.

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

Section 37 now states:

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

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

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

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

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

Funding for repairs and maintenance has been delegated to school with only capital expenditure being retained by the Local Authority. For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the Local Authority for financial accounting purposes in line with the CIPFA Code of Practice on Local Authority accounting. Classification of capital and revenue is in accordance with the Chartered Institute of Public Finance and Accounting (CIPFA) Code of Practice and in line with Blackpool Council's policy there is no de minimis level applied to this classification. Governors are responsible for all aspects of building maintenance of their school premises funded from revenue expenditure.

Illustrative examples of capital expenditure items in line with the DfE interpretation of the CIPFA code of practice are included at Annex B.

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

Governors' responsibilities in relation to the management of property matters are set out in Annex B.

SECTION 13: COMMUNITY FACILITIES / EXTENDED SERVICES

13.1 Introduction

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

However, under section 28(1), the main limitations and restrictions on the power will be those contained in the maintaining Authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

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

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.

The budget share of a school may not be used to fund either the start-up costs or ongoing expenditure related to community facilities, or to meet deficits arising from such activities.

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

13.2 Consultation with the Local Authority – financial aspects

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

~~Governing bodies are required to seek the advice of the Local Authority in a timely manner, providing reasonable information in order that the Local Authority may provide a considered response before any action is taken by the Governing Body.~~

~~Governing bodies must inform the Local Authority what decision and/or action has been taken following Authority advice.~~

13.32 Funding agreements – Local Authority powers

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

Any proposed funding agreement with third parties should be submitted to the Local Authority for its comments in a timely manner, allowing the Local Authority adequate notice to consider the proposal.

The Local Authority does not have a right of veto on third party funding agreements, either directly or through requiring a right to countersign the agreement. If the third party requires Local Authority consent to the agreement for it to proceed, such a requirement and the method by which Local Authority consent is to be signified is a matter for that third party, not for the scheme.

Governing bodies are reminded that if an agreement has been or is to be concluded against the wishes of the Local Authority, or has been concluded without informing the Local Authority, which in the view of the Local Authority is seriously prejudicial to the interests of the school or the Local Authority, that may constitute grounds for suspension of the right to a delegated budget.

13.43 Other prohibitions, restrictions and limitations

The Local Authority may require that in a specific instance of use of the community facilities power by a Governing Body where it has good reason to believe that the proposed project carries significant financial risks, that the Governing Body concerned shall make arrangements to protect the financial interests of the Authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question, as specified by the Authority.

Section 28 provides that the exercise of the community facilities power is subject to prohibitions, restrictions and limitations in the scheme for financing schools. The Scheme may propose further provisions of a similarly restrictive nature which are believed to be necessary in order to safeguard the financial position of the Authority or school, or to protect pupil welfare or education.

13.54 Supply of financial information

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

The Local Authority may, on giving notice to the school that it believes there to be cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power, require such financial statements to be supplied every three months and, if the Local Authority sees fit, to require the submission of a recovery plan for the activity in question.

13.65 Audit

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

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

13.76 Treatment of income and surpluses

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

The school may carry such retained net income over from one financial year to the next as a separate community facilities surplus, or, subject to the agreement of the Local Authority at the end of each financial year, transfer all or part of it to the budget share balance.

Where the school is a community or community special school, and the Local Authority ceases to maintain the school, any accumulated retained income obtained from exercise of the community facilities power reverts to the Local Authority unless otherwise agreed with a funding provider.

Where there is a deficit on community facilities and the Local Authority needs to recover funds to meet third party liabilities it may only do so from any accumulated community facilities surplus. If this is insufficient the Local Authority will have to meet the liabilities from its own resources.

13.87 Health and safety matters

The health and safety provisions of the main scheme extend to the community facilities power.

The Governing Body are responsible for the costs of securing ~~Criminal Records Bureau~~ **Disclosure Barring Service** clearance for all adults involved in community activities taking place during the school day. Governing bodies would be free to pass on such costs to a funding partner as part of an agreement with that partner.

13.98 Insurance

The Governing Body are responsible for ensuring adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. Such insurance should not be funded from the school budget share. The school should seek the Local Authority's advice before finalising any insurance arrangement for community facilities.

The Local Authority is empowered to undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the school's budget share.

13.109 Taxation

The Governing Body should seek the advice of the Local Authority and the local VAT office on any issues relating to the possible imposition of Value Added Tax on expenditure in connection with community facilities, including the use of the local Authority VAT reclaim facility.

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

Governing bodies are required to follow Local Authority advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

13.140 Banking

Schools may utilise LA banking arrangements, which would permit adequate separation of such funds from the school budget share and other Authority funds.

If LA banking arrangements are not utilised, schools are required to either maintain separate bank accounts for budget share and community facilities, or have one account but with adequate internal accounting controls to maintain separation of funds.

Arrangements for the administration of bank accounts are the same as those specified for School Bank Accounts (section 3).

Schools must 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 Authority.

ANNEX A**SCHOOLS TO WHICH THE SCHEME APPLIES**

	Community Schools	Voluntary Controlled Schools	Voluntary Aided Schools
Primary Schools	Boundary Primary Moor Park Primary Kincraig Primary Layton Primary Stanley Primary	Bispham Endowed C of E Primary	St Teresa's Catholic Primary Holy Family Catholic Primary Our Lady of the Assumption Catholic Primary St Bernadette's Catholic Primary St Nicholas' CofE Primary St John's CofE Primary St John Vianney Catholic Primary St Kentigern's Catholic Primary
Special Schools	Highfurlong Woodlands		
Pupil Referral Unit	Blackpool PRU		

ANNEX B

LOCAL AUTHORITY CAPITAL /REVENUE SPLIT AND ITEMS WHICH ARE THE SEPARATE RESPONSIBILITY OF GOVERNORS IN VA SCHOOLS

This document sets out the relationship between the Authority and the Governors in relation to the management of land and buildings, and indicates the arrangements, which are appropriate for all schools with delegated budgets.

1. Governors' Responsibility in General

The responsibilities of school governors are set out below and in the attached schedule. Classification is in accordance with the Chartered Institute of Public Finance and Accounting (CIPFA) Code of Practice and in line with Blackpool Council's policy there is no de minimis level applied to this classification. Governors are responsible for all aspects of building maintenance of their school premises funded from revenue expenditure.

The Authority recognises that many of the new responsibilities will be outside Governors' previous experience. Since property matters can involve legal pitfalls, contractual relationships and, health and safety responsibilities, the Authority will make available Health and Safety arrangements and guidance to assist Governors in discharging their responsibilities and these will include :-

- (a) Corporate Health and Safety Manual and its associated arrangements including:
- (b) Managing Electricity at Work;
- (c) Managing Health and Safety in Construction, and the Control of Contractors Arrangements;
- (d) Asbestos Management;
- (e) Controlling Risks from Hazardous Substances Arrangement;
- (f) Control of Legionella Arrangement;
- (g) Work Equipment Arrangement.

Governors would need to consult the Corporate Health and Safety Manual for the full list of arrangements and guidance.

2. Training

Governors should ensure that appropriate training is made available to those staff who may have responsibility for actions involving all policies, procedures or guidance outlined in Paragraph 1.

3. Notification to be given to the Authority

The Governors should provide the Director of Children's Services with copies of all applications, notices, consents, approvals and licences received or made by the school in respect of the land and/or buildings.

4. Repair and Maintenance of Premises

- A.** The Governors shall:

- (a) obtain the Local Authority's written approval to any proposals to adapt, change, extend or demolish any part of the premises;
- (b) be responsible for all works specified in the attached schedule as being the responsibility of the Governors;
- (c) liaise with the Local Authority over planning of any programmed maintenance work to avoid abortive work;
- (d) comply with Health and Safety legislation and the Local Authority's Managing Electricity at Work arrangement;
- (e) respond promptly to any requirement for emergency work, including notifying the Local Authority where it has responsibility for repair;
- (f) make good any damage, which affects the Local Authority's maintenance obligation as a consequence of a Governors' failure to carry out their responsibilities;
- (g) operate all plant and equipment for, or connected to, the supplies of energy and water in accordance with the Local Authority's or manufacturer's appropriate standards and, where the plant and equipment is the responsibility of the Governors, shall ensure that it is adequately serviced and maintained in proper working condition;
- (h) determine if a contractor has his/her tax deducted by the Section 151 Officer or possesses a Tax Exemption Certificate;
- (i) ensure all works carried out conform to Planning and Building Regulations;
- (j) ensure all works comply with Fire Regulations, particularly the means of escape and Fire Prevention (consult Fire Safety Arrangements);
- (k) ensure that Contractors are insured, i.e.
 - i. Public Liability Policy (£2m single incident);
 - ii. Employers Liability Policy
 The Principal named on the Policy is to be the "School Governors"
- (l) ensure contracts are let in accordance with Codes of Practice.

(2) Schools are responsible for all revenue work as indicated in the attached schedule.

(3) The Authority shall:-

- (a) liaise with the Governors with regard to any planned maintenance work; and
- (b) make good any damage, which affects the Governors' maintenance obligation as a consequence of the Authority's failure to carry out its responsibilities.

5. Land and Buildings

- (a) The Local Authority shall be responsible for conducting all negotiations and legal documentation in connection with any land or buildings to be rented for school purposes;
- (b) The Governors shall not create any Tenancy or Licence in connection with the land or buildings other than for sessional use; and
- (c) The Governors shall not use school buildings in a manner that will adversely affect the Local Authority's insurance cover.

ILLUSTRATIVE EXAMPLES IN LINE WITH DfE INTERPRETATION OF THE CIPFA CODE OF PRACTICE

N.B. ACTUAL INTERPRETATION OF CIPFA CODE OF PRACTICE FOR THESE PURPOSES WILL BE FOR EACH LOCAL AUTHORITY

ELEMENT	CAPITAL: AS CIPFA CODE OF PRACTICE	REVENUE: REPAIRS & MAINTENANCE
Roofs		
<u>Flat</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace small areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed
	Screed / insulation in a new building/extension	Repair/replacement of screed/ insulation where defective.
	Screed / insulation. Replacement/repair of substantially all. Improve effectiveness of insulation	Work to improve insulation standards, during work to repair/ replace small areas of roof.
	Finish on new build. Replacement of all/substantially all on existing roof	Replacement of roof finish on existing building. Re-coating chippings to improve life expectancy
	Edge Trim/ Fascia on new build	Repairs/ replacement. (uPVC) Repainting.
	Edge Trim/ Fascia, Replacement of all/substantially all on existing roof	Repairs/ replacement. (uPVC) Repainting.
	Drainage on new build	Clearing out gutters and downpipes. Replacement/repair/ repainting of/ individual gutters/pipes
	Other e.g. Flashings, Rooflights on new build Replacement of all/substantially all on existing roof	Repair/ Replacement/ cleaning of individual items
<u>Pitched</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace/ repair small areas of rotten/ defective joists, rafters, purlins etc. Not complete trusses

	Insulation in a new building/extension	Repair/replacement/ increasing thickness of insulation in an existing roof
	Insulation. Replacement /repair of substantially all. Improve insulation to current standards	
	Roof finish in a new building/extension, replacement of all/substantially all on existing roof	Replace missing/ damaged small parts
	Bargeboards/ Fascias in a new building/extension, replacement of all/substantially all on existing roof	Repairs/ replacement/ Repainting
	Drainage in a new building/extension	Clearing out gutters and downpipes. Replacement/repairs of individual pipes/gutters
	Drainage. Replacement of all/substantially all on existing roof	
	Other e.g. Flashings, Roof windows in a new building/extension, replacement of all/substantially all on existing roof	Repair/ Replacement /cleaning
<u>Other</u>	Provide new covered link etc. between existing buildings	Minor repairs, maintenance to existing covered link
	Rebuild or substantially repair structure of existing covered link Add porch etc. to existing building	Minor repairs, maintenance to existing structure
	Rebuild or substantially repair structure of existing porch	
Floors		
<u>Ground Floor</u>	Structure and dpc in new building	Repair/replacement of small parts of an existing structure
	Structure and dpc - Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	
	Screed and finish in new build, replacement of all/substantially all on existing floor - e.g. replacement of most carpets/ tiles in a room	Replacement and repair of screed and finishes/ Replacement of mats/ matwells. Maintenance

		e.g. revarnishing wooden floors.
<u>Upper Floor</u>	Structure - as ground floor	As ground floor
	Screed and Finish - as ground floor	Repairs of finishes/ Replacement - as ground floor
Ceilings		
<u>Top/ only storey</u>	Suspension	Repair/ replacement incl. From water damage, & necessary decoration
	Membrane	
	Fixed	Repair/ replacement inc. from water damage
	Access panels	Repair/ replacement
<u>Lower storeys</u>	Suspension	Repair/ replacement
	Membrane	
	Fixed	Repair/ replacement
<u>All</u>	Specialist removal/ replacement of damaged/ disturbed Asbestos based materials, planned or emergency	Inspection/ air testing Applying sealant coats to asbestos surfaces for protection
External walls		
<u>Masonry/ cladding</u>	Structure Underpinning/ propping for new build External Finish on new build	Repairs Preventive measures e.g. tree removal Repair/replacement of small parts of an existing structure. e.g. repointing/ recladding a proportion of a wall where failure has occurred.
	External Finish on existing builds where needed to prevent imminent or correct actual major failure of the structure. e.g. repointing/recladding work affecting most of a building/replacement build	
<u>Windows and Doors</u>	Framing - new build	Repair/ replacement of individual frames. Repainting frames
	Framing - structural replacement	Repair/ replacement of

	programme	individual windows. Repainting frames
	Glazing - new build	Replacing broken glass
	Glazing Upgrading existing glazing	
	Ironmongery Improved security	Repair/ replacement, upgrading locks etc.
	Jointing including mastic joints	
	Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation.
<u>Masonry chimneys</u>	Structure	
	Jointing including expansion and mortar joints/ pointing/ DPC	Repair/ re-pointing
Internal walls		
<u>Solid</u>	Complete including various internal finishes, linings and decorations	Repairs and redecoration to internal plaster/ linings tiles, pin boards etc.
	Refurbishment and alterations	Minor alterations
<u>Partitions</u>	Complete structure including linings, framing, glazing, decoration etc.	Repairs and redecoration.
	Refurbishment and alterations	Minor alterations
<u>Doors & Screens</u>	Framing/ Screens/ Doors to new buildings including glazing, ironmongery, jointing and internal decorations	Internal maintenance and redecoration. Repair/ replacement of defective doors and screens
<u>All</u>	Glazing to meet statutory Health & Safety requirements	Replacement of broken glass

Sanitary Services

<u>Lavatories</u>	In new buildings provision of all toilet fittings, waste plumbing and internal drainage.	Repair/ replacement of damaged sanitary ware, fittings, waste plumbing etc.
	Large scale toilet	Small areas of refurbishment

refurbishment

Provision of disabled facilities, and specialist facilities related to pupils with statements or Education, Health and Care Plans

Repair/ replacement of damaged fittings, waste plumbing etc.

Kitchens

Kitchens in new buildings, complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.

Maintain kitchen to requirements of LA

Cleaning out drainage systems

Redecoration

General refurbishment

Repairs

Large and costly items of equipment

Repairs/ replacement parts

Mechanical services

Heating/ hot water

Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues etc.

General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning. Energy saving projects

Safe removal of old/ damaged asbestos boiler and pipework insulation, where risk to Health & Safety.

Monitoring systems

Health & safety issues

Planned replacement of old boiler/ controls systems past the end of their useful life

Replacement of defective parts

Emergency replacement of boiler plant/ systems

Cold water

Provision of cold water services, storage tanks, distribution, boosters, hose reels etc. in major projects

Maintenance and repair/ replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks.

Gas

Distribution on new and major refurbishment's, terminal units

Repairs, maintenance and gas safety
All servicing

<u>Ventilation</u>	Mechanical ventilation/ air conditioning to major projects	Provision of local ventilation. Repair/ replacement of defective systems and units
<u>Other</u>	Swimming pool plant and its complete installation, including heat recovery systems	Repair/ replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution pipework. Simple heat recovery systems. Solar heating plant and equipment.
Electrical services		
<u>General</u>	Main switchgear and distribution in major projects.	Testing/ replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings.
	Replacement of obsolete and dangerous wiring systems, including distribution boards	All testing, earthing and bonding to meet Health & Safety. All servicing.
<u>Power</u>	Control gear, distribution, fixed equipment, protection etc.	All testing, repair and replacement of small items of equipment
<u>Lighting</u>	Provision of luminaires and emergency	Replacement of luminaires, all testing, adjustments and improvements to emergency
<u>Other</u>	Lightning protection in new build Alarm systems, CCTV, lifts/ hoists etc.,	Repair/ replacement Repair and maintenance
	New installation of communication systems, radio/ TV, call, telephone, data transmission, IT etc. and provision in new build.	Repair/ replacement/ maintenance, including all door access systems
External Works		
<u>Pavings</u>	Provision of new roads, car parks, paths, court, terraces, play pitches, steps and handrails, as part of major project, including disabled access	Maintenance and repair Car park and playground markings.
<u>Miscellaneous</u>	Provision of walls,	Maintenance and repair of all

	fencing, gates and ancillary buildings as part of major project	perimeter/ boundary/ retaining walls, fencing and gates.
<u>Drainage</u>	Drains, soakaways, inspection chambers and sewage plant as part of new projects	Maintenance and repair of drains, gullies, grease traps and manholes between buildings and main sewers. Cleaning of the above and unblocking as necessary.
<u>Open air pools</u>	Structure, Hygiene/ safety in new build	Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems.
<u>Services distribution</u>	Heating mains gas mains water mains electricity mains, renewal of any above.	Annual servicing

Notes

This illustrative list is the DfE interpretation of the CIPFA Code of Practice and Local Authorities should refer to the Code when defining capital and revenue.

This page is intentionally left blank