

# Blackpool Council

Members are requested to attend the:

## SCHOOLS FORUM

Tuesday, 20 June 2023 at 9.15 am  
in Theatre Room, @the Grange Bathurst Avenue, 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 LAST MEETING HELD ON 7 MARCH 2023** (Pages 1 - 6)

To consider and agree the minutes of the meeting held on 7 March 2023 as a true and accurate record.

**4 LOCAL AUTHORITY AND INCLUSION UPDATE** (Pages 7 - 8)

To receive an overview of recent developments within the local authority, for information.

**5** **DEDICATED SCHOOLS GRANT YEAR END BUDGET MONITORING 2022/2023** (Pages 9 - 14)

To report the budget position of the 2022/2023 Dedicated Schools Grant and Dedicated Schools Grant Reserves as at 31 March 2023.

**6** **DEDICATED SCHOOLS GRANT BUDGET MONITORING 2023/24** (Pages 15 - 20)

To report the budget position of the 2023/24 Dedicated Schools Grant and Dedicated Schools Grant Reserves as at 30 April 2023.

**7** **SAFETY VALVE UPDATE** (Pages 21 - 34)

To consider the latest developments relevant to the Safety Valve agreement.

**8** **NATIONAL FUNDING FORMULA UPDATE** (Pages 35 - 38)

To receive an update on the National Funding Formula.

**9** **SECONDARY PUPIL GROWTH CRITERIA.** (Pages 39 - 44)

To receive recommendations relevant to secondary pupil growth criteria.

**10** **SCHEME FOR FINANCING SCHOOLS** (Pages 45 - 98)

To receive proposed amendments to the Scheme for Financing Blackpool Schools.

**11** **DATES OF SCHOOLS FORUM 2024**

To note the next meeting date as 10 October 2023

To agree the proposed meeting dates in 2024 as:

- 16 January 2024
- 5 March 2024
- 18 June 2024
- 8 October 2024

**Venue information:**

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

**Other information:**

For queries regarding this agenda please contact Tyrone Wassell, Democratic Governance Adviser, Tel: 01253 477211, e-mail [tyrone.wassell@blackpool.gov.uk](mailto:tyrone.wassell@blackpool.gov.uk)

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# Public Document Pack Agenda Item 3

## MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 7 MARCH 2023

### **Present:**

### **In Attendance:**

#### **Academy / Free School Representative**

Abrar Hussain, Highfield (Star)  
Roger Farley, Westminster (FCAT)  
Tracy Harrison, Thames / Roseacre (ATC)  
Matt McIver, St George's / Baines Endowed (Cidari)

#### **Maintained Special School Representative**

Neill Oldham, Highfurlong

#### **Special Academy / Free Schools Representative**

Gill Hughes, Park Community Academy

#### **Maintained Primary School Headteachers / representative**

Claire Taylor St Nicholas

#### **Early Years Representative**

Rachel Dey, Pebbles Day Nursery

#### **Non-school members**

Neil Adams, Unison  
Amanda Baines, Staff/Teacher associations

#### **In attendance**

Victoria Gent, Director of Children's Services  
Darren Maddocks, Strategic Management Accountant.  
Paul Turner, Assistant Director of Children's Services  
Tyrone Wassell, Democratic Governance Advisor  
Hilary Wood, Head of School Finance and Funding

### **1 WELCOME, INTRODUCTIONS AND APOLOGIES**

Roger Farley welcomed attendees to the meeting.

Apologies were received from;  
Councillor Gillian Campbell (Cabinet Member for Inclusion, Youth, Schools and Transience)

Edward Vitalis (Vice Chair, and Academy Representative Marton / South Shore (Bright Futures)), Elaine Allen (St John Vianney), Graeme Dow, (Free School Representative), Jill Gray (Blackpool Sixth Form College), Michelle Lonican (Our Lady), Victoria O'Farrell (Education Diversity).

Charlotte Baron (Head of SEND), Mark Golden (Head of Accountancy, Deputy S151 Officer).

## MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 7 MARCH 2023

### 2 DECLARATIONS OF INTEREST

There were no declarations of interest noted at the meeting.

### 3 MINUTES OF THE LAST MEETING HELD ON 17 JANUARY 2023

The minutes of the meeting held on Tuesday 17 January 2023 were considered and agreed as an accurate record.

### 4 LOCAL AUTHORITY AND INCLUSION UPDATE

Paul Turner, Assistant Director, Children's Services, presented the Local Authority Update to the Forum. The item informed the Forum of recent changes that had occurred

Mr. Turner spoke about national statistics relating to attendance, he informed the Forum that there had not been a significant change since the previous meeting on 17 January 2023. Elective Home Education had increased since January 2023, with 27% of those in Elective Home Education in year 11. However visits to those in receipt of Elective Home Education had stayed high within the Lancashire area. The Forum also noted that permanent exclusions had also increased.

Mr. Turner went on to explain that attendance nationally had been poor, the attendance figures for primary schools were performing better than those of secondary schools and suspensions had also increased. Mr. Turner expanded on the issues around attendance by informing the Forum in broad terms that an area's affluence appeared to correlate to attendance.

The Forum asked a question about the effect of increasing numbers of permanent exclusions on Safety Valve plans. Mr. Turner advised that it was not currently anticipated that spend would be in excess of budgets, and that planned numbers had been reduced in line with latest forecasts.

### 5 DEDICATED SCHOOLS GRANT BUDGET MONITORING 2022/23

Darren Maddocks, Strategic Management Accountant, presented a report to the Forum, updating attendees on the forecast position of the 2022-23 Dedicated Schools Grant budget as of 31 January. Mr Maddocks also reported on the amount of Dedicated Schools Grant reserves forecast as at 31 January.

Mr Maddocks informed the Forum that, according to the budget monitoring as of the end of January 2023, the Dedicated Schools Grant budget had been forecast with a £573k under spend against a budgeted under spend of £1,608k, with a variance of £1,035k to plan.

The major in-year variances were:

- Out of Borough placements demand higher than budget of £256k.
- Special School placements pressure of £238k.
- Resource provision pressure of £159k relating to additional pupils at Marton and Thames.
- Post 16 Education placements pressure of £71k.
- Mainstream Top-up pressure of £249k.

## MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 7 MARCH 2023

The statement of forecast reserves which had been attached at Appendix 5b to the agenda showed that the £573k surplus would reduce the brought forward deficit of £4.956m to £4.383m by 31<sup>st</sup> March 2023. The statement excluded the maintained schools reserves of £4.129m.

Mr Turner explained that, with the state of the budget as it had been reported to the Forum at the meeting, provision had been made in future years allowing for pro-active spending choices in areas which required investment. These spending choices and investments would allow the sector to be in a much stronger position in roughly three years' time.

### **Action**

Hilary Wood and Paul Turner to develop proposals for future allocation of available inclusion funding and present them to the next meeting on 20 June 2023.

## **6 SAFETY VALVE UPDATE**

Hilary Wood, Head of School Finance and Funding, presented a report updating the Forum on the Safety Valve programme, the report presented had informed The Forum of any recent updates on the Safety Valve programme.

Mrs Wood was positive about how the Safety Valve programme was performing.

It had been reported at the 17 January 2023 meeting that Blackpool, along with many other areas around the country, was experiencing financial pressures on the High Needs Budget. Additional government funding in recent years had previously helped to offset some of the pressures, however costs in 2021/22 exceeded the High Needs funding allocation by £2.374 million. Transfers from other funding blocks, together with a release of the new and growing schools provision would be combined to offset pressures, with the cumulative deficit against Dedicated Schools Grant (DSG) having reduced by £805k to £4.957 million at the end of March 2022.

Despite an increase in the High Needs funding for 2022/23, ongoing pressures had meant that forecasted costs were exceeding income, resulting in an estimated overspend of £494k for the year 2022/23. However, approved transfers from other Dedicated Schools Grant blocks looked set to bring about a net repayment of £573k, which would reduce the cumulative deficit to an estimated £4.383 million in March 2023.

Blackpool had formed part of the Department for Education's (DfE) Safety Valve programme in 2022/23, a programme which had been designed to provide aid to Local Authorities with the highest percentage Dedicated School Grant deficits. The programme required Local Authorities to develop plans for reform to their High Needs systems and associated spending. The Department for Education provided support and challenge to Local Authorities who participated in the Safety Valve programme, the scope of which was to rapidly place these local authorities on a more sustainable footing.

The Local Authority had been developing the Safety Valve proposals and the Dedicated Schools Grant Management Plan in consultation with stakeholders, and had received the support of Schools Forum at its meeting in 17 January 2023. On 26 January 2023, the Local Authority presented these proposals to the Department for Education's Safety Valve

## MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 7 MARCH 2023

team. A summary of the proposals were:

1. To reduce the number of pupils in independent special schools through the expansion of local specialist provision
2. Continue to increase the proportion of pupils with Education Health and Care Plans in mainstream school
3. Tighten management of demand and funding for Education Health and Care Plan
4. Rationalise Pupil Referral Unit estate and reduce budget in line with lower numbers

The key requests from the Department for Education were:

- A contribution of £3.876m towards writing off the historic Dedicated School Grant deficit.
- A total of £6.153m in capital funding for three schemes that underpin actions in the DSG Management Plan. Use of £190k of funding in 2023/24 to prioritise statutory assessment work.

Since the meeting, the Safety Valve agreement between Blackpool Council and the Department for Education had been signed and published on 16 March 2023. The agreement included a contribution of £3.876m towards deficit write-off, to be paid to Blackpool Council in instalments over the life of the DSG Management Plan. Payments would be subject to compliance with the conditions of the Safety Valve agreement, most notably adherence to the plan for repayment of the DSG deficit. The outcome of the bid for capital funding had not yet been notified but an update will be presented at the next meeting, 20 June 2023.

### **7 EARLY YEARS FUNDING 2023/24**

Hilary Wood, Head of School Finance and Funding, presented a report to the Forum, which required a vote by school and Early Years members.

The Schools Forum considered the Local Authority's proposed formula for Early Years funding for three- and four-year old early education, as well as the value of the Inclusion Fund for 2023/24, and the funding rate for two-year olds.

#### **Three- and four-year old funding rates**

The Department for Education (DfE) had announced an increase in the three- and four-year old funding rates for Blackpool of 23p per child per hour for 2023/24. The overall funding rate has risen to £4.67 from £4.44 in 2022/23. The local authority proposed to pass through the full amount of the government increase to Early Years providers through the single funding formula, meaning that the overall hourly Base Rate would increase by a total of 23p per child per hour. This would bring the Base Rate up to £4.59 per hour for 2023/24, compared to £4.36 in 2022/23.

Funding that had previously been allocated to maintained schools and academies with nursery provision to support increased costs associated with teachers pay and pension costs via additional grants (Teacher's Pay Grant and Teacher's Pension Employer

## MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 7 MARCH 2023

Contribution Grant) had been included within the three- and four-year old Early Years National Funding Formula from 2023/24. The provisional allocation for 2023/24 had been confirmed as £118,000, which closely mirrored the funding received in 2022/23 by schools and academies with nursery provision. It was proposed that this funding be apportioned amongst school nurseries via a new teachers' pay and pension grants supplement of 28p per hour.

### Early Years Inclusion Fund

The Forum was presented with information on the Early Years Inclusion Fund, it was proposed that the Inclusion Fund contribution from the Early Years block would be maintained at £60k in 2023/24, which would equate to an average of 4p per hour across all providers. Due to increased demand, a further £30k would continue to be allocated from the high needs block resulting in an overall total of £90k.

### Two-year old funding rates

Hilary Wood informed the Forum that Government funding available for eligible two year olds had increased by 6p to £5.63 per child per hour for 2023/24, from £5.57 in 2022/23. The Local Authority intended to pass through the full amount of the Government increase to Early Years providers, and to supplement this with a further 3p per hour, which would be achieved by a reduction in funding retained for central costs. The provider rate would be increased to £5.48 in 2023/24, compared to £5.39 in 2022/23.

### Action

Hilary Wood to consider how budget statements to providers can be issued earlier in future years make contact with school liaisons and report back to the forum in the latter part of the year for the 10 October 2023 meeting.

### Resolved:

1. To agree the Local Authority's proposed formula for Early Years funding for three- and four-year old early education as outlined in paragraphs 3.3 to 3.7 of the report at item 7 of the Agenda.
2. To agree to set aside from the Early Years block at a rate of 4p per hour, equating to approximately £60k per year
3. To note the local authority's funding rate for two year olds at £5.48 per hour.

## 8 DEDICATED SCHOOLS GRANT BUDGET UPDATE 2023/24

Hilary Wood presented the Dedicated Schools Grant Budget Update 2023/24. Full details of the approved budget had been included in Appendix 7a for the agenda for the Schools Forum meeting on 17 January 2023, in which Schools Forum received details of the local authority's proposed budget for Dedicated Schools Grant in 2023/24. The budget had been approved by full Council on 22 February 2023. A small number of adjustments to the already approved budget had been made, with details set out at Appendix 8a of the agenda for the meeting of the Schools Forum on 7 March 2023, and explanations as follows:

## MINUTES OF SCHOOLS FORUM MEETING - TUESDAY, 7 MARCH 2023

- Increase in school business rates

An increase in Local Schools Budget and a decrease in transfer to growth contingency of £63,441 related to school business rates. The mainstream school funding formula for 2023/24, which had been presented to Schools Forum at the meeting on 17 January 2023 had incorporated estimates for business rates based on costs in 2022/23. However, from April 2023 revaluations of all properties in England will come into effect, and the Education and Skills Funding Agency had requested that revised estimates be built into Blackpool's formula for 2023/24. While academy schools claimed their rates costs from the Education and Skills Funding Agency, the increased funding for maintained schools had lagged and would be paid by way of an adjustment to Dedicated Schools Grant in 2024/25. In order that funding for individual schools would not be impacted by this technical adjustment, the amount which had been set aside in the growth contingency would be reduced to £231,246.

- De-delegation and Education Functions

The amounts relating to de-delegation and retention of funding for education functions had been quantified and shown as separate amounts, with a corresponding reduction to the Local Schools Budget line.

- Central Schools Services Block

An unallocated amount of £36,696 had been split across the expenditure lines in this block, in line with estimates of costs in 2023/24.

- Early Years Block

The value of the Early Years Inclusion Fund and costs relating to central expenditure have been discussed with the Early Years Strategic Provider Group and are now shown as separate lines on the budget statement, with corresponding reductions to the Early Years grants lines. The details of this block had been discussed in Agenda Item 7 of the meeting 17/03/2023.

### 9 DATE OF NEXT MEETING

The date of the next meeting was noted as 20 June 2023

### 10 GLOSSARY OF TERMS

The Glossary for this meeting 07 March 2023 is attached at Appendix 10a.

### Chairman

(The meeting ended 10.03 am)

Any queries regarding these minutes, please contact:  
Tyrone Wassell Democratic Governance Adviser  
Tel: 01253 477122  
E-mail: [tyrone.wassell@blackpool.gov.uk](mailto:tyrone.wassell@blackpool.gov.uk)



**Report to:** **SCHOOLS FORUM**  
**Relevant Officer:** Paul Turner, Assistant Director of Children's Services  
**Date of Meeting:** 20 June 2023

## LOCAL AUTHORITY AND INCLUSION REPORT

### 1.0 Purpose of the report:

- 1.1 To provide an overview of recent developments within the local authority to the Forum.
- 1.2 No action required: For information only.

### 2.0 Recommendation(s):

- 2.1 This report is presented for information only.

### 3.0 Background Information

The focus for School Forum is inclusion, linked to High Needs spending. The data below gives an insight into current performance and developments within the Blackpool school system. Additional updates on staffing, Ofsted inspections and local educational developments are included.

#### 3.1 Inclusion summary data and updates

##### Attendance

Primary 6.29% / 20.06% (Overall Absence and Persistent Absence)  
Secondary 11.31% / 34.92% (Overall Absence and Persistent Absence)  
Special 8.28% / 25.05% (Overall Absence and Persistent Absence)  
6<sup>th</sup> form – St Mary's 91.2% and Blackpool 6<sup>th</sup> 91.3% (overall attendance)  
PRU Primary 27.93% / 60% Secondary 52.3 / 89.63 (Overall Absence and Persistent Absence)

##### Exclusions and suspension

2391 suspensions in the secondary academies  
32 PEX

##### PRU numbers

140 Pupils on roll (61 to leave at the end of the school year).  
88 pupils single-roll on 26<sup>th</sup> May 2023  
50 pupils in Y11  
26 pupils in Y10

### **Elective Home Education**

439 pupils on EHE at 26<sup>th</sup> May 2023.  
212 in Y10 and in Y11.

### **Ofsted inspections**

Armfield Academy (Good)  
St Cuthbert's (Good)  
Moor Park (Good)  
Fylde Coast SCITT (Good)

### **Local Authority staffing updates**

Hilary Wood will leave the Council at the end of August 2023.

### **List of acronyms:**

**EHE – Elective Home Education**  
**PRU – Pupil Referral Unit**  
**OA – Overall Absence**  
**PA – Persistent Absence**

### **List of Appendices:**

None

**Report to:** **SCHOOLS FORUM**  
**Relevant Officer:** Darren Maddocks, Strategic Management Accountant  
**Date of Meeting:** 20 June 2023

## **DEDICATED SCHOOLS GRANT BUDGET MONITORING 2022-2023**

### **1.0** Purpose of the report:

1.1 To report the budget position of the Dedicated Schools Grant for the Financial Year Ended 31 March 2023 – Attached at Appendix 5a.

1.2 To report the amount of Dedicated Schools Grant reserves as at 31 March 2023 – Attached at Appendix 5b.

### **2.0** Recommendation:

2.1 To note contents of the report.

### **3.0** Background:

3.1 The High Needs Budget over spent by £813k in 2022-23 as a result of previously reported pressures in Out of Borough placements, Special Schools, Resource Provision, Mainstream Top Up and Post 16 Education.

3.2 The Early Years Block over spent by £57k relating to a higher demand for childcare places than budgeted.

3.3 The Schools Block over spent by £18k due to a pressure within School Improvement - Education Functions.

3.4 Schools Forum set a target of reducing the deficit in-year by £1.609m, however, due to the pressures highlighted above the actual under spend for the 2022-23 financial year was £621k. The position improved further following the receipt of the first Safety Valve grant of £1,550k, therefore, the total under spend totaled £2.171m. The position as at 31 March 2023, after incorporating the brought forward balance of £4.956m is a reduction in the deficit to £2.785m.

3.5 Maintained School balances reduced from £4.130m to £3.648m over the year to 31<sup>st</sup> March 2023, this was due to two academy conversions (£215k) and the remainder due to schools using reserves to balance their in-year budgets (£267k). However, maintained school balances are still healthy with an average balance as a percentage of School Budget Share at 15.5% and no schools in deficit.

### **4.0** List of Appendices:

4.1 Appendix (5a) - Dedicated Schools Grant 2022-2023 Budget Monitoring Report to 31 March 2023.

Appendix (5b) - Dedicated Schools Grant Reserves as at 31 March 2023.

**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 Facility
PRU	-	Pupil Referral Unit

## Appendix 5a - Dedicated Schools Grant 2022-2023 Budget Monitoring Report to 31 March 2023

Service	2022/23							Comments
	Budget	In Year Adj.	Recoupment	Adjusted Budget	Forecast Outturn	Month 11	Variance	
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	
<b>Schools Block</b>								
Local School Budget								
- Delegated	98,179	0	(78,575)	19,604	19,604	19,593	0	
- Third Party & Public Liability Insurance (de-delegated)	0	0	0	0	0	0	0	
- Union Duties (de-delegated)	19	0	(1)	18	18	(14)	0	
- Free School Meals Eligibility Checks (de-delegated)	19	0	(1)	18	18	18	0	
School Improvement	25	0	0	25	25	25	0	
- Education Functions (retained)	166	0	(10)	156	173	166	17	
Business Rates	6	0	0	6	6	6	0	
Pupil Growth Contingency	0	0	0	0	0	0	0	
	98,414	0	(78,587)	19,827	19,844	19,794	17	
<b>Central School Services Block</b>								
Servicing of Schools Forum	18	0	0	18	18	18	0	
Licences & Subscriptions	93	0	0	93	93	93	0	
School Admissions	168	0	0	168	169	169	1	
Contribution to Combined Budgets - Children's Centres	0	0	0	0	0	0	0	
Former ESG Retained Duties								
- Education Welfare	235	0	0	235	235	235	0	
- Asset Management	68	0	0	68	68	68	0	
- Statutory / Regulatory Duties	101	0	0	101	101	101	0	
Equal Pay	0	0	0	0	0	0	0	
	683	0	0	683	684	684	1	
<b>Total Schools Block</b>	<b>99,097</b>	<b>0</b>	<b>(78,587)</b>	<b>20,510</b>	<b>20,528</b>	<b>20,478</b>	<b>18</b>	
<b>High Needs Block</b>								
Special Schools								
Place Funding	5,894	0	(3,446)	2,448	2,518	2,567	70	Includes Uplift - 3.5%
Top-up Funding	4,529	42	0	4,571	4,655	4,690	84	Includes Uplift - 3.5%
SERFs								
Place Funding	0	0	0	0	0	0	0	
Top-up Funding	0	0	0	0	0	0	0	
Transport	0	0	0	0	0	0	0	
Resource Provision								
Place Funding	519	0	(319)	200	270	270	70	Additional pupils @ Marton & Thames
Top-up Funding	530	0	(0)	530	619	619	89	Additional pupils @ Marton & Thames
Pupil Referral Units								
Place Funding	1,850	0	0	1,850	1,850	1,850	0	
Top-up Funding	1,252	0	0	1,252	1,103	1,155	(149)	Schools Income Higher than anticipated
Other AP	100	0	0	100	240	208	140	Additional Capacity Other Settings & Eotas Costs
Mainstream Schools								
Top-up Funding	2,479	24	0	2,503	2,922	2,822	419	Based on pupil numbers in Management Plan + Element 3 Payments
Exceptional Circumstances Funding	165	0	0	165	134	158	(31)	Latest forecast
Post-16 Education	2,860	24	(1,150)	1,734	1,735	1,802	1	Based on pupil numbers in Management Plan
Out of Borough	4,760	12	0	4,772	4,946	4,968	174	Based on pupil numbers in Management Plan
Specialist Advisory and Referral Service (SARS)	1,531	0	0	1,531	1,535	1,555	4	
Access and Inclusion	1,414	(30)	0	1,384	1,331	1,303	(53)	Oracle Income & EHE Underspend
Other High Needs Central Services (Management, Central Support Costs, Admin Support, Pension Top-slice)	772	0	0	772	767	767	(5)	
<b>Total High Needs Block</b>	<b>28,655</b>	<b>72</b>	<b>(4,915)</b>	<b>23,812</b>	<b>24,625</b>	<b>24,734</b>	<b>813</b>	
<b>Early Years Block</b>								
2 Year Old Grants	1,500	165	0	1,665	1,661	1,658	(4)	
Early Years Pupil Premium	100	14	0	114	119	114	5	
3 & 4 Year Old Grants	6,578	(52)	0	6,526	6,668	6,603	142	Difference on 21/22 Year end Adjustment
Early Years Inclusion Fund	60	30	0	90	102	100	12	
Disability Access Fund	70	0	0	70	13	70	(57)	
Early Years Central Services	341	0	0	341	300	351	(41)	Pay Award higher than forecast
<b>Total Early Years Block</b>	<b>8,649</b>	<b>157</b>	<b>0</b>	<b>8,806</b>	<b>8,863</b>	<b>8,896</b>	<b>57</b>	
<b>Total Expenditure</b>	<b>136,401</b>	<b>229</b>	<b>(83,502)</b>	<b>53,128</b>	<b>54,016</b>	<b>54,108</b>	<b>888</b>	
Dedicated Schools Grant Income	(137,870)	(229)	83,462	(54,637)	(54,637)	(54,635)	0	Safety Valve 1st Payment
Safety Valve Funding	0	0	0	0	(1,550)	0	(1,550)	
ESFA Free School Income	(49)	39	0	(10)	0	0	10	Included in Special School Line
Transfer from growth contingency	(90)	0	0	(90)	0	(90)	90	
<b>Total Income</b>	<b>(138,009)</b>	<b>(190)</b>	<b>83,462</b>	<b>(54,737)</b>	<b>(56,187)</b>	<b>(54,725)</b>	<b>(1,450)</b>	
<b>In year (under)/over spend</b>	<b>(1,608)</b>	<b>39</b>	<b>(40)</b>	<b>(1,609)</b>	<b>(2,171)</b>	<b>(617)</b>	<b>(562)</b>	

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**Appendix 5b - Dedicated Schools Grant Reserves as at 31 March 2023**

Description	Brought Forward 1st April 2022	Total Forecast Expenditure FY 2022-23	Forecast Surplus / (Deficit) at 31st March 2023	Comments
DSG Reserve	(4,956,235)	(2,171,370)	(2,784,865)	
Maintained School Balances	4,129,370	481,604	3,647,766	
	(826,865)	(1,689,766)	862,901	

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**Report to:** **SCHOOLS FORUM**  
**Relevant Officer:** Darren Maddocks, Strategic Management Accountant  
**Date of Meeting:** 20 June 2023

## DEDICATED SCHOOLS GRANT BUDGET MONITORING 2023-2024

### 1.0 Purpose of the report:

- 1.1 To report the budget position of the 2023-24 Dedicated Schools Grant as at 30 April 2023 – Attached at Appendix 6a.
- 1.2 To report the amount of Dedicated Schools Grant Reserves Forecast as at 30 April 2023 – Attached at Appendix 6b.
- 1.3 No action required: For information only.

### 2.0 Recommendation:

- 2.1 To note contents of the report.

### 3.0 Background:

- 3.1 The monitoring report at Appendix 6a has been amended from the version that was shared at the March 2023 Schools Forum. An adjustment has been made to reduce the Pupil Growth Contingency from the original budget of £295k to nil. This is partly as a result of the business rates adjustment of £64k reported to Schools Forum in March 2023, but also as a result of a further error in the local funding formula notified by the Education and Skills Funding Agency (ESFA) since the last meeting. The PFI factor accruing to Highfield Leadership Academy was inadvertently omitted from the formula return, meaning that funding of £270k was over-allocated to schools through the formula for 2023/24. In order that this does not impact on funding levels already notified to schools, the ESFA has agreed that the error be rectified by reducing the Pupil Growth Contingency by the remaining £231k, with the balance of £39k being adjusted against the 2024/25 DSG allocation.
- 3.2 Budget monitoring to the end of April 2023 is forecasting an under spend of £690k against a budgeted under spend of £690k, so a break-even position. This excludes any Safety Value receipts from the Department for Education.
- 3.3 The major in-year variances are as follows:
  - Special School Top Up relating to additional costs at the Lotus School.
  - Pupil Referral Unit Top up relating to additional income from schools.
  - Mainstream School Top Up due to increased demand.
  - Post-16 Education due to lower placement costs than anticipated.

### *Reserves*

- 3.4 The statement of forecast reserves is set out at Appendix 6b to this report. Budget monitoring for the 2023/24 Financial Year is forecasting a £690k surplus, along with the Safety Valve funding of £470k this will reduce the brought forward deficit of £2.785m to £1.625m by 31<sup>st</sup> March 2024. This excludes the maintained schools reserves of £3.648m.

## **4.0 List of Appendices**

4.1 Appendix 6a - Dedicated Schools Grant 2023-2024 Budget Monitoring Report to 30 April 2023.

Appendix 6b - Dedicated Schools Grant Reserves Forecast as at 30 April 2023.

### **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 Facility
PRU	-	Pupil Referral Unit

**Appendix 6a - Dedicated Schools Grant 2023-2024 Budget Monitoring Report to 30 April 2023**

Service	2023/24						Comments
	Budget	In Year Adj.	Recoupment	Adjusted Budget	Forecast Outturn	Variance	
	£000s	£000s	£000s	£000s	£000s	£000s	
<b>Schools Block</b>							
Local School Budget							
- Delegated	104,774	52	0	104,826	104,826	0	
- Third Party & Public Liability Insurance (de-delegated)	0	0	0	0	0	0	
- Union Duties (de-delegated)	0	18	0	18	18	0	
- Free School Meals Eligibility Checks (de-delegated)	0	19	0	19	19	0	
School Improvement	0	48	0	48	48	0	
- Education Functions (retained)	0	158	0	158	158	0	
Business Rates	0	0	0	0	0	0	
Pupil Growth Contingency	295	(295)	0	0	0	0	Released to Account for Formula Errors
	105,069	(0)	0	105,069	105,069	0	
<b>Central School Services Block</b>							
Servicing of Schools Forum	18	0	0	18	18	0	
Licences & Subscriptions	104	0	0	104	104	0	
School Admissions	177	0	0	177	177	0	
Former ESG Retained Duties							
- Education Welfare	260	0	0	260	260	0	
- Asset Management	72	0	0	72	72	0	
- Statutory / Regulatory Duties	101	0	0	101	101	0	
	732	0	0	732	732	0	
<b>Total Schools Block</b>	<b>105,801</b>	<b>(0)</b>	<b>0</b>	<b>105,801</b>	<b>105,801</b>	<b>0</b>	
<b>High Needs Block</b>							
<b>Special Schools</b>							
Place Funding	6,054	0	0	6,054	6,054	0	
Top-up Funding	5,242	0	0	5,242	5,359	117	Additional Cost Lotus School
<b>SERFs</b>							
Place Funding	0	0	0	0	0	0	
Top-up Funding	0	0	0	0	0	0	
Transport	0	0	0	0	0	0	
<b>Resource Provision</b>							
Place Funding	454	0	0	454	454	(0)	
Top-up Funding	873	0	(0)	873	873	0	
<b>Pupil Referral Units</b>							
Place Funding	1,750	0	0	1,750	1,750	0	
Top-up Funding	1,520	0	0	1,520	1,403	(117)	PRU Charges to Schools
Other AP	300	0	0	300	300	0	
<b>Mainstream Schools</b>							
Top-up Funding	2,949	0	0	2,949	3,149	200	Early Forecast Incl. Element 3 Costs
Exceptional Circumstances Funding	158	0	0	158	158	0	
Post-16 Education	3,299	0	0	3,299	3,099	(200)	Early Forecast Incl.
Out of Borough	5,671	(100)	0	5,571	5,571	0	
EOTAS	0	100	0	100	100	0	
Specialist Advisory and Referral Service (SARS)	1,550	0	0	1,550	1,550	0	
Access and Inclusion	1,629	0	0	1,629	1,629	0	
Other High Needs Central Services (Management, Central Support Costs, Admin Support, Pension Top-slice)	772	0	0	772	772	0	
<b>Total High Needs Block</b>	<b>32,221</b>	<b>0</b>	<b>(0)</b>	<b>32,221</b>	<b>32,221</b>	<b>0</b>	
<b>Early Years Block</b>							
2 Year Old Grants	1,733	(68)	0	1,665	1,665	0	
Early Years Pupil Premium	118	(4)	0	114	114	0	
3 & 4 Year Old Grants	7,069	(71)	0	6,998	6,998	0	
Early Years Inclusion Fund	0	60	0	60	60	0	
Disability Access Fund	75	(5)	0	70	70	0	
Early Years Central Services	264	88	0	352	352	0	
<b>Total Early Years Block</b>	<b>9,259</b>	<b>0</b>	<b>0</b>	<b>9,259</b>	<b>9,259</b>	<b>0</b>	
<b>Total Expenditure</b>	<b>147,281</b>	<b>(0)</b>	<b>0</b>	<b>147,281</b>	<b>147,281</b>	<b>0</b>	
Dedicated Schools Grant Income	(147,971)	0	(0)	(147,971)	(147,971)	0	
<b>Total Income</b>	<b>(147,971)</b>	<b>0</b>	<b>(0)</b>	<b>(147,971)</b>	<b>(147,971)</b>	<b>0</b>	

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**Appendix 6b - Dedicated Schools Grant Reserves Forecast as at 30 April 2023**

Description	Brought Forward 1st April 2023	Total Forecast Expenditure FY 2023-24	Forecast Surplus / (Deficit) at 31st March 2024	Comments
DSG Reserve	(2,784,865)	(690,000)	(2,094,865)	
Safety Valve Funding	0	(470,000)	470,000	
Maintained School Balances	3,647,766	0	3,647,766	
	862,901	(1,160,000)	2,022,901	

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**Report to:** **SCHOOLS FORUM**  
**Relevant Officer:** Hilary Wood, Head of School Finance and Funding  
**Date of Meeting:** 20 June 2023

## SAFETY VALVE UPDATE

### 1.0 Purpose of the report:

1.1  To inform Schools Forum of the latest developments in the Safety Valve programme, including progress against the Dedicated Schools Grant (DSG) Management Plan.

1.2  Action required – for information.

### 2.0 Recommendation(s):

2.1  To note the update relating to the Safety Valve programme and the Dedicated Schools Grant Management Plan.

### 3.0 Background Information

3.1 As reported in previous meetings, Blackpool, along with many other areas around the country, has experienced financial pressures on its High Needs Budget. The Department for Education's (DfE) Safety Valve programme targets those local authorities with the highest percentage DSG deficits, and requires them to develop plans for reform to their high needs systems and associated spending, with support and challenge from the DfE, to rapidly place them on a sustainable footing. The authorities are held to account for their reform and savings via regular reporting to the DfE. The DfE in turn helps the local authorities with additional funding over time to contribute to their historic deficits, contingent on delivery of the reforms. Capital funding can also be made available to support the creation of local provision if projected revenue savings can be demonstrated.

#### *Safety Valve agreement*

3.2  On 16<sup>th</sup> March 2023, Blackpool Council's Safety Valve agreement was published on the DfE's website (see following link: [Dedicated Schools Grant 'Safety Valve' Agreement: Blackpool 2022-2023 \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1144443/Dedicated_Schools_Grant_Safety_Valve_Agreement_Blackpool_2022-2023.pdf)). The Council has been successful in securing the full amount of funding requested, namely:

- £3.876 million of revenue funding to write off the historic DSG deficit (level anticipated in DSG Management Plan at 31<sup>st</sup> March 2024)

- £6.153 million of capital funding towards three schemes that underpin actions in the DSG Management Plan

3.3 The revenue funding will be paid to Blackpool Council in instalments over the life of the DSG Management Plan, with payments subject to compliance with the conditions of the Safety Valve agreement, most notably adherence to the plan for repayment of the DSG deficit. The first payment of £1.55 million was received in March 2023. When added to the in-year surplus of £621k, the cumulative deficit reduced from £4.956 million as at 31 March 2022 to £2.785 million at 31 March 2023.

#### ***Safety Valve monitoring***

3.4 The local authority is required to return monitoring information to the DfE at least three times a year (June, September and December), using a template to be provided by them. In order to avoid duplication, this same information will be used to report to Schools Forum, and a draft of the June return can be seen at Appendices 7(a) and 7(b) to this report.

3.5 The monitoring reports show that most conditions of the Safety Valve agreement are currently being met, with key performance indicator data showing positive progress towards the targets for 2023/24. The delay to the announcement of capital funding has led to an adjustment to the capital programme to align with capacity and timescales to deliver schemes, but the local authority is confident that this will have a negligible impact on the ability to meet the deficit recovery targets.

3.6 Additional government funding in recent years has helped to offset some of the pressures on the High Needs block. Blackpool is now in a position where it is reducing the cumulative deficit on the DSG. The in-year surplus of £621k compares favourably with the projection within the DSG Management Plan for the deficit to reduce by £394k in 2022/23. No information has come to light to suggest that the planned deficit reduction for 2023/24, cannot be achieved.

#### ***Other High Needs developments***

3.7 A significant number of new Education Health and Care Plans (EHCPs) have been issued in recent months to children who will enter Reception year in September 2023. This is an intentional move, based on feedback from head teachers, to ensure that schools are provided with as much information as possible about the needs of pupils they are admitting. In order to ensure that there is appropriate provision in place for those children with the greatest level of need, a new enhanced provision is being established at Revoe Learning Academy from September 2023. The children's needs will be assessed during the Reception year to establish whether they can continue their education in mainstream with support, or whether they need to move to a special school. It is anticipated that the costs of running this provision will



generate savings to the High Needs block in future years, and also result in better outcomes for those pupils who are able to remain in mainstream education.

- 3.8□□ In addition to the enhanced provision, other schools who will be admitting a large number of pupils with EHCPs will be offered “cohort funding” to afford them the flexibility to make provision for the group of children, rather than being constrained by funding requirements linked to individual pupils.
- 3.9□□ Since the last meeting of Schools Forum, the local authority has reviewed planned expenditure on inclusion within the High Needs block. Secondary schools and trusts have been notified that 2023/24 will be final academic year in which secondary inclusion funding of £60k per school will be paid. After that, assuming that deficit recovery plans remain on track, this budget will be available to apply in a more targeted way to follow those pupils who most need it. There are other areas of discretionary spend on inclusion within the High Needs budget, and these can be considered in the future should deficit recovery targets look at risk.
- 3.10□□ One of the mitigations included within Safety Valve plans included an amendment to the methodology for awarding Exceptional Circumstances funding, as approved by Schools Forum in January 2022. The change has delivered the anticipated savings in 2022/23, with funding paid out of £108k across four schools, compared to £357k paid to 21 schools in the previous year. The scheme now targets funding to those schools meeting the most exceptional levels of need, so no further changes are recommended.

**List of acronyms:**

DSG – Dedicated Schools Grant

DfE – Department for Education

EHCP – Education Health and Care Plan

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Date Submitted	15 <sup>th</sup> June 2023
Signed off by S151 Officer / Director of Children's Services	<p>..... Steve Thompson, S151 Officer</p> <p>..... Victoria Gent, Director of Children's Services</p>

**Summary:**

Agreement Condition	Assurance Level		
	Q1	Q2	Q3
<p>Condition 1:</p> <ul style="list-style-type: none"> <li>Reach a positive in-year balance on its Dedicated Schools Grant (DSG) account in each year.</li> <li>Control and reduce the cumulative deficit, not including any contribution made by the department, to £4.6m at 31/03/2023 and to £3.9m at 31/03/2024.</li> </ul>	RAG	RAG	RAG
<p>Progress Update:</p> <p>An in-year surplus of £621k was achieved in 2022/23, compared to £393k forecast in the DSG Management Plan, leading to a reduction in the cumulative deficit to £4.3m at 31/03/2023. Together with the £1.55m Safety Valve funding received in 2022/23, the cumulative deficit now stands at £2.8m.</p> <p>While it is still early in the 2023/24 financial year, the signs so far are that financial targets in the DSG Management Plan will be achieved.</p>			
Agreement Condition	Assurance Level		
<p>Condition 2:</p> <ul style="list-style-type: none"> <li>Reduce the number of pupils with Special Educational Needs and Disabilities (SEND) educated</li> </ul>	Q1	Q2	Q3
	RAG	RAG	RAG

outside of Blackpool through the expansion of Highfurlong special school			
<p>Progress Update:</p> <p>Following a tender process, a preferred bidder has been selected for delivery of the expansion scheme. Given the impact of inflation on construction costs, a value engineering exercise has taken place between the LA and the preferred bidder to reduce costs to within the available funding envelope. The delay in the announcement by the DfE of the outcome of the Safety Valve capital bids has delayed the start of construction from May until early July, however the project plan still allows for the new building to be available for the start of the 2024/25 academic year as planned.</p>			
Agreement Condition	Assurance Level		
<p>Condition 3:</p> <ul style="list-style-type: none"> <li>Create an intensive support centre at Park Community Academy for pupils with the most complex needs</li> </ul>	Q1	Q2	Q3
	RAG	RAG	RAG
<p>Progress Update:</p> <p>Progress with the tendering and appointment of contractors for building works on this scheme has been hampered by the delay in the announcement by the DfE of the outcome of the Safety Valve capital bids. It is now not feasible for the construction phase to start by October 2023 as anticipated, so the planned opening of the new facility in September 2024 is unlikely. However, the Safety Valve plan only assumes a modest saving in the final year from this mitigation, so the delay is not expected to compromise achievement of the overall financial targets.</p>			
Agreement Condition	Assurance Level		
<p>Condition 4:</p> <ul style="list-style-type: none"> <li>Create a resourced provision base at a secondary school so that some pupils with SEND do not need to go to a special school</li> </ul>	Q1	Q2	Q3
	RAG	RAG	RAG
<p>Progress Update:</p> <p>While the DSG Management Plan only anticipates this facility commencing in September 2024, discussions are well underway with a mainstream secondary school on the creation of provision, with a soft opening now planned for</p>			

September 2023.			
Agreement Condition		Assurance Level	
Condition 5: <ul style="list-style-type: none"> <li>Encourage more pupils with Education Health and Care Plans (EHCPs) to remain in mainstream schools through consistency of advice and guidance, by realigning roles in the Inclusion Team to provide the right support at the right time, and by giving mainstream schools the skills and funding to meet the needs of more children with SEND</li> </ul>	Q1	Q2	Q3
	RAG	RAG	RAG
<p>Progress Update:</p> <p>A combined services brochure for support to mainstream schools has been introduced, and an improved Inclusion Team offer is being embedded with schools.</p> <p>Vacant posts in the Inclusion Team have been removed, with a new Inclusion Lead appointed, and resource is now being targeted using an evidence base of need. The Inclusion Team is changing in September to provide Link Advisor support so a consistent person supports specific schools.</p> <p>A pilot with three primary schools for cohort funding for reception pupils is working well in some areas, with lessons learnt being taken into planning for September 2023 pupils.</p> <p>A specific base is being planned at one mainstream primary school for enhanced reception provision from September 2023 to allow the assessment of pupils' needs, and the avoidance of specialist provision for some.</p> <p>The graduated response for professionals (teachers/SENCOs) has been updated and is now on our Local Offer page, with other additional resources also added to the website.</p> <p>A paper advising professionals about the Local Authority's response regarding reduced timetables will be completed in July. All advisors/EPs etc will have this consistent response in the future.</p> <p>The review of the banding framework for special schools, and the implementation of a framework in mainstream schools, are unlikely to be completed by September 2023 due to a number of other priorities taking precedence. The purpose of this action is to improve systems and processes,</p>			

and no savings targets are therefore assumed in the DSG Management Plan.			
Agreement Condition		Assurance Level	
Condition 6: <ul style="list-style-type: none"> <li>Develop more robust and consistent processes for requests for assessment and EHCPs</li> <li>Strengthen the criteria for targeted high needs funding for mainstream schools</li> </ul>	Q1	Q2	Q3
	RAG	RAG	RAG
<b>Progress Update:</b>  Legal training on Code of Practice regarding threshold for assessment has been delivered to SEND staff.  Decision to Assess (DTA) and Decision to Issue (DTI) panels sit fortnightly with attendance from education, health and the Designated Social Care Officer for SEND chairing. Discussions are robust and offer challenge regarding the threshold for assessment and whether an EHCP is essential to meet the needs of children and young people. When an assessment is declined or plan is not issued then the Inclusion Team or Educational Psychologist will liaise with the setting to offer advice, guidance or support to meet the individual's needs.  Revised criteria were in place for the whole of the 2022/23 financial year relating to targeted high needs funding for mainstream schools, resulting in spend of £134k compared to £158k planned in the DSG Management Plan, and £358k actual spend in 2021/22.			
Agreement Condition		Assurance Level	
Condition 7: <ul style="list-style-type: none"> <li>Rationalise the Pupil Referral Unit (PRU) estate so that pupils are not spread across multiple sites</li> <li>Reduce the budget in line with lower numbers</li> </ul>	Q1	Q2	Q3
	RAG	RAG	RAG
<b>Progress Update:</b>  While the tendering and appointment of contractors for building works on this scheme is not due to commence until July 2023, the delay in the announcement by the DfE of the outcome of the Safety Valve capital bids has had a knock-on impact on this scheme due to capacity constraints for LA			

property staff and design partners. However, options are currently being considered for the closure of the smallest of the three PRU sites earlier than planned from September 2023.

Furthermore, an application has been submitted for an AP free school in Blackpool to accommodate pupils with medical needs. The LA has therefore taken the decision to pause further planning for the PRU scheme pending the outcome of that application, so that a full appraisal can be made of future requirements at the PRU. Savings from this mitigation have been assumed from 2025/26, but other areas for reducing expenditure have been identified to ensure that the deficit recovery plan can be achieved.

The PRU's budget plans have been finalised for 2023/24, and the school is consulting on a restructure to align staffing with lower pupil numbers.

The anticipated budget deficit in 2022/23 was avoided through a combination of robust budget management by the school, and an overachievement of the income target for charges to mainstream schools.

#### Emerging risks:

- The delay in the announcement by the DfE of the outcome of the Safety Valve capital bids has delayed some of the actions underpinning the DSG Management Plan. However, the local authority is confident that the overall plan for recovery of the DSG deficit remains achievable.
- The recent inadequate Ofsted judgement for Lotus School (SEMH) has the potential to push more pupils into independent special schools, and we are working very closely with the Trust to ensure that the curriculum model and funding are fit-for-purpose to support their improvement journey.
- The Head of School Finance and Funding, who has been leading on the Safety Valve programme for Blackpool, is leaving the LA at the end of August 2023. Steps are being taken to replace the capacity, and comprehensive handover notes will be produced in order that delivery of the DSG Management Plan and Safety Valve conditions is not compromised.

#### Any support required:

- None required at present.

## Summary of Appendices

- Monitoring dashboard Q1 2023/24
- Project planner updated June 2023

## Key contact details:

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## DRAFT - Blackpool Safety Valve Dataset Report 1 2023/24 (submitted June 2023) Appendix 7b

### Key Headlines:

**Is the LA still on track to meet the deficit control and reduction targets as set out in the agreement? Please demonstrate evidence of your answer.**

Yes. The reduction in the deficit in 2022/23 was £227k greater than forecast in the DSG Management Plan. While it is still early in the 2023/24 financial year, there are no indications yet that the planned reduction for this year will not be met. Numbers of pupils with EHC plans in mainstream settings, and consequently expenditure, is higher than anticipated at this stage of the plan. The local authority is also considering increasing funding for pupils in the SEMH special school to support it on its improvement journey from inadequate. Both of these pressures are being offset by predicted lower numbers in post-16 placements, and higher income from charging schools for pupils in the PRU. The KPIs set out below demonstrate that planning for EHC plans and pupil places are showing promising trends.

**What progress has been made towards implementing the conditions set in the agreement, and are the timelines set in your detailed proposals still on track?**

The monitoring template provides detailed narrative against each of the conditions set out in Blackpool's Safety Valve agreement, and the accompanying project planner gives a RAG rating against each task. There are minor delays in some areas, mainly linked to capital schemes, but none are anticipated to have a significant impact on delivery of the targets set out in the DSG Management Plan.

**What are the current risks to implementation, and how are you mitigating these?**

The capital programme has been adjusted to align with capacity and timescales to deliver, and the local authority is confident that the revised plan will have a negligible impact on the ability to meet the deficit reduction targets. Areas of discretionary spend around inclusion have been identified, and if necessary, and in consultation with stakeholders, budgets will be adjusted so that funding is more targeted to where it will have greatest impact. The recent inadequate Ofsted judgement for Lotus School (SEMH) has the potential to push more pupils into independent special schools, and we are working very closely with the Trust to ensure that the curriculum model and funding are fit-for-purpose to support their improvement journey.

**Have there been any unforeseen difficulties or setbacks in implementing the agreement? How have you mitigated these?**

The delay in the announcement by the DfE of the outcome of the Safety Valve capital bids has delayed some of the actions underpinning the DSG Management Plan. However, the local authority is confident that the overall plan for recovery of the DSG deficit remains achievable.

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Ref	Baseline	Target	Better to be?	Report 1	Report 2	Report 3	Comment
				2023/24	2023/24	2023/24	
	31/03/2022	31/03/2024		Data as @ 31/03/2023	Data as @ 30/06/2023	Data as @ 30/09/2023	
1	1276	1339	N/A	1353			Significant number of new EHCPs issued to under-5s Target taken from DSG Management Plan v.5
2	27.7	30	High	29.9			Increased from 20.2% in 2019 Long-term target to be in line with national average c.40%
3	17.5	19	High	18.9			Increased from 11.7% in 2019
4	10.2	11	High	11			Increased from 6.3% in 2019
5	24	30	High	28			Long-term target to be in line with national average c.40%
6	80.6	80	High	81			Increased from 67% in 2018 Increased local capacity only planned for future years
7	69	80	High	79			Compares well to other areas (national average 50%)
8	80.67	60	Low	74.05			Measure looks at full financial year (April to March)

EHCP planning

Ref		Baseline	Target	Better to be?	Report 1 2023/24	Report 2 2023/24	Report 3 2023/24	Comment
		31/03/2022	31/03/2024		Data as @ 31/03/2023	Data as @ 30/06/2023	Data as @ 30/09/2023	
		31/03/2022	2023/24		30/04/2023	31/07/2023	31/10/2023	
Place planning	9	221	147	High	252			Target taken from DSG Management Plan v.5
	10	129	132	High	145			Target taken from DSG Management Plan v.5
	11	45	60	High	58			Target taken from DSG Management Plan v.5
	12	0	0	High	0			Target taken from DSG Management Plan v.5
	13	539	538	Low	538			Target taken from DSG Management Plan v.5
	14	93	99	Low	84			Target taken from DSG Management Plan v.5
	15	25	24	Low	26			Academic year to date Target based on 3 PXs per secondary school
16	162	175	Low	142			Target of 175 is commissioned place number	
17	92	147	Low	88			From high of 189 in 2021 Target taken from DSG Management Plan v.5	
Ref		Baseline	Target	Better to be?	Report 1 2023/24	Report 2 2023/24	Report 3 2023/24	Comment
		£'000	£'000	£'000	£'000	£'000	£'000	
18	In year HNB (surplus) / deficit	2187	250	Low	250			
19	In Year HNB spend	27804	32730	Low	32730			
20	In Year DSG (surplus)/deficit	-805	-688	Low	-688			
21	Cumulative DSG (surplus)/deficit - before safety valve funding	4957	3876	Low	3876			
22	Cumulative DSG (surplus)/deficit - after safety valve funding	4957	1856	Low	1856			

Financial Model Monitoring	Financial Model 2023/24	Report 1 2023/24	Report 2 2023/24	Report 3 2023/24	Variance 2023/24		Comment
	£'000	£'000	£'000	£'000	£'000		
HNB allocation	-31974	-31974			0		
Budget additions (transfers)	-938	-938			0		From Schools Block and Central Schools Services Block
<b>Total budget</b>	<b>-32912</b>	<b>-32912</b>			<b>0</b>		
<b>HNB expenditure</b>							
Mainstream	8107	8307			200		Number of SEND pupils in mainstream higher than planned
Resourced Provision / SEN Units	454	454			0		
Maintained schools / special academies	11318	11435			117		Review underway of funding for SEMH school
NMSS / independent special schools	6889	6889			0		
Hospital schools / alternative provision	3576	3459			-117		Forecast over-achievement of income from schools
Post-16	1879	1679			-200		Early forecast of lower numbers than planned
<b>Total HNB expenditure</b>	<b>32223</b>	<b>32223</b>			<b>0</b>		
Net HNB deficit / (surplus)	-689	-689			0		
Variance in other DSG blocks	0	0			0		
<b>Net DSG deficit - in year</b>	<b>-689</b>	<b>-689</b>			<b>0</b>		
<b>Net DSG deficit - cumulative before safety valve</b>	<b>3876</b>	<b>3876</b>			<b>0</b>		
<b>Net DSG deficit - cumulative after max safety valve</b>	<b>1856</b>	<b>1856</b>			<b>0</b>		

## Key:

Good progress - in line with plan

Acceptable progress - close to plan

Some concerns about progress

Target not applicable

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**Report to:** **SCHOOLS FORUM**  
**Relevant Officer:** Hilary Wood, Head of School Finance and Funding  
**Date of Meeting:** 20 June 2023

## **NATIONAL FUNDING FORMULA FOR SCHOOLS UPDATE**

### **1.0** Purpose of the report:

1.1 To update Schools Forum members on the outcome of the Department for Education's Consultation –Implementing the Direct National Funding Formula.

1.2 Action required – for information (no decision required).

### **2.0** Recommendation(s):

2.1 To note the contents of the report.

### **3.0** Background Information

3.1 In June 2022, the Department for Education (DfE) launched a consultation outlining the next steps in their reforms to the school funding system. It focused on the detailed implementation of the direct National Funding Formula (NFF), including the interaction between the direct National Funding Formula and funding for high needs.

3.2 Since its introduction in 2018/19, the schools National Funding Formula has been a 'soft' formula. This means that the DfE, through the NFF, calculates funding allocations in relation to each individual mainstream school, based on its particular characteristics. These individual school-level allocations are then aggregated for each local authority. The local authority, from its aggregated total, then determines individual schools' final funding allocations through a local formula, which it is responsible for setting. It is the Government's intention to move from this 'soft' National Funding Formula to a 'direct' National Funding Formula, whereby the school-level allocations calculated through the national formula will be passed directly to schools, without the need for a further local re-distribution.

3.3 While the DfE has set some parameters within which local formulae must operate, local authorities have retained a reducing level of discretion over the precise methodology for allocating funding to schools. In some areas, the operation of the local formula can, and often does, mean that an individual school's funding varies from that which the NFF itself allocates. This is not the case, however, for Blackpool schools: given that the NFF resulted in an increase in funding for Blackpool when it was first introduced, the local formula was adapted to closely mirror the NFF, with all

schools benefitting from year-on-year increases in funding.

3.4 The DfE's latest consultation on the move to the direct NFF closed in September 2022, and a report to Schools Forum in October 2022 outlined the key matters covered. The Government published its response to the consultation in April 2023. A summary of the response, including any implications for Blackpool schools, is set out below:

3.5 ***Transfers from Schools Block***

- Under the direct NFF, transfers from the Schools Block to the High Needs Block will continue to be allowed via a new application process to the Secretary of State for Education. These requests will draw from a short menu of potential options on how the funding adjustment to mainstream schools should be made. The Secretary of States decision will take into account feedback from local consultation with stakeholders. For reference, Blackpool's Schools Block is currently reduced by 0.5% to help ease the pressures on the High Needs budget, and to contribute to the reduction in the DSG deficit in line with the Safety Valve agreement.

3.6 ***Notional SEND budgets***

- The direct national formula will retain the principle of notional SEND budgets (the unringfenced part of schools' overall budgets that is notionally attributed to spend on SEND). Currently, each local authority determines how this is calculated, so there are wide variances in approach, and a move to the direct NFF will standardise the methodology. For 2023/24, the DfE issued guidance on how the notional SEND budget should be calculated, and it is now considering whether to strengthen the guidance for 2024-25 so that there is more consistency in the calculations adopted by local authorities.

3.7 ***Funding for growing schools and schools with falling rolls***

- With respect to funding for growing schools and schools with falling rolls, the DfE will continue to allocate funding to local authorities to exercise local discretion on the use of available funding, rather than moving to a fully national, standardised system. In order to introduce greater consistency and transparency, minimum funding levels and new requirements will be introduced in 2024/25 on how local authorities can operate their growth and falling rolls funding, while still allowing some local flexibility. The Government will continue to engage with local authorities and other stakeholders on the particular design of these new requirements – including the minimum funding rates – in advance of publishing final guidance in the Schools Operational Guide in July 2023.

- The restriction that only schools that are judged to be ‘Good’ or ‘Outstanding’ by Ofsted are eligible for falling rolls funding will be removed from 2024/25. Local authorities will be required to use their School Capacity Survey (SCAP) in taking decisions, and only provide funding where SCAP data shows that school places will be required in the subsequent three to five years.
- From 2024/25, the current growth allocation methodology will be revised to allocate funding on the basis of both growth and falling rolls (currently only allocated based on growth). The DfE will work with stakeholders to define what constitutes a “significant” decline in pupil numbers for the purposes of this calculation.
- From 2024/25, growth and falling rolls funding can be used by local authorities to fund the revenue costs associated with repurposing or removing surplus space, for example creating SEND units or resourced provision bases in mainstream schools. Further guidance will be published in July 2023.
- Funding for “popular growth”, where a school sees an increase in pupil numbers as a result of popularity in parental choices, was previously only available to academies. Going forwards, popular growth funding will be available on an equitable basis to all types of school, and the Government will work with stakeholders to determine the limited circumstances in which schools should be able to access funding through this route.

### 3.8 *Split site factor*

- A new split site factor will be built into the NFF from 2024/25. This will contain two elements: a basic element determined by whether the sites are separated by a road or railway, plus an element based on distance between sites (eligibility for this element would start at 500m, with tapered funding for sites separated by between 100m and 500m). The amount of funding for split sites will be based on c.60% of the lump sum, with two-thirds of this available as the basic element, and one-third available to schools that meet the distance eligibility criteria.
- In Blackpool, both Armfield Academy and Langdale Free School meet the basic element criteria, although neither meet the distance criteria; neither school currently receive split site funding through Blackpool’s funding formula, as the local criteria require a distance of more than one mile before any funding is paid.

### 3.9 *Exceptional premises funding*

- The criteria for exceptional premises funding will be tightened when the NFF is fully introduced. No Blackpool schools are in receipt of this funding.

### 3.10 ***Minimum funding guarantee***

- The direct NFF will retain year-on-year protection by way of a Minimum Funding Guarantee in order to avoid significant reductions in funding per pupil. In the year that the direct NFF is introduced, a school's funding will be compared to a baseline of the previous year's actual budget through the local formula, rather than the allocation calculated by the national formula. Only pupil-led factors (i.e. not lump sum, split site factor, PFI factor or business rates) will be covered by this protection under the direct NFF.

### 3.11 ***Funding cycle***

- In order to provide schools with early information to aid budget planning, the Government aims to produce a calculator tool that can be made available to schools in July each year, with details about the design of the subsequent year's formula. The product will allow schools to estimate future funding, and may contain prepopulated data from the previous year to provide some form of notional allocation.

### 3.12 ***School reorganisations and pupil number changes***

- Once the direct NFF is implemented, the DfE will introduce a data collection in December each year to allow local authorities to notify the Department of any changes in schools and pupil numbers that will impact funding.

### 3.13 ***De-delegation***

- Once the direct NFF is implemented, the DfE will introduce a data collection in March each year to allow local authorities to notify the Department of amounts approved for de-delegation by maintained schools.

3.14 The full response to the consultation can be found on the DfE's website at this link: [Implementing the Direct National Funding Formula Government consultation response \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/consultations/Implementing-the-Direct-National-Funding-Formula-Government-consultation-response)

#### **List of acronyms:**

DfE – Department for Education

NFF – National Funding Formula

SEND – Special Educational Needs and Disabilities

SCAP – School Capacity Survey

PFI – Private Finance Initiative



**Report to:** **SCHOOLS FORUM**  
**Relevant Officer:** Hilary Wood, Head of School Finance and Funding  
**Date of Meeting:** 20 June 2023

## **SECONDARY PUPIL GROWTH CRITERIA**

### **1.0** Purpose of the report:

1.1 To seek the approval of Schools Forum of the proposed changes to the criteria for allocating funding to mainstream schools and academies for pre-16 pupil growth to meet basic need, in order to ensure that the criteria are fit-for-purpose for growth in secondary schools.

1.2 Action required – for approval (Schools Forum decision).

### **2.0** Recommendation(s):

2.1 To approve the local authority's proposed changes to the criteria for allocating funding to mainstream schools and academies for pre-16 pupil growth to meet basic need.

### **3.0** Background Information

3.1 As part of the Dedicated Schools Grant, local authorities receive an allocation of funding for pupil growth. Allocations are calculated through a national formula which compares pupil numbers in a middle super output area, and funds any increases in primary and/or secondary mainstream numbers between one October census and the following October.

3.2 Local authorities can use this funding either to fund growing schools on an estimated number basis, or to set aside in a contingency for anticipated growth where it has not been determined where that growth will occur in time for the budget-setting process.

3.3 Local authorities are required to produce criteria on which any growth fund contingencies are allocated, which must be agreed by the Schools Forum. The criteria should provide a transparent and consistent basis for the allocation of funding, which may be different for each phase. Criteria for allocating growth funds should contain clear, objective trigger points for qualification, and a clear formula for calculating allocations with these criteria applying to all schools on the same basis.

- 3.4 The Department for Education’s operational guidance states that methodologies for distributing funding could include:
- ▣ A lump sum payment with clear parameters for calculation (usually based on the estimated cost of making additional provision for a new class, or the estimated start-up costs)
  - ▣ A per-pupil rate (usually based on age-weighted pupil unit (AWPU) (also known as basic entitlement), and reflecting the proportion of the year which is not funded within the school’s budget share)
  - ▣ A per-pupil rate, with a maximum ceiling
- 3.5 Local authorities should fund the increase for the period from the additional September intake through until the following March for maintained schools or until the following August for academies; after that, the school’s formula funding will reflect the additional pupils on roll in the October census. Local authorities are able to recover any growth funding for academies for the April to August period from the Education and Skills Funding Agency.
- 3.6 Where schools have agreed an expansion in pupil numbers with the local authority, the school should ensure that they understand the methodology for funding the increase and are content that the expansion is deliverable within the funding available.

***Blackpool context***

- 3.7 Blackpool is currently using growth funding to fund estimated numbers in Armfield Academy as it fills to capacity. Growth fund contingencies have historically been set aside to allocate funding to primary schools during the period when admission numbers were increasing in that phase. The criteria used for the allocation of such contingencies in primary schools were as follows:
- Funding will be allocated where a maintained school, academy or free school plans with the local authority to increase its planned admission number to incorporate an additional class or classes in response to basic needs requirements, Agreed Pupil Increase (API). The allocation will be calculated as  $API \times \text{pupil-driven factors}$  (Basic entitlement per pupil, total deprivation funding divided by NOR, prior attainment funding divided by NOR, EAL funding divided by NOR, pupil mobility funding divided by NOR). Where a new site is opening, the pupil-driven factors will be taken from the average of the three closest schools until such time as data becomes available for the cohort of pupils at the new site. In the case of maintained schools, allocations shall be only for the period September to March, i.e.  $API \times 7/12 \times \text{pupil-driven factors}$ . For academies and free schools, allocations shall be made for the full academic year.

3.8 At the time of writing (June 2023), no growth contingencies are available for Blackpool schools. This is because all funding received in recent years has been used either to fund the estimated increasing numbers in Armfield Academy, or to address the shortfall in Schools Block funding to enable all schools to receive funding in line with the National Funding Formula. However, subject to meeting Safety Valve requirements regarding the management of the DSG deficit, it is possible that some contingencies could be set aside in the 2023/24 financial year.

3.9 The level of growth funding received over the past three years has ranged between £645k and £675k, but there is no guarantee about future funding levels, given that it is driven by increases in pupil numbers in middle super output areas each year. Given that 2024/25 will be the final year in which growth funding will be required to fund estimated primary numbers at Armfield Academy (£149k in 2023/24), it is anticipated that further contributions into the growth contingency will be possible from that year onwards. This would mean that growth contingencies could be available to fund additional secondary places from September 2024 forwards.

#### ***Secondary growth fund contingency***

3.10 The current School Organisation Plan forecasts that the bulge in pupil numbers that has been working its way through primary schools will reach its peak of Year 7 admissions in September 2025. It is anticipated that additional secondary places may be needed from September 2024 or 2025 for a small number of years until intake numbers start to decrease. While assumptions about housing growth and cross-border movement have been factored into forecasts, other factors can occur that impact on pupil numbers, for example popularity of schools, decisions by non-Blackpool schools, inclusion practice, placement of asylum seekers, etc. The local authority has therefore been in discussion with Blackpool secondary leaders regarding options for some schools admitting pupils in excess of PAN when this might be necessary. Some capital funding has been made available to certain schools (separate to any growth funding outlined in this paper) where school capacity survey information indicates that existing facilities are insufficient to accommodate an increased number of pupils.

3.11 In order that any decisions to admit pupils in excess of PAN are appropriately funded, it is essential that the criteria for the growth fund contingency are reviewed to ensure that they are fit-for-purpose for the secondary phase.

3.12 The local authority has considered Blackpool's current criteria, as well as those of other local authorities, and proposes that funding is allocated based on the KS3 Basic Entitlement value from the local funding formula (£4,745 in 2023/24) for each place above the approved PAN, as agreed with the local authority. For illustration purposes, if a school agreed to admit 10 Year 7 pupils in excess of their PAN, they would receive £47,450 of growth funding.

- 3.13  These criteria differ from the existing ones for primary schools in that no other pupil-led funding factors would be taken into account. This reflects the fact that the Basic Entitlement for KS3 is £1,380 higher than the primary Basic Entitlement, meaning that both phases would be funded at broadly similar levels, with any available funding allowing for the creation of more additional secondary places than would otherwise be possible.
- 3.14  It is therefore proposed that the criteria within the local funding formula is amended for 2024/25 as follows:

Funding will be allocated where a maintained school, academy or free school agrees with the local authority to increase its published admission number (PAN), or to admit pupils in excess of its PAN, in response to basic needs requirements. The growth fund will only be utilised for schools with local authority approved or planned year-on-year expansions, and not for growth resulting from popularity. The number of additional places will be agreed prior to the commencement of the admissions appeals process, and pupils admitted on appeal that take the number above that agreed will not attract any further funding. Pupils placed through the in-year fair access process and pupils with EHC plans will also not attract growth funding. The school or academy may agree with the local authority to increase or exceed PAN for a temporary period of one or more years, or on a permanent basis.

*Primary pupils*

The allocation will be calculated as the number of additional places multiplied by pupil-driven factors (primary basic entitlement per pupil, total deprivation funding divided by NOR, prior attainment funding divided by NOR, EAL funding divided by NOR, pupil mobility funding divided by NOR). Where a new site is opening, the pupil-driven factors will be taken from the average of the three closest schools until such time as data becomes available for the cohort of pupils at the new site.

*Secondary pupils*

The allocation will be calculated as the number of additional places multiplied by KS3 basic entitlement.

*All phases*

In the case of maintained schools, funding will be allocated for the period September to March until the number on roll is reflected in formula funding; for academies and free schools, allocations will be made for the full academic year. Growth funding will be paid at the start of each academic year, and no clawback will be implemented if pupil numbers are lower than agreed.

***Consultation undertaken***

- 3.15□□ The proposed criteria were drawn up in consultation with the Chair of the Blackpool Secondary Heads group, who is also a member of Schools Forum representing secondary academies. The proposals have been shared with the leaders of Trusts with Blackpool secondary schools, and with head teachers of those schools. A verbal update will be given at the meeting of any feedback received.

**List of acronyms:**

AWPU – Age Weighted Pupil Unit

API – Agreed Pupil Increase

PAN – Published Admission Number

NOR – number on roll

EAL – English as an Additional Language

KS3 – Key Stage 3

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**Report to:** **SCHOOLS FORUM**  
**Relevant Officer:** Hilary Wood, Head of School Finance and Funding  
**Date of Meeting:** 20 June 2023

## **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. A full review of Blackpool's Scheme has also been undertaken to ensure that it is up-to-date and accurate.

1.2 For approval – maintained school representatives only

### **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 31 March 2023, the Department for Education issued updated statutory guidance for local authorities on schemes to come into effect from 1 April 2023. The guidance sets out changes that are required to local authority schemes.

3.3 The latest version of the guidance includes a new statement to be incorporated into the section on "income from the sale of assets" (paragraph 5.4 of Blackpool's scheme), stating:

*Any retention of funds from the sale of land assets is subject to the consent of the Secretary of State for Education, and any conditions the Secretary of State may attach to that consent relating to use of proceeds.*

3.4

As well as this change, other amendments are proposed which update wording to reflect the current educational context, remove duplication, or correct grammatical errors.

3.5

All proposed amendments can be viewed as tracked changes in Appendix 10a.

***Consultation undertaken***

3.6

A copy of the Scheme showing the proposed amendments has been shared with head teachers of Blackpool's maintained schools for consideration by them and their governing bodies. Any feedback received will be shared verbally at the meeting.

**List of Appendices:**

10(a) – Annotated version of the Scheme for Financing Blackpool Schools, showing proposed amendments



# **SCHEME FOR FINANCING BLACKPOOL SCHOOLS**

**Effective from 1 April 2023**

Based on issue 15 of statutory guidance given by the Secretary of State for Education pursuant to s.48(4) and paragraph 2A(2) of Schedule 14 to the School Standards and Framework Act 1998 ("the Act")

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## **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 its 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 Authority's 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 under schedule 17 of the Act.

Each Authority is obliged to publish each year a statement setting out details of its planned schools budget and other expenditure on children's services, showing the amounts to be centrally retained, and the funding delegated to schools. . After each financial year, the Authority must publish a statement showing outturn expenditure

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State. A copy of each year's budget and outturn statement should be made easily accessible to all schools. Regulations 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, special and alternative provision 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 and Disabilities

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 and disabilities 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 an Education, Health and Care Plan (EHCP), defining those needs in annually reviewed 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 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 EHCPs is made available;
- delivering the National Curriculum to all pupils, subject to the provisions specified in EHCPs.

### **1.2.1 Application of the scheme to the Authority and maintained schools**

This scheme applies to all community schools, voluntary aided and voluntary controlled schools, special schools and pupil referral units (PRUs) maintained by Blackpool Council. There are no nursery schools to which the scheme applies. 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.

*\* 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*

### **1.3 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, No.1 Bickerstaffe Square, Blackpool. The Scheme will be published on Blackpool Council's website 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.

### **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 approval by members of the Forum representing maintained schools. Where the Schools Forum does not approve them or approves them subject to modifications which are not acceptable to the authority, the authority may apply to the Secretary of State for approval.

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.

## **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 aided 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, pensions and creditor transactions will be undertaken 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 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 31<sup>st</sup> May for information in a form to be prescribed. The budget should take full account of estimated deficits or surpluses at the previous 31<sup>st</sup> 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**

From the 2021 to 2022 funding year each school must submit a 3-year budget forecast each year, in line with the budget submission deadline of the 31<sup>st</sup> May. The local authority will use this information to identify schools who are potentially facing financial difficulty, in order that early support can be provided.

## **2.4▣ School Resource Management**

Schools must seek to achieve 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. Schools must provide the local authority with audit certificates in respect of the voluntary and private funds held by them and of the accounts of any trading organisations controlled by the them.
- B. A school refusing to provide audit certificates to the authority as required by the scheme is in breach of the scheme and the authority can take action on that basis.

## **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. 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 and that a record is retained of the rationale;
- (ii) Governors may enter into contracts between £10,000 and £85,000 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 £85,000 Governors shall have regard to the Department for Education's publication [Buying procedures and procurement law for schools - Buying things that are over the procurement threshold - Guidance - GOV.UK \(www.gov.uk\)](http://www.gov.uk/government/uploads/system/uploads/attachment_data/file/342222/Buying_procedures_and_procurement_law_for_schools_-_Buying_things_that_are_over_the_procurement_threshold_-_Guidance_-_GOV.UK.pdf). [This advises Governors to:](#)

- assess the market
  - see if they can get what they need using the [find a DfE recommended framework](#) tool or another [framework agreement](#)
  - prepare the contract and invitation to tender
  - advertise a contract notice using the UK e-notification service, [Find a Tender \(FTS\)](#).
  - make the invitation to tender and all other documents available electronically from the time that the contract notice is published
  - assess all the bids received fairly, using the same process
  - choose the supplier that offers best value for money
- award the contract to the highest scoring bid supplier

C. Tenders should wherever possible be conducted electronically with a full audit trail in place. All bidders should be treated equally such that they are given the same information and have the same deadline. Receipt and opening of tenders should be done in the presence of a Governor unless an e-tendering portal is being used which can support in managing this process and can provide the audit trail.

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 (although see paragraph below regarding the consideration of quality). 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. A scoring methodology and appropriate weightings should be made available to bidders at the time the opportunity is published or requested and evaluation should take place in line with that methodology. 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, and tender instructions should make that clear to bidders.

- 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 £85,000 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.□□ 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.
- H.□□ Prior to the letting of any contracts the Governing Body must assess, where relevant, the health and safety and other contract-specific competence of contractors, as well as their financial health (see also section 11.5). Schools should carry out due diligence checks on companies by requesting that all submissions include the return of a completed Supplier selection questionnaire / grounds for exclusion which is a self-declaration of mandatory and discretionary grounds for exclusion.

Schools should retain a register of all contracts entered into.

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 1<sup>st</sup> April 1999;

- b.☐ contracts which schools agree to be covered by in respect of services for which funding is delegated by the Authority after 1<sup>st</sup> April 1999; and
  - c.☐ certain contracts approved by the Secretary of State for services for which funding is delegated after 1<sup>st</sup> 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) Regulations 2002 (SI 2002/378) amended by School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2010 (SI 2010/190) allow schools to spend their budgets on pupils who are on the roll of other maintained schools or academies.



## **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.
- 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.
- 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 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 with a delegated budget must submit the form to the local authority before 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 cannot have one until any deficit balance is cleared
- D. The Local Authority will transfer to a new school bank account by 1<sup>st</sup> 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 (which includes the use of finance leases) 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 interest-bearing credit card facilities, 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 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 formula 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

- 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:

- o☐☐☐ high priority building works per Asset Management Plan criteria;
- o☐☐☐ 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. Any retention of funds from the sale of land assets is subject to the consent of the Secretary of State for Education, and any conditions the Secretary of State may attach to that consent relating to use of proceeds.

### **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. For the avoidance of doubt, Local Authorities may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools Forum.
- 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 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, or out of court settlements, 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 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 to 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 for 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. Schools must process invoices in a format set out by the Council's s.151 Officer in order to enable CIS deductions to be properly accounted for.

### **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.

### **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.☐ Centrally arranged premises and liability insurance are specifically excluded from the requirements in this section, 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 1<sup>st</sup> April is notified to all schools and 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 monthly return of salary, service and contributions 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 monthly return of salary, service and contributions 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**

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.

### **10.2 Risk Protection Arrangement (RPA)**

- A.☐ Maintained schools may wish to join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA (see ANNEX C). Schools may do this individually when any insurance contract of which they are part expires (March 2024).
- B.☐ All maintained schools may join the RPA collectively by agreeing through schools forum to de-delegate funding.

## **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 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.

## **11.8 '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.

## **11.9 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.

## **11.10 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 funding period.
- 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 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. Regulations made under section 28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power.

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.

While schools no longer need to consult the Local Authority when establishing community facilities under s.27 of the Education Act 2002, as public bodies, they are expected to act reasonably, and this includes consulting those affected by decisions that they make.

### **13.2 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.

### **13.3 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.

### **13.4 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.

### **13.5 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.

### **13.6 Treatment of income and surpluses**

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

### **13.7 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 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.

### **13.8 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.

Instead of taking out insurance, a school may join the RPA for risks that are covered by the RPA (see section 10.2).

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.

### **13.9 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.

### **13.10 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).

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

	<b>Community Schools</b>	<b>Voluntary Controlled Schools</b>	<b>Voluntary Aided Schools</b>
<b>Primary Schools</b>	Boundary Primary Moor Park Primary Kincraig Primary Layton Primary Stanley Primary	Bispham Endowed C of E 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
<b>Special Schools</b>	Highfurlong		
	Woodlands		
<b>Pupil Referral Unit</b>	Educational Diversity		

## **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**

(1)▯▯▯ 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**

<b>ELEMENT</b>	<b>CAPITAL: AS CIPFA CODE OF PRACTICE</b>	<b>REVENUE: REPAIRS &amp; MAINTENANCE</b>
<b>Roofs</b>		
<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	
<b>Floors</b>		
<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
<b>Ceilings</b>		
<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
<b>External walls</b>		
<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
<b>Internal walls</b>		
<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 &amp; 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
<b>Sanitary Services</b>		
<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.
<b>Electrical services</b>		
<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
<b>External Works</b>		
<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, fencing, gates and ancillary buildings as part	Maintenance and repair of all perimeter/ boundary/ retaining walls, fencing and gates.

of major project

Drainage

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.

Open air pools

Structure, Hygiene/ safety in new build

Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems.

Services distribution

Heating mains  
gas mains  
water mains  
electricity mains,  
renewal of any above.

Annual servicing

## ANNEX C

### RPA Risk Protection Arrangement Cover

Type of risk	Limit
Material damage	Reinstatement value of the property
Business interruption	£10 million any one loss
Employers' liability	Unlimited
Third party liability	Unlimited
Governors' liability	£10 million any one loss and any one membership year
Professional indemnity	Unlimited
Employee and third party dishonesty	£500,000
Money	Various, including cash on premises or in transit £5,000
Personal accident	Death and capital benefits £100,000
United Kingdom travel	Baggage and money £2,000 per person. Cancellation £1,000 per person
Overseas travel including winter sports	Includes: baggage £2,000 in total per person (inner limits apply), money £750 per person, medical expenses £10,000,000, cancellation £4,000 per person. Check the <a href="#">full details of your cover</a> for more information.
Legal expenses	£100,000 any one loss and any one membership year
Cultural assets	£10,000 on any one cultural asset or £250,000 any one multiple loss
Cyber cover	£250,000 any one loss and any one membership year. Where a member is part of a group network with other RPA members the maximum aggregate liability shall be £750,000 in any one membership year for the group network.