

Worcestershire Schools Forum (WSF) Agenda 11 December 2024

2.30 pm

Remote Meeting

Via MS Teams invite

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Date of next programmed WSF meeting

Thursday 9 January 2025 at 2.30 pm remote meeting to be held via MS Teams

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Minutes of the Meeting of the Worcestershire Schools Forum (WSF)

Thursday 12 September 2024
Remote Meeting Held Via MS Teams

The meeting started at 2.30 PM.

In Attendance:

a. WSF Members

David Butler [DB]	- Principle Tudor Grange (Worcester)
Edward Francis [EF]	- Headteacher Fort Royal Special School
Jo Kelleher [JK]	- Governor, Bredon Hill Academy
Malcolm Richards (Chair) [MR]	- Governor, Bromsgrove
Marie Pearse [MP]	- Headteacher Evesham Nursery School
Phil Hanson [PH]	- Headteacher Pershore High School
Stacey Carter [SC]	- SEAT
Vivek Shah [VS]	- Nursery Owner

b. Local Authority (LA)

Chris Bird [CB]	- Acting Director of Resources Worcestershire Children First
Holly Hancock [HH]	- Senior Finance Business Partner
Matt Stiles [MS]	- Virtual School Headteacher & Education Engagement Lead Education, Early Years, Inclusion and Education Place Planning
Rob Phillips [RP]	- Finance Business Partner - Schools - Worcestershire Children First
Sarah Wilkins [SW]	- Director of Education, Early Years, Inclusion and Pupil Place Planning Worcestershire Children First

1. Apologies

Annett Summers [AS]	- Nursery Owner
Bryn Thomas (Vice Chair) [BT]	- HT Wolverley CE Secondary School
Councillor David Chambers (DC)	- Cabinet Member with Responsibility for Education and Skills, Worcestershire County Council
Lorraine Petersen (has resigned on the (29/6/2024)	- Governor Maintained Special Schools

Annett Summers also would like to also give her support for Agenda Item 9.

2. Declaration of Interests

CB as a Volunteer Foundation Director of Our Lady of Magnificat Multi-Academy Trust and has a family member who runs / owns a nursery provision.

3. Declaration of Potential Conflict of Interests with Items on the Agenda

PH declared that he had an interest in agenda item 8b Pershore Area Review.

4. Minutes of the Last Meeting (20 June 2024)

Minutes agreed.

5. Matters Arising from The Minutes

None

6. Indicative DSG Rates for 2025/26

RP apologised that at present we don't have any of the normal information to supply to WSF concerning the funding for next year, as this has not yet been published by the Department for Education.

7. School Block Consultation

a. Transfer from School Block to HLN

The paper was presented and confirmed that this is a WSF decision and if LA wanted to change this without their agreement it would need to go to the Secretary for State for Education.

EF Suggested that this should be considered this transfer this year and that, if possible, to seek clarity that it would go to the pupil's top-up funding rate and if this is not possible that it is a recommendation, rather than being used reduce the deficit.

WSF discussed this in depth and felt that without all the information, which was not available due to delays in publishing the information to the Council by the Department for Education (DfE) that they were unable to decide at this time. Once all the information is available, they will reconsider it.

b. Funding Mechanism for School Funding

The paper was presented and linked back to agenda item 7a that if this is agreed would have an impact on the meeting of the National Funding Formula.

WSF discussed this and it was agreed to continue as previously funding mechanism and if necessary, the changes would need to be implemented to meet the funding restraints. This decision was unanimous by member of the WSF.

8. Disapplication Request

a. Exceptional Premises

The paper was presented to the WSF, and that we still have three primary Schools that would be eligible to receive this with the current funding model.

WSF unanimously agreed to continue this for another year.

b. Pershore Area Funding

The paper was presented to WSF, and it was explained that at present the review is under consultation, and that this is to put agreement in place in case either option 2 or 3 was needed. It was also acknowledged that Phil Hanson, is headteacher of a school in this area but would not be affected by this disapplication.

WSF unanimously agreed to allow for the disapplication to be applied for if necessary to meet the agreement of the schools in the Pershore Education Planning Area Review.

9. Early Years Consultations

The paper was presented to WSF, the Council are asking for agreement from WSF, that they can ask member of the forum to join a working group with Early Years Inclusion Team to create a consultation, and then to publish this and come back to the school forum with the outcome of this consultation.

The current mechanism is sometime over bureaucratic for a small amount of funding, which does not cover the staff cost. It was felt to be overdue and appreciated it was being looked at.

This was discussed and an agreed that member of WSF could be approached and the consultation published when ready.

10. Early Years and Childcare Expansion

This is a standing item, and SW gave an update on this and still in line with the government policy, we have just passed the next part of the process, for the Early Years Expansion with children of working families the term after they turn 9 months.

The Government are looking onto what is necessary for the need of the wraparound and their new policy of Breakfast Clubs. A concern is around now that the morning session is funded where it is being considered how the universal offer for the Breakfast Club, will be funded and effect the sustainability of this key area.

11. Core Schools Budget Grant

The briefing paper was presented to WSF, for information so that they were aware of the new funding stream for schools for the final two terms of this financial year, and that the Government are intending on including this within the School Block 2025/2026

12. School Attendance Code of Conduct

MS gave a brief update on the new school attendance code of conduct and has been agreed and signed off by Cabinet.

MS agreed to look at arranging training for governors on the new updated code of conduct.

13. WSF transfer back to WCC

CB has given a brief update on the latest position and that we are still on track to transfer back into Worcestershire County Council. This has been communicated to the schools through a few different mechanisms.

14. Conference Governance

This was discussed at the last meeting, as part of the closure of the Worcestershire Association of Governors (WAG), as they are winding up after many years of supporting maintained school's governors.

The event will be held at the Cricket Club within Worcestershire, the invitation will be going to all maintained schools' governors to attend an open forum, with key speakers.

15. WCC Cabinet Forward Plan

SW clarified that this was to give a quick update around the forward planning of the Cabinet Forward Plan, we are not expecting anything for this term, but we have new schools in the pipeline. The other item that will go through is the school funding formula for

16. Any other business

- a. Maintained School Employee Assistance Programme.

The local authority is opening an Employee Assistance Programme is going live shortly with this information going to the maintained schools shortly, for all staff. This is for a 12-month pilot and if used this will be reviewed with the hope to justify continuing this in the future.

- b. Health and Safety Compliance Update Session

An invitation has been sent to all maintained schools around the H & S training session after a review of the local authority and schools to confirm what schools can expect from WCC and WCC can expect of maintained Schools. This is a one-hour session, and already receiving plenty of acceptances to attend this.

Meeting ended.

The meeting closed at 15.44.

Date of next meeting

The date of the next WSF meeting: - Thursday 21 November 2024 at 2.30 PM
(Remote Meeting - /MS Teams)

DRAFT

Report to the Worcestershire Schools Forum (WSF) Indicative DSG (Dedicated School Grant) rates for 2025/26

1. Purpose

- 1.1 To update WSF on the funding rates for the DSG for the financial year 2025/26 and the comparison of DSG funding. We are not able to give all the blocks information, the Early Years as this is calculated differently and is not available until towards the end of December, if the Department for Education (DfE) continues to normal timescales for previous years.
- 1.2 Some of the figures are from indicative information supplied by the Department for Education (DfE) and will not be know until late December.

2. Background

- 2.1 The funding rates for the financial year 2024/25 are as listed below:
 - Primary Unit of Funding (PUF) **£5,051.56** per primary school pupils in mainstream schools.
 - Secondary Unit of Funding (SUF) **£6,484.12** per secondary aged pupils in mainstream schools.
 - Premises factors including, Private Finance Initiative (PFI), Rates, Split Site, and Exceptional Premises.
- 2.2 The High Needs (HN) Block is calculated using several distinct factors which include historical spend.

3. Current Position

- 3.1 The current information from the DfE is showing us as having the following for the financial year 2024/25:
 - Primary Unit of Funding (PUF) **£5,402.94** per primary school pupils in mainstream schools.
 - Secondary Unit of Funding (SUF) **£6,954.96** per secondary aged pupils in mainstream schools.
 - Premises factors including, Private Finance Initiative (PFI), Rates, Split Site, and Exceptional Premises, with all apart from the PFI 2025/26.
- 3.2 This is an increase of £351.38 per primary pupil (6.96% increase) and £470.84 per secondary pupil (7.26% increase).
- 3.3 Considering the different grants being incorporated in the school block. This is an overall increase on the funding for school block per pupil amount of about 2.09%.
- 3.4 All this information will change when the actual pupil numbers are known after the October 2024 census, with the breakdown of the pupils moving from primary to secondary and new pupils starting.
- 3.5 The high needs block is estimated to increase by 7.7% from last year but again this is including the incorporation of the additional grant funding.
- 3.6 Appendix A gives a breakdown for the 2024/25 DSG compared to the indicative figures 2025/26. This information excludes Early Years as this is not known at present.

4. Recommendation

- 4.1 To note and discuss.

Robert Phillips
Finance Business Partner - Schools
Worcestershire County Council
December 2024

Worcestershire 885 - Dedicated Schools Grant (DSG) - Schools, Central Schools Services And High Needs Only
2024-24 Latest July 2024 Vs. 2025-26 Initial December Estimate 2024

	<u>2024-25</u>		<u>2025-26</u>		<u>Variance</u>		<u>Comments</u>			
	Latest July 2023		Provisional July 2023							
	Units Of Funding	Pupil Nos. October 2023	Units Of Funding	Pupil Nos. October 2023	Units Of Funding	Pupil Nos.				
	£	£'m	£	£'m	£'m	%				
Schools Block (SB)										
Primary Unit of Funding (PUF)	5,051.56	43226.0	218.4	5,402.94	43226.0	233.547	351.38	0	15.189) Updated using the DfE 2025/26 PUF and SUF.
Secondary Unit of Funding (SUF)	6,484.12	31154.0	202.0	6,954.96	31154.0	216.675	470.84	0	14.669) Will be updated for the October 2024 pupil numbers.
		74380.0	420.365		74380	450.222		0.0	29.857	
Historic Premises			7.884			7.516			-0.367	See Below.
Formulaic Pupil Growth Fund			0.000			0.000			0.000	Not notified so have removed at present for comparison.
=SB			428.249			457.739			29.490	6.89% This % changes to 2.09% when taking into account the previous Additional Grant for 2024/25
Central School Services Block (CSSB)										
Formulaic CSS NFF			2.718			3.156			0.438) Reflects DfE policy to reduce the allocations of all LAs by a further 20%.
Historic Commitments			0.492			0.393			-0.098) Continue to impact Early Intervention Family Support Service (EIFS).) Including previous grant funding for Centrally Employed Teachers) and increase of Copyright Licences
=CSSB			3.210			3.549			0.339	10.57%
High Needs Block (HNB)										
Formulaic HN NFF			90.173			97.179			7.006	
=HNB			90.173			97.179			7.006	7.77% This funding includes previous grants brought within the HNB.
= Total Gross DSG Excluding Early Years			521.631			558.466			36.835	7.06%
Notes										
This is the Gross DSG indicative allocation Prior to academy and high needs places recruitment. This analysis excludes the EY DSG.										
Historic Premises										
	21-22 APT Baseline			23-24 APT Baseline						
	Split Site		0.299	Split Site		0.347)
	Rates		3.788	Rates		3.557) Within this section we have made some assumption to match the funding
	Exceptional Premises		0.104	Exceptional Premises		0.261) this is likely to be a different split when exact figures known and different %
	PFI Baseline + RPI(X)			PFI Baseline + RPI(X)) increases.
	£2.967 + 10.4%		3.276	£3.276 + 2.3%		3.351)
			7.465			7.516				

Report to the Worcestershire Schools Forum (WSF) Central Block

1. Purpose

- 1.1 This briefing is to give you an overview of the Central Block. This is the smallest of the four blocks that make up the Designated Schools Grant (DSG)
- 1.2 within Agenda item 6bi you will also be asked to vote to continue the use of this area as in previous years.

2. Background

- 2.1 The money within this section is to supply the funding for the services that the Council has for all schools within its area, with no differential if they are maintained, academy or free schools.
- 2.2 Items within this area are wide but listed below are some examples of these to give some guidance.
 - Director of Children's Services and staffing.
 - Copyright Licences
 - School attendance
 - Function relating to exclusion of pupils from Schools
 - Responsibilities regarding restriction on the employment of children
 - Funding and Budget preparation
 - Internal audit and other tasks in relation to the Chief Finance Officer's responsibilities under section 151
 - Planning for the education services as a whole
- 2.3 In financial year 2024 to 2025 the funding received for this was £3.2 million.

3. Current Position

- 3.1 We are expecting to also have the funding for the Family Support Workers to reduce by a further 20% for this year.
- 3.2 The Government have announced that they are allocating an additional £4 million in 2025 to 2026 to support with the cost of the copyright licences. They are also rolling into this block the Teacher Pay Grant and Teacher Pension Employee Grant for centrally employed teachers.
- 3.3 The indicative allocation at present is £3.549 million, which is an increase of £339 thousand compared to last year figures.

4. Recommendation

- 4.1 Note for reference for agenda item 6bi.

Rob Phillips
Finance Business Partner – Schools
Worcestershire County Council
December 2024

Report to the Worcestershire Schools Forum (WSF) Indicative DSG (Dedicated School Grant) rates for 2025/26

1. Purpose

- 1.1 To update WSF on the funding rates for the DSG for the financial year 2025/26 and the comparison of DSG funding. We are not able to give all the blocks information, as these rates have not yet been published.

2. Background

- 2.1 The funding rates for the financial year 2025/26 are as listed below:
- Primary Unit of Funding (PUF) **£5,402.94** per primary school pupils in mainstream schools.
 - Secondary Unit of Funding (SUF) **£6,954.96** per secondary aged pupils in mainstream schools.
 - Premises factors including, Private Finance Initiative (PFI), Rates, Split Site, and Exceptional Premises.

3. Current Position

- 3.1 The Department for Education have not yet published the full allocation for Worcestershire yet and this is expected towards the end of the month.
- 3.2 The DfE have published the National Funding Formula (NFF) rates which do include the streamlining of previous grants into the school block for mainstream schools.
- 3.3 The Council will need to remain with +/-2.5% of these values, with Appendix A giving the lowest and highest amount the council can allocate for each factor. This is not affected by any decision on the transfer between blocks.

4. Recommendation

- 4.1 To note and discuss.

Robert Phillips
Finance Business Partner - Schools
Worcestershire County Council
December 2024

Funding Rates Financial Year 2024/2025 to 2025/2026

	UNIT OF RESOURCE NFF 2024/25 £	UNIT OF RESOURCE NFF £	UNIT OF RESOURCE Lowest £	UNIT OF RESOURCE Highest £
<u>FORMULA COMPONENT</u>				
Primary AWPU	3,562.00	3,847.00	3,750.83	3,943.18
KS3 AWPU	5,022.00	5,422.00	5,286.45	5,557.55
KS4 AWPU	5,661.00	6,113.00	5,960.18	6,265.83
Primary FSM	490.00	495.00	482.63	507.38
Secondary FSM	490.00	495.00	482.63	507.38
Primary FSM 6	820.00	1,060.00	1,033.50	1,086.50
Secondary FSM 6	1,200.00	1,555.00	1,516.13	1,593.88
Primary IDACI Band F	235.00	235.00	229.13	240.88
Primary IDACI Band E	285.00	285.00	277.88	292.13
Primary IDACI Band D	445.00	445.00	433.88	456.13
Primary IDACI Band C	485.00	490.00	477.75	502.25
Primary IDACI Band B	515.00	520.00	507.00	533.00
Primary IDACI Band A	680.00	685.00	667.88	702.13
Secondary IDACI Band F	340.00	340.00	331.50	348.50
Secondary IDACI Band E	450.00	450.00	438.75	461.25
Secondary IDACI Band D	630.00	635.00	619.13	650.88
Secondary IDACI Band C	690.00	695.00	677.63	712.38
Secondary IDACI Band B	740.00	745.00	726.38	763.63
Secondary IDACI Band A	945.00	950.00	926.25	973.75
Primary Low Prior Attainment	1,170.00	1,175.00	1,145.63	1,204.38
Secondary Low Prior Attainment	1,775.00	1,785.00	1,740.38	1,829.63
Primary EAL	590.00	595.00	580.13	609.88
Secondary EAL	1,585.00	1,595.00	1,555.13	1,634.88
Primary Mobility	960.00	965.00	940.88	989.13
Secondary Mobility	1,380.00	1,385.00	1,350.38	1,419.63
Lump Sum	134,400.00	145,100.00	141,472.50	141,727.50
NFF Minimum Funding Levels				
Primary	4,610.00	4,955.00		
Key Stage 3	5,771.00	6,221.00		
Key Stage 4	6,331.00	6,831.00		
Secondary	5,995.00	6,465.00		
Minimum Funding Guarantee	0.50%	-0.5% to 0.0%	-0.05%	0.00%

Report to the Worcestershire Schools Forum (WSF) WSF Decisions Needed

1. Purpose

- 1.1 To seek agreement from maintained school member on the de-delegated services for financial year 2025/26.
- 1.2 To seek agreement from all members that the central block should continue for financial year 2025/26 in its current form.

2. Background

- 2.1 As in previous years the local authority need agreement to de-delegate services from maintained mainstream schools, and WSF fully for central block services.
- 2.2 The factors are the following:
 - Schools Specific Contingency
 - Support for Minority Ethnic Pupils / Underachieving Groups
 - Free School Meal (FSM) Eligibility
 - Trade Union Staff Cost & Duties Supply Cover
- 2.3 Central block services include items like:
 - Copyright licences
 - Family support (Historic Commitment)
 - School Forum
 - Services to all schools.

3. Current Position

- 3.1 We are seeking agreement from WSF that we continue these services going forward for financial year 2025/26. Academy schools, Special schools, AP/PRUs, and Nursery School can buy into FSM, Support for Minority Ethnic Pupils/Underachieving Groups and Trade Union Staff Cost & Duties Supply Cover.
- 3.2 We are also seeking agreement from WSF that we continue the Central DSG block as per the current funding model, and services.

4. Recommendation

- 4.1 The WSF are requesting: -
 - Agree that the current de-delegated services should continue (Maintained Schools)
 - Agree to continue the Central DSG block continues in current form (All)

Robert Phillips
Finance Business Partner
Worcestershire County Council
December 2024

Report to the Worcestershire Schools Forum (WSF) WSF Decisions Needed

1. Purpose

- 1.1 To seek agreement from members of WSF to transfer 0.5% of the school block to the High Needs block.
- 1.2 Any adjustment is shared equally by all school by reducing the Age Weighted Pupil Unit (AWPU).

2. Background

- 2.1 As discussed at our previous WSF meeting the Council are seeking agreement from WSF to transfer 0.5% of the school block to the high needs block.
- 2.2 WSF felt it was unable to make this decision at the time due to not having enough information on the future funding for the financial year 2025/26 from the Department for Education.
- 2.3 The estimated allocation for the school block, using the PUF (Primary Unit Funding) and SUF (Secondary Unit Funding) using the pupil number from October 2023 and premises factors would equate to a DSG (Designated Schools Grant) of £457.739 million.
- 2.4 0.05% of this amount would be £2.289 million, this is the equivalent of £30.77 per pupil.
- 2.5 WSF also asked for assurance that any transfer would go directly to the Top-up Funding Rates, the Council confirmed that all money within the high needs block goes to support children and young people and would not just be a way of offsetting the increasing deficit, but at present is not able to make any guarantees on how this money would be spent.

3. Current Position

- 3.1 We are seeking agreement from WSF to transfer 0.5% of the school block to the high needs block.
- 3.2 The estimated amount of the transfer is in the region of £2.289 million based on the pupil numbers from financial year 2024/25, and that the transfer would be different when the exact allocation for 2025/26 is known later in December.
- 3.3 The council acknowledges that this will increase the pressure on mainstream schools, with the reduction of an amount per pupil, which could be offset against the AWPU so that all schools would take a similar change in funding, due to their size.
- 3.4 The benefit of using the AWPU is that schools with diverse pupil needs, would still receive the funding to support these pupils with some of the factors also a major indicator of additional educational needs.

4. Recommendation

- 4.1 The WSF are requesting: -
 - Agree that the Council can transfer from the school block to the high needs block 0.5% of the overall allocation.
 - That this will be a reduction in the AWPU rate so that all schools equally share any financial implications without reducing funding rates on other pupil specific factors.

Robert Phillips
Finance Business Partner
Worcestershire County Council
December 2024

Report to the Worcestershire Schools Forum (WSF) Scheme for Financing Schools

1. Purpose

- 1.1 To update the Worcestershire Scheme for Financing Schools.

2. Background

- 2.1 The scheme has had regular minor updates to keep it in line with current regulation.
- 2.2 The request was made at the Schools Finance Forum on 10 October if the interest rate could be notified to schools earlier.
- 2.3 The council at present use the annual weighted average based upon the full financial year.
- 2.4 The council have also updated the list of maintained school considering current schools that have converted to an academy.

3. Current Aims

- 3.1 The change required to comply with this request is section 4.3 bullet point 2. With it currently reading:

The rate of interest paid will be an annual weighted average based upon the rate that the County Council receives on its investment portfolio.

- 3.2 We recommend that you agree to changing the end of this point to state between February and January.

The rate of interest paid will be an annual weighted average based upon the rate that the County Council receives on its investment portfolio between February to January.

- 3.3 *This will allow the Council to publish this rate to maintained schools in February, when schools are waiting for the other funding information.*

- 3.4 *A full draft copy of the scheme is attached for your reference Appendix A.*

4. Recommendation

- 4.1 For WSF to agree to the proposed changes to the Worcestershire Scheme for Financing Schools.

Robert Phillips
Finance Business Partner - Schools
Worcestershire County Council
December 2024

Worcestershire County Council (WCC)
Fair Funding Scheme for Financing Schools

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Section One – Introduction

1.1 The Funding Framework

The Statutory Outline Scheme is detailed in [Annex A](#).

The Funding Framework Main Features are detailed in [Annex B](#).

1.2 The Role of the Scheme

This scheme sets out the financial relationship between the LA and the maintained schools, which it funds. It contains requirements relating to financial management and associated issues, which are binding on both the LA and on the schools.

1.2.1 Application of the Scheme to the LA and Maintained Schools

This scheme applies to all maintained community, voluntary, foundation, community special, foundation special schools, nurseries and pupil referral units/short stay schools (from April 2013) in the area of the LA. These are listed in [Annex C](#). It does not apply to schools situated in the LA which are maintained by another LA, nor does it apply to Academies and Free Schools.

1.3 Publication of the Scheme

These requirements are detailed in [Annex B](#).

1.4 Revision and Approval of the Scheme

These requirements are detailed in [Annex B](#).

1.5 Delegation of Powers to the Headteacher

Each Governing Body is asked to consider the extent to which it wishes to delegate its financial powers to the Headteacher, and to record its decision (and any revisions) in the minutes of the Governing Body. The LA has no wish to impose uniformity on schools but considers that the level of delegation to Headteachers, which is desirable, is as set out in guidance to governors.

In terms of the annual budget plan, the first formal budget plan of each financial year must be approved by the Governing Body or by a designated Committee of the Governing Body.

1.6 Maintenance of Schools

The LA 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 LA maintains schools is through the funding system put in place under sections 45 to 53 of the SSFA 1998.

Section Two – Financial Controls

2.1.1 Application of Financial Controls to Schools

In managing their delegated budgets schools must abide by the LAs requirements on financial controls and monitoring.

Certain of these are directly referred to in this scheme while others are included in the following documents already sent to schools:

- Financial Regulations.
- Financial Procedures and Accounting Instructions.

2.1.2 Provision of Financial Information and Reports

Schools are required to provide the LA with details of expected and actual expenditure and income, in a form and at times determined by the LA. Such details will not be required more often than once every three months, except for those connected with tax or bank reconciliation. The LA may, however, notify the school in writing if in its view the school's financial position requires more frequent submission or the school is in its first year of operation. This restriction would not apply if a school were to be part of an on-line financial accounting system operated by the LA.

The details of these requirements are set out in the following documents already sent to schools: -

- Financial Procedures and Accounting Instructions.

2.1.3 Payment of Salaries; Payment of Bills

The procedures for these will vary according to the choices schools make about the holding of bank accounts and the buying back of the LAs payroll system.

The procedures, which apply to the different choices made by schools, are as set out in the following documents already sent to schools: -

- Financial Procedures and Accounting Instructions;
- Service Level Agreements.

2.1.4 Control of Assets

Each school must maintain an inventory of its moveable non-capital assets, in a form determined by the LA, and setting out the basic authorisation procedures for disposal of assets.

The format of the required inventory and the basic authorisation procedures for disposal of assets is as set out in the following documents already sent to schools:

-

- Financial Procedures and Accounting Instructions
- Schools may determine their own arrangements for keeping a register of assets worth less than £1000. Schools are encouraged to register anything that is

portable and attractive, such as cameras. However, they must keep a register in some form.

2.1.5 Accounting Policies (Including Year-End Procedures)

Schools must abide by procedures issued by the LA in relation to accounting policies and year-end procedures.

These procedures are as set out in the following documents already sent to schools: -

- Financial Procedures and Accounting Instructions

2.1.6 Writing off of Debts

Where a school has its own bank account the Governing Body is authorised to write off debts up to a level stipulated by the Chief Financial Officer, but must notify the LA of any debts approved for write off. The current limit is set at debts up to and including £250.

In the case of larger debts and for schools who do not have their own bank account, the school must carry out the following procedures as set out in: -

- Financial Regulations.
- Financial Procedures and Accounting Instructions.

It is important that whenever possible schools should obtain payment in advance

2.2 Basis of Accounting

Reports and accounts furnished to the LA must be on an accruals basis. Schools may use what financial software they wish, provided they meet the costs of any modification to provide output required by the LA.

2.3 Submission of Budget Plans

Each school is required to submit a budget plan to the LA by 1st May (Nursery Schools, Mainstream Schools, Special Schools and PRUs) in each year for the financial year in question.

The budget plan must show the school's intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. The school may take account of estimated deficits/surpluses at 31st March in their budget plan. The format of the budget plan should be as set out in the following documents sent to schools: -

- School Budget Planning Summary to take account as far as possible the Consistent Financial Reporting (CFR) national framework.

The LA may also require the submission of revised plans where the LA deems it necessary. Such revised plans shall not be required at intervals of less than three months.

The LA will supply schools with all income and expenditure data that it holds and which is necessary for efficient planning by schools. An annual statement of this information will be available at times through the year.

The full Governing Body or a designated Committee of the Governing Body of a school, as outlined in their regulations must agree the initial school budget plan approval.

Regulation 17(1)(c) of the School Governance (Procedures)(England) Regulations 2003 requires the Governing Body or a committee of the Governing Body to give their approval to the first formal budget plan of the financial year.

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, at a date determined by the LA between 1 May and 30 June.

The LA will consider the extent to which such forecasts may be used for more than just confirming schools are undertaking effective financial planning or not. For instance, they could be used as evidence to support the LAs assessment of Schools Financial Value Standard (SFVS) or used in support of the LAs balance control mechanism.

The LA will inform schools of the purposes for which they intend to use these 3-year budget forecasts: such a forecast may be used in conjunction with an LAs balance control mechanism.

2.4 Efficiency and Value for Money

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 optimise the use of resources and maximise value for money.

There are significant variations in the effective management of resources between similar schools, and so it is important for schools to review their current expenditure, compare it to other schools and think about how to make improvements.

2.5 Virement

Schools are free to vire between budget heads in the expenditure of their budget shares, but governors are advised to establish criteria for virements and financial limits above which the approval of the governors is required.

2.6 Audit: General

Schools are required to provide access to the school's records and to co-operate both with auditors employed by the LA (**internal audit**) and auditors appointed by the Government to audit the local LA itself as determined by the Local Audit and Accountability Act 2014 (**external audit**).

In regard to **internal audit**, all schools come within the audit regime determined by the LA.

Details of this are set out in the following separate document distributed to schools:

- Financial Regulations.

Specific requirements will be issued for bank account schools. Where additional audits are required as a result of a school operating its own bank account there will be a charge for this service.

In relation to **external audit** all schools come within the LA external audit regime as determined by the Government.

2.7 Separate External Audits

In instances where a school wishes to seek an additional source of assurance at its own expense, a Governing Body is permitted to spend funds from its budget share to obtain external audit certification of its accounts, separate from any LA internal or external audit process. Where a school chooses to seek such an additional audit it does not remove the requirement that the school must also co-operate with the LAs internal and external auditors.

2.8 Audit of Voluntary and Private Funds

In addition to the normal internal and external audits, schools must provide audit certificates in respect of any voluntary and private funds they hold and of the accounts of any trading organisations controlled by the school.

The procedures for furnishing these audit certificates and advice on the handling of such voluntary and private funds is set out in the following documents previously distributed to schools: -

- Financial Regulations.

2.9 Register of Business Interests

The Governing Body of each school is required to establish a register which lists for each member of the Governing Body and the Headteacher: -

Any business interests they or any members of their immediate family have;

Details of any other educational establishments that they govern;

Any relationships between school staff and members of the Governing Body;

And to keep the register up to date with notification of changes and through annual review of entries, to make the register available for inspection by the LA, school governors, staff and parents and to publish the register on a publicly accessible website.

More detailed guidance on the maintenance of such a register is set out in the following documents: -

- DfE Statutory Scheme Guidance.

2.10 Purchasing, Tendering and Contracting Requirements

Schools are required to abide by the LAs financial regulations and standing orders in purchasing, tendering and contracting matters unless the scheme would -

- enable the school to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any UK legislative requirements.
- require the school to seek LA Officer counter signature for any contracts for goods or services for a value below £60,000 in any one year.
- require the school to select suppliers only from an approved list.
- enable the school to seek fewer than 3 tenders or quotations in respect of any contract exceeding £10,000 in any one year.

Schools are required to assess in advance, where relevant, the health and safety competence of contractors, taking account of the LAs policies and procedures.

Individual school Governing Bodies together with the Headteacher must determine their own arrangements for handling contracts. They must abide by the Public Contract Regulations 2015/LAs Standing Orders for contracts in excess of the Special Drawing Rights (SDR's, Value approximately £213,477 inc. VAT at January 2022). A minimum of three tenders must be sought for any contract with a value exceeding £10,000 in any one year.

The fact that an authority contract has been let in accordance with UK procurement procedures does not in itself make it possible to bind a school into being part of that contract. For the purposes of the procurement directives schools are viewed as discrete contracting authorities.

The countersignature requirement should be applied sensibly by authorities and schools alike, avoiding attempts to artificially aggregate or disaggregate orders to avoid or impose the requirement.

Schools may seek advice on a range of compliant deals via Buying for Schools <https://www.gov.uk/guidance/buying-for-schools>

2.11 Application of Contracts to Schools

Schools have the right to opt out of LA-arranged contracts. This is except where they have lost that right for particular contracts (whenever started) in accordance with a specified written procedure: in which case they will be bound into the contract for its length (although the contract might contain clauses allowing variance of its terms and conditions).

Although Governing Bodies are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the LA as maintainer of the school and owner of the funds in the budget share.

Other contracts may be made solely on behalf of the Governing Body, when the Governing Body has clear statutory obligations, e.g. contracts made by aided or foundation schools for the employment of staff.

2.12 Central Funds and Earmarking

The LA is authorised to 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 shall be 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 LA itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share.

Such earmarked funding from centrally retained funds is to be spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given and is not to be vired into the school's budget share. Any unspent balance of earmarked funds must be returned to the LA if not spent during the year or within the period over which schools are allowed to use the funding if different.

In order that schools may demonstrate compliance with this requirement, the procedure as set out in the following documents already sent to schools shall be used: -

- Earmarked Funding Allocation Sheets.

The LA will not make any deduction in respect of interest costs to the LA from payments to school of devolved specific or special grants.

2.13 Spending for the Purposes of the School

Governing Bodies are free to spend budget shares for the purposes of the school', subject to any provisions of this scheme. This includes where a school has a budget share in relation to a pupil or pupils registered at other schools.

Amounts spent by Governing Bodies on community facilities under section 27 of the Education Act 2002 will be treated as if spent for any purpose of the school.

The LA may issue guidance and impose restrictions to school budget share expenditure. This will be detailed in: -

- Financial Procedures and Accounting Instructions.

2.14 Capital Spending From Budget Shares

Governing Bodies are permitted to use their budget shares to meet the cost of capital expenditure on the school premises. The Governing Body must notify the LA of any proposals to undertake capital works, in advance of making any commitment. Where the LA owns the premises or the school has Voluntary

Controlled (VC) status the Governing Body shall also seek the consent of the LA to the proposed works, consent will only be withheld on health and safety grounds.

This includes expenditure by the Governing Body of a Voluntary Aided (VA) school on work which is their responsibility.

For all premises where the expected capital expenditure from the budget share in any one-year will exceed £15,000, the Governing Body must notify the LA and take into account any advice from the Director of Children's Services as to the merits of the proposed expenditure. The Governing Body should not enter into any capital scheme that impacts on the LAs statutory responsibilities regarding the planning and supply of school places.

2.15 Schools Financial Value Standard (SFVS)

All LA 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 LA either before the end of the financial year or on a date determined by the DfE and annually thereafter. The LA should submit its assurance statement to the DfE within 6 weeks of the school's submission date.

2.16 Notice of Concern

The LA may issue a notice of concern to the Governing Body of any school it maintains where, in the opinion of the Chief Financial 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 LA 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 LA or the withdrawal of local banking arrangements;

- insisting on regular financial monitoring meetings at the school attended by LA officers;
- requiring a Governing Body to buy into a LAs 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 LA may take where the Governing Body does not comply with the notice.

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 Headteacher 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 Three – Instalment of Budget Share; Banking Arrangements

3.1 Frequency of Instalments

The budget share for schools operating their own bank accounts will be made available to Governing Bodies on a monthly basis. Non-bank accounts schools may draw on its entire budget share from the start of the year (although in practice this would not happen because of pay commitments).

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

3.2 Proportion of Budget Share Payable at Each Instalment

The proportion of the budget share to be made available to schools shall be calculated as set out in [Annex D](#).

Where a school requires a budget share advance in order not to be overdrawn at their bank, this is treated as a cash advance and not a loan.

3.3 Interest Clawback

The LA may deduct from budget share instalments an amount equal to the estimated interest lost by the LA in making available the budget share in advance. When payments are made on the basis set out in [Annex D](#) there is no significant loss of interest to the LA and, therefore, no interest will be charged to schools.

3.3.1 Interest on the Budget Share Payments

Where budget share payments are made the as a result of LA error, interest will be paid on the instalment, at Bank of England base rate.

3.4 Budget Shares for Closing Schools

Budget shares of schools for which approval for discontinuation has been secured, will be made in respect of the proportion of the year for which the school will remain open.

3.5 Bank and Building Society Accounts

All schools may have an external bank account into which their budget share instalments (as determined by other provisions) are paid. Where schools have such accounts they shall be allowed to retain all interest payable on the account.

Any school funded under this scheme wishing to opt for its own bank account may only do so after giving 3 months notice. New bank account arrangements will only be made with effect from the beginning of each financial year.

Schools without bank accounts at the start of the scheme cannot have one until any deficit balance is cleared; and any school requesting a bank account at a later date shall not be able to have one until any deficit is cleared.

Interest will be charged/paid on any adjustments made. The interest rate will be that used for interest on school balances (see Section 4 Paragraph 4.3).

3.5.1 Restrictions on Accounts

Accounts may only be held for the purpose of receiving budget share payments, at the banks or building societies consistent with the LAs Treasury Management Policy.

Schools having bank accounts with other banks prior to 1st April 2001 will be allowed to retain those accounts.

Any school closing an account used to receive its budget share and opening another must select the new bank or building society consistent with the LAs Treasury Management Policy.

Schools are allowed to have accounts for budget share purposes, which are in the name of the school. These accounts must only be used for the purposes of the school budget under the terms of this scheme. Money paid by the LA and held in such accounts remains LA property until spent (S.49 (5) of the SSFA 1998).

Where a school has such an account the account mandate should provide that the LA is the owner of the funds in the account and can take control of the account if the LA that is entitled to receive statements suspends the school's right to a delegated budget.

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.

The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives.

Schools are required to have written consent from the Secretary of State for all leases that fall outside the scope of the IFRS16 Maintained Schools Finance Lease Class Consent 2024 or any updated guidance provided by the Secretary of State. Schools must also report all lease(s) to the local authority for accounting purposes.

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

The restrictions do not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts.

These debts may not be serviced directly from the delegated budget, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing.

Governing bodies do not act as agents of the authority when repaying loans.

The types of financing arrangements, which would normally be classed as borrowing are: -

- Loans in the broadest sense, whereby lenders make available to the school a sum of money, which the school uses for specific aims. The school repays the sum of money usually at a price, over the term of the loan.
- Leases falling outside of the IFRS16 Maintained Schools Finance Lease Class Consent 2024 or any updated guidance provided by the Secretary of State
- Certain types of Public Private Partnerships where the asset is deemed to be 'on the balance sheet'.

See LA and/or DfE school borrowing guidance for further information.

Schools are able to use procurement cards as part of the LAs scheme as a useful means of facilitating electronic purchase but are not able to use credit cards or overdrafts, which are regarded as borrowing.

This provision does not apply to loan schemes run by the authority (see sections 4.10 and 4.11).

3.7 Other Provisions

The LA has formulated separate detailed rules and guidance in respect of other aspects of banking arrangements, which are as set out in the following documents already sent to schools: -

- Financial Procedures and Accounting Instructions.

Section Four – The Treatment of Surplus and Deficit Balances Arising in Relation to Budget Share

4.1 Right to Carry Forward Surplus Balances

Schools may carry forward from one financial year to the next any surplus/deficit in net expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year. A surplus balance at 1st April will be equal to that of 31st March.

4.1.1 Calculation of Balances

The amount of the balance to be transferred to a new bank account school will be based on discussions between the school and the LA as to what their estimated year-end balance will be. The amount will be subject to correction when the accounts for the relevant year are closed. The balance will be paid to the school along with the first instalment for the financial year, i.e. on 1st April or nearest bank working day.

4.2 Controls on Surplus Balances

The LA reserves the right to operate a scheme to control and potentially clawback excess surplus balances.

The mechanism will have regard to the principle that schools should be moving towards greater autonomy, should not be constrained from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and should not be burdened by bureaucracy. This is in response to the DfE recommending that LAs relax provisions in this area.

The mechanism will, therefore, be focused on only those schools which have built up significant excessive uncommitted balances and/or where some level of redistribution would support improved provision across a local area.

The mechanism will be contained in: -

- Financial Procedures and Accounting Instructions.

The total of any amounts deducted from school's budget share by the LA under its mechanism in this provision are to be applied to the 'School Budget' of the LA for redistribution to schools on criteria and in a timescale to be determined by the LA in consultation with the Worcestershire Schools Forum (WSF).

This scheme change will be modified to fit with any regulations the DfE issues from time to time.

The decision to make a deduction from a schools budget share will be made by the Director of Children's Services or their representative. If a school feels that the scheme has been unfairly applied to them they can appeal to the Chief Financial Officer via the WSF.

4.2.1 Reporting on the Intended use of Surplus Balances

In order to allow the LA to monitor excessive balances, Governing Bodies may from time to time be required to report to the LA on the use which the school intends to make of surplus balances (in excess of a percentage of the budget share as stipulated in the LA mechanism), after taking account of any retrospective adjustments.

4.3 Interest on Surplus Balances

Balances held by the LA on behalf of schools will attract interest on the following basis: -

- The balance for interest purposes will be taken as the average between the brought forward figure at the beginning of the financial year and the cumulative balance carried forward at the end of the financial year.
- The rate of interest paid will be an annual weighted average based upon the rate that the County Council receives on its investment portfolio between February to January.

4.4 Obligation to Carry Forward Deficit Balances

Deficit balances will be carried forward by the deduction of the relevant amounts from the following year's budget share (see also section 4.9). A deficit balance at 1st April will be equal to that of 31st March.

4.5 Planning for Deficit Budgets

Schools may only plan for a deficit budget in accordance with the terms of sections 4.9, 4.10 and 4.11 below. All schools submitting a deficit, or zero accumulated balance will need to submit a deficit recovery plan.

Schools must submit a recovery plan to the LA when their revenue deficit rises above 5% at 31 March of any year. The LA may set a lower threshold than 5% for the submission of a recovery plan if they wish. The 5% deficit threshold will apply when deficits are measured as at 31 March 2023.

4.6 Charging of Interest on Deficit Balances

The LA will charge interest on any deficit balance. The calculation of interest will be based upon the interest on surplus balances (section 4.3).

4.7 Writing off of Deficits

The LA has no power to write off the deficit balance of any school.

Assistance towards the elimination of a deficit balance can only be made through the allocation of a cash sum from a centrally held schools budget specified for the purpose of expenditure on special schools or PRU's in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget or former DSG reserve and/or where this has been agreed by the WSF.

4.8 Balances of Closing and Replacement Schools

When a school closes any balance (whether surplus or deficit) shall revert to the LA; 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 (1) (a) of the Academies Act 2010.

The LA will invoke necessary processes and procedures for budgetary management and control in cases where a school is either in deficit or is projected to be in deficit and that has the potential to or will become a sponsored academy.

The procedures and mechanism for this are agreed by the WSF and will be contained in: -

- Financial Procedures and Accounting Instructions.

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

4.9 Borrowing for Agreed Purposes

The general provision in paragraph 3.6 above forbidding Governing Bodies to borrow money shall not apply to schemes run by the LA as set out in the following sections 4.10 and 4.11.

4.10 Licensed Deficits

The LA will permit a school, to plan for a deficit budget only in exceptional circumstances. Such circumstances might include where a Governing Body wishes to overcome a demonstrably short-term difficulty. The funding to allow such a deficit budget shall be provided from the collective surplus of school balances held by the LA on behalf of schools

The detailed arrangements applying to this scheme are set out below: -

- In exceptional circumstances, with the prior approval of the Director of Children's Services and the Chief Financial Officer, a school may plan to spend in anticipation of the following year's budget.
- Such spending would not normally be allowed to exceed 2% of the school's own budget allocation.
- Approved deficits will be reviewed regularly with a view to the deficit being repaid over a maximum of 2 years, or in exceptional circumstances over a maximum of 3 years.

4.11 Loan Schemes

The LA shall provide a form of loan arrangement for schools, which does not operate by way of a licensed deficit, but rather by way of actual payments to schools or expenditure by the LA in respect of a particular school on condition that a corresponding sum is repaid from the budget share. The same parameters under section 4.10 apply. This scheme is not open to schools that have submitted a deficit.

The detailed arrangements applying to this scheme are set out in: -

- Utilisation of School Balances - Loan Scheme for Achievement Related Capital Projects.

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 and a school subsequently converts to academy status, 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, either in full or part, to the new Academy school.

4.11.1 Credit Union Approach

The LA does not operate a scheme.

4.12 Multi Year Budgets

The LA may inform each maintained school of its estimate of the school's budget and central government grant income paid by the LA for the relevant number of years and periods if this is specified within the statutory School Funding Regulations. This will be provided in a format determined by the LA.

The estimates will use information available to the LA at the time of preparation, will be subject to change in the future as permitted within the Fair Funding regulations and be provisional in nature implying no commitment on the part of the LA to fund schools at the level shown in the estimate.

The detailed methodology for calculation will be included in the information given to schools on these amounts.

Section Five - Income

Schools shall be able to retain income except in certain specified circumstances.

5.1 Income from Lettings

Schools may retain income from lettings of the school premises, which would otherwise accrue to the LA, subject to alternative provisions arising from any joint use or PFI agreements. Schools are permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, **provided there is no net cost to the budget share**. However, schools whose premises are owned by the LA shall be required to have regard to directions issued by the LA as to the use of school premises, as permitted under the SSFA 1998 for various categories of schools.

Income from lettings of school premises may not be paid into voluntary or private funds held by the school.

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.

5.2 Income from Fees and Charges

Schools may retain income from fees and charges except where a service is provided by the LA from centrally retained funds. However, schools are required to have regard to any policy statements on charging produced by the LA.

5.3 Income from Fund-Raising Activities

Schools may retain income from fund-raising activities.

5.4 Income from the Sale of Assets

Schools may retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it should be for the LA to 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 LA.

Any sale of land or buildings requires consultation with the LA and in the case of County schools, or where it effects the statutory provision, the LAs consent.

5.5 Administrative Procedures for the Collection of Income

Because of the potential VAT implications of providing services, which lead to fees and charges, fund raising activities and the sale of assets, the LA has established administrative procedures for the collection of income, which are set out in the following documents: -

- Financial Procedures and Accounting Instructions.

5.6 Purposes for Which Income May Be Used

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

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Section Six – The Charging of School Budget Shares

6.1 General Provision

The budget share of a school may be charged by the LA without the consent of the Governing Body only in circumstances set out in 6.2 below.

The LA shall consult a school as to the intention to so charge, and shall notify a school when it has been done.

Schools are reminded that the LA cannot act unreasonably in the exercise of any power given by this scheme, or it may be the subject of a direction under s.496 of the Education Act 1996. The LA shall make arrangements for a disputes procedure for such charges.

The LA may de-delegate funding for permitted services without the express permission of the Governing Body; provide this has been approved by the appropriate phase representatives of the WSF.

6.1.1 Charging of Salaries at Actual Cost

The LA must charge the salaries of school based staff to the budget share of a school at actual cost.

6.2 Circumstances in Which Charges May Be Made

- 6.2.1 Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA).
- 6.2.2 Other expenditure incurred to secure resignations where there is good reason to charge this to the school (see [Annex B](#)).
- 6.2.3 Awards by courts and employment tribunals against the LA, or out of court settlements arising from action or inaction by the Governing Body contrary to the LAs advice.
- 6.2.4 Expenditure by the LA in carrying out health and safety work or capital expenditure for which the LA is liable where funds have been delegated to the Governing Body for such work, but the Governing Body has failed to carry out the required work.
- 6.2.5 Expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the **LA, or the school has Voluntary Controlled status.**
- 6.2.6 Expenditure incurred by the LA 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 LA. See also section 10.1.
- 6.2.7 Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes

procedure set out in a Service Level Agreement (SLA) and the result is that monies are owed by the school to the LA.

- 6.2.8 Recovery of penalties imposed on the LA by the Board of Inland Revenue, the Contributions Agency, HM Customs and Excise, Teachers' Pensions, The Environment Agency (for Carbon Reduction Commitment purposes) or regulatory LAs as a result of school negligence.
- 6.2.9 Correction of LA errors in calculating charges to a budget share (e.g. pension deductions).
- 6.2.10 Additional transport costs incurred by the LA arising from decisions by the Governing Body on the length of the school day, and failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
- 6.2.11 Legal costs which are incurred by the LA because the Governing Body did not accept the advice of the LA (see also Section 11.2).
- 6.2.12 Costs of necessary health and safety training for staff employed by the LA, where funding for training has been delegated but the necessary training not carried out.
- 6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
- 6.2.14 Cost of work done in respect of teacher pension remittance and records for schools not purchasing LA payroll services. The charge will be the minimum needed to meet the cost of the LAs compliance with its statutory obligations.
- 6.2.15 Costs incurred by the LA in securing provision specified in an Education Health and Care Plan, where the Governing Body or a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with High Needs.
- 6.2.16 Costs incurred by the LA due to submission by the school of incorrect data.
- 6.2.17 Recovery of amounts spent from specific grants on ineligible purposes.
- 6.2.18 Costs incurred by the LA as a result of the Governing Body being in breach of the terms of a contract.
- 6.2.19 Costs incurred by the LA 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.
- 6.2.20 Costs arising from failure to follow Financial Regulations and Audit advice.
- 6.2.21 Costs of any additional audit required as a result of schools operating their own bank accounts.
- 6.2.22 In the case of pupils still enrolled at a school but receiving tuition at a Pupil Referral Unit or elsewhere, the schools will be charged in defined circumstances for the service received from the LA.

6.2.23 Costs incurred by the LA in administering admissions appeals, where the LA is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

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Section Seven - Taxation

7.1 Value Added Tax (VAT)

The LA has established procedures to enable schools to utilise the LAs ability to reclaim VAT on expenditure relating to non-business activity.

These are set out in separate guidance in the following documents: -

- Guidelines on VAT, Handbook for Schools.
- Financial Procedures and Accounting Instructions.

Amounts reclaimed through these procedures will be passed back to the school.

7.2 Construction Industry Taxation Scheme (CITS)

Schools are required to abide by procedures issued by the LA in connection with CITS. These procedures are as set out in the following documents already sent to schools: -

- Financial Procedures and Accounting Instructions.
- Guidance on CITS produced by the Revenue Officer, Directorate of Resources.

Section Eight – The Provision of Services and Facilities by the LA

8.1 Provision of Services from Centrally Retained Budgets

The LA shall determine on what basis services from centrally retained funds will be provided to schools but the LA is debarred from discriminating in its provision of services on the basis of categories of schools except in cases where this would be allowable under the School and Early Years Finance Regulations or the Dedicated Schools Grant (DSG) conditions of grant. The term service in this paragraph includes existing PRC and redundancy payments, which may not ordinarily be thought of as services but excludes centrally funded premises and liability insurance.

8.2 Timescales for The Provision of Services Bought Back from the LA Using Delegated Budgets

The term of any arrangement with a school starting on or after 1 April 1999 to buy services or facilities from the LA shall be limited to a maximum of three years from the inception of the scheme or the date of the agreement, whichever is the later, and periods not exceeding five years for any subsequent agreement relating to the same services. In the case of contracts for the supply of catering services, these may be extended to five and seven years respectively.

When a service is provided for which expenditure is not retainable centrally by the LA under the regulations made under Section 45A of the Act it must be offered at a price, which is 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.**

8.2.1 Packaging

The purchasing of services will be offered in such a way which does not unreasonably restrict schools' freedom of choice among the services available, and where practicable, this will include purchasing provision on a service-by-service basis as well as in packages of services.

8.3 Service Level Agreements (SLAs)

8.3.1 If services or facilities are provided under a SLA - whether free or on a buyback basis - the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that.

8.3.2 Services, if offered at all by the LA, shall be available on a basis, which is not related to an extended agreement, as well as on the basis of such agreements.

8.3.3 SLAs must be in place by mid February to be effective for the following financial year. Schools will have a maximum of one month from the date of issue to consider the terms of agreement, before signing up for the service for the financial year. The only exception to this would be where a SLA is drawn up for new services bought on an 'as and when' basis. These may be issued during a financial year.

8.4 Teachers Pensions

WCC Scheme for Financing Schools
Version Financial Year 2024 (December - Draft)

In order to ensure that the performance of the duty on the LA to supply Teachers Pensions with information under the Teachers' Pension Scheme Regulations 2014, the following conditions are imposed on the LA 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 LA 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 LA to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the LA which the LA requires to submit its monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The LA will advise schools each year of the timing, format and specification of the information required. A Governing Body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVC's) be passed to the LA 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 LA which the LA requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The LA will advise schools each year of the timing, format and specification of the information required from each school. A Governing Body shall also ensure that Additional Voluntary Contributions (AVC's) are passed to the LA within the time limit specified in the AVC scheme. The Governing Body shall meet any consequential costs from the school's budget share.

Section Nine – Private Finance Initiatives/Public Private Partnerships

The LA shall have the power to issue regulations from time to time relating to Private Finance Initiatives/Public Private Partnerships.

Amongst other issues these may deal with: -

- the reaching of agreements with the Governing Bodies of schools as to the basis of charges relating to such schemes.
- the treatment of monies withheld from contractors due to poor performance.
- the power of the LA to charge to the school's budget share amounts agreed under a PFI/PPP entered into by the Governing Body of the school.

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Section Ten – Insurance

10.1 Insurance Cover

If funds for insurance are delegated to any school, the LA will require the school to demonstrate that cover relevant to an LA's insurable interests, under a policy arranged by the Governing Body, is at least as good as the relevant minimum cover arranged by the LA if the LA makes such arrangements, either paid for from central funds or from contributions from schools' delegated budgets. This should not place an undue burden upon schools, nor act as a barrier to schools exercising choice of supplier.

The LA will have regard to the actual risks, which might reasonably be expected to arise at a school. Guidance on the minimum level of cover required for all schools is available from the County's Insurance Officer.

10.2 National Risk Protection Arrangement (RPA)

Instead of taking out insurance, a school may join the Secretary of State's risk protection arrangement (RPA) for risks that are covered by the RPA.

The scheme allows schools to join the RPA after 1 April 2020. Schools may do this individually when any insurance contract of which they are part expires.

The scheme also provides for all primary and/or secondary maintained schools to join the RPA collectively by agreeing through the schools forum to de-delegate funding.

Section Eleven – Miscellaneous

11.1 Right of Access to Information

Governing Bodies shall supply to the LA all financial and other information which might reasonably be required to enable the LA to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the LA (e.g. earmarked funds) on the school.

11.2 Liability of Governors

Because the Governing Body is a corporate Body and because of the terms of S.50 (7) of the SSFA 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

11.3 Governors' Expenses

Schools Without Delegated Budgets

The LA shall have the power to delegate to the Governing Body of a school yet to receive a delegated budget, funds to meet governors' expenses.

Under section 50(5) of the act, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. Schools are expressly forbidden from paying any other allowances to governors.

Schools are also barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

Schools with delegated budgets

For schools with delegated budgets, LAs may publish, separately from the scheme, a guide to what it considers to be reasonable expenses.

11.4 Responsibility for Legal Costs

Legal costs incurred by the Governing Body, although the responsibility of the LA as part of the cost of maintaining the school (unless they relate to the statutory responsibility of 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 LA. As at present, where a conflict of interest is perceived by our Legal Department, they can make available a list of alternative sources of advice. Schools may also seek completely independently advice from other sources other than from the LA.

11.5 Health and Safety

Governing Bodies are required, in expending the school's budget share, to have due regard to duties placed on the LA in relation to health and safety, and the LAs policy on health and safety matters.

11.6 Right of Attendance for Chief Financial Officer

Governing Bodies are required to permit the Chief Financial Officer of the LA, or any officer of the LA nominated by the Chief Financial Officer, to attend meetings of the Governing Body at which any agenda items are relevant to the exercise of her or his responsibilities. This attendance shall normally be limited to items, which relate to issues of probity or overall financial management and shall not be regarded as routine.

11.7 Delegation to New Schools

The LA is empowered to delegate selectively and optionally to the Governing Bodies of schools that have yet to receive delegated budgets.

11.8 Special Educational Needs and Educational Inclusion

Schools are expected to use their budget share to: -

- Promote high quality learning and high achievement for all.
- Provide for Special Educational Needs.
- secure equal opportunities and equal access in Education.
- Promote lifelong learning opportunities.
- Meet and exceed agreed educational targets.

The LA reserves the right to suspend delegation where a situation is serious enough to warrant it.

11.9 Whistle Blowing

The LA is committed to the highest possible standards of openness, probity and accountability. In line with this commitment schools have received a model whistle blowing policy that sets out the procedures 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 how such complaints will be dealt with.

11.10 Child Protection

Schools shall ensure that they meet their duty to assist LA Children, Families and Communities Departments activity on behalf of children in need or enquiries into allegations of child abuse.

Funding to support this duty is contained within existing budget allocations to schools.

11.11 Redundancy and Early Retirement Costs

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

However, how this works in practice, including the circumstances in which the LA proposes to depart from this are set out in separate LA HR policy guidance including the Central Funding Support Scheme.

Further information is also provided at [Annex E](#).

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Section Twelve – Responsibility For Repairs And Maintenance

Following consultation in September 2012 on changes to the new funding formula, Worcestershire County Council Cabinet agreed further delegation of revenue funding for building maintenance and repairs. This funding from within the Dedicated Schools Grant has been retained in the past to support the capital programme.

As a consequence the responsibility for Repairs and Maintenance in schools is as follows:-

- **Community, Voluntary Controlled (VC) and Foundation Schools**

The County Council will prepare a capital programme for major works at these schools using the asset management information held by WCC Corporate Landlord. The projects will be identified in line with the Local Investment Plan which identified **Basic Need** (additional school places as a consequence of increasing pupil numbers) and **Capital Maintenance** related works as the priorities.

For **Capital Maintenance** related works the emphasis is on keeping schools safe, open and weather tight and therefore the programme will major on heating, roof, window projects and asbestos works. It is the intention to publish this programme in late February each year when the capital grant from the DfE has been announced and the County Council has approved its budget. If a school has a project listed on the programme the County Council requirement is for a contribution of 10% of total costs. However, this will be assessed on an individual school basis including any ceiling cap agreed taking due consideration of the school's financial position. The scheme scope will be defined and approved by officers in the Education Sufficiency and Place Planning Team within Worcestershire Children First and Property Services.

All other repairs and maintenance, suitability works or general improvements are for the school governors and leadership team to plan and fund. The revenue budget has been increased to cover some of these costs and the Devolved Formula Capital is also available. Schools can also consider a loan from the County Council. Information on the loan scheme is available from the School's Finance Team in Worcestershire Children First. .

- Voluntary Aided (VA) Schools
- In September 2018, the Government announced its intention to retire the LCVAP process with effect from 1st April 2020.
- Capital funding for condition works at VA schools (formerly LCVAP) is now funded either via the relevant Diocese (Responsible Body) in the form of a School Condition Allocation (SCA), or directly from the Education and Skills Funding Agency (ESFA) in respect of non-diocesan VA schools via the Condition Improvement Fund (CIF).

- **Academies and Free Schools**

Access to capital funding is through the Education and Skills Funding Agency (ESFA) and information is provided direct or through their web site.

Basic Need funding is grant funded via the LA for additional places commissioned by the LA to meet its priorities.

All other repairs and maintenance, suitability works, or general improvements are for the school governors and leadership team to plan and fund regardless of school status. The

attached [Annex F](#) sets out the categories of work which Governing Bodies must finance from their budget shares.

The County Council will issue guidance on the accountability and responsibility of Headteachers for premises and safety risk management.

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Section Thirteen – Community Facilities

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 controls. Regulations made under section 28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power.

Section 88 of the Children and Families Act 2014, has removed the requirements in section 28(4) and section 28(5) of the Education Act 2002 for maintained schools in England. Under section 28(4) a school was obliged to consult its authority and under section 28(5) a school must have regard to advice or guidance from the Secretary of State or their local authority when offering this type of provision.

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 as amended by paragraph 2 of Schedule 3 to the Education Act 2002.

This amendment extended the coverage of schemes to include the exercise of 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 part 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.

This section of the scheme does not extend to joint-use agreements; transfer of control agreements, or agreements between the LA and schools to secure the provision of adult and community learning.

Schools are able to spend their delegated budget for the purpose of community facilities.

Mismanagement of community facilities funds can be grounds for suspension of the right to be a delegate budget.

13.2 Consultation with the LA – Financial Aspects

Changes in the Children and Families Act 2014 no longer requires that before exercising the community facilities power and Governing Bodies no longer need to consult or be mindful of the LAs advice under section 27 of the Education Act 2002.

- Schools should inform the LA of their intention to set up a company for the purposes of exercising the community facilities at least 3 months before commencement of any agreement.

The information a school should provide to the LA should include:

- The purpose for which the company is being established
- Details of any third party who will be part of an agreement establishing a company for the purposes of exercising community facility powers

The LA may request further details from the Governing Body of the school in relation to the company being established.

The LA will provide the Governing Body with comments on the proposed establishment of the company within 15 working days of receipt of information from a Governing Body.

The LA will require schools to inform it of any action that has been taken following LA advice.

13.3 Funding Agreements

The provision of community facilities in schools may depend on the conclusion of a funding agreement with a third party which will either be supplying funding and/or taking part in the provision. The LA requires any such proposed agreement to be submitted to the LA for comments at least 1 month before the start of any such agreement.

The LA does not retain a general power of veto over such agreements, however if an agreement has been or is to be concluded against the wishes of the LA or has been concluded without informing the LA, which in the view of the LA is seriously prejudicial to the interests of the school or the LA, it may constitute grounds for suspension of the right to a delegated budget.

13.4 Other Prohibitions, Restrictions and Limitations

The LA may, in the specific instance of use of the community facility power by a Governing Body, require the Governing Body concerned to make arrangements to protect the financial interests of the LA by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question as specified by the LA.

Section 28 of the Education Act 2002 provides that the exercise of the community facilities power is subject to prohibitions, restrictions and limitations in the scheme for financing schools.

13.5 Supply of Financial Information

The LA may require schools which exercise the community facilities power to provide the LA every six months with a summary statement, in a form determined by the LA, 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 LA, 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, may require such financial statements to be supplied every three months and if the LA sees fit, to require the submission of a recovery plan for the activity in question.

13.6 Audit

The school is required to grant access to its records connected with the exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure.

In concluding funding agreements with other persons pursuant to the exercise of the community facilities, schools must ensure that such agreements contain adequate provision for access by the LA to the records and other property of the those persons held on the school's premises, or held elsewhere insofar as they relate to the activity in question, in order for the LA to satisfy itself as to the propriety of expenditure on the facilities in question.

13.7 Treatment of Income and Surpluses

Schools are able to retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that is the LA or some other person.

Schools are able to carry such retained net income over from one year to the next as a separate community facilities surplus, or, subject to the agreement of the LA at the end of each financial year, transfer all or part of it to the budget share balance.

Any accumulated retained income obtained from exercise of the community facilities power of a community or community special school that the LA ceases to maintain, reverts to the LA unless otherwise agreed with the funding provider.

13.8 Health and Safety Matters

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

The Governing Body of a school exercising the community facilities power are responsible of the costs of securing Disclosure Barring Service (DBS) clearances for all adults involved in community activities taking place during the school day. Governing Bodies are free to pass such costs to a funding partner as part of an agreement with the partner.

13.9 Insurance

It is the responsibility of the Governing Body to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power taking professional advice, including from the LA, as necessary. Such insurance should not be funded from the school budget share.

The LA 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 costs to the schools. Such costs could not be charged to the school's budget share.

Instead of taking out insurance, a school may join the RPA for risks that are covered by the RPA.

13.10 Taxation

Schools should seek advice from the LA and the local VAT office on any issues resulting to the possible imposition of VAT on expenditure in connection with community facilities, including the use of the local VAT reclaim facilities.

For any member of staff employed by the school or LA in connection with community facilities at the school paid from funds held in a school's own bank account (whether a separate bank 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 Inland Revenue rules.

Schools are required to follow LA advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

13.11 Banking

Schools should either maintain a separate bank account for funds relating to community facilities or, if one account is held for the school, adequate internal accounting controls should maintain a separation of funds.

Banks that can be used are set out in the main scheme under section 3. The provisions outlined in section 3 apply equally to the exercise of the community facilities power, except that a mandate showing the LA as owner of the funds in the account should exempt the community facilities funds if they are in the same account as the budget share.

The provision of the main scheme relating to loans (see section 3) applies equally to the exercise of community facilities power.

Annex A

The Statutory Outline Scheme

References throughout this statutory guidance to: -

- “the Act” is to the School Standards and Framework Act 1998.
- “the authority” means the LA.
- “the Regulations” are to the annual School and Early Years Finance (England) Regulations made under the Act.

The Regulations state that schemes must deal with the following matters: -

- The carrying forward from one funding period to another of surpluses and deficits arising in relation to schools’ budget shares.
- Amounts which may be charged against schools’ budget shares.
- Amounts received by schools which may be retained by their Governing Bodies and the purposes for which such amounts may be used.
- The imposition, by or under the scheme, of conditions which must be complied with by schools in relation to the management of their delegated budgets and of sums made available to Governing Bodies by the authority which do not form part of delegated budgets, including conditions prescribing financial controls and procedures.
- Terms on which services and facilities are provided by the authority for schools maintained by them.
- The payment of interest by or to the authority.
- The times at which amounts equal in total to the school’s budget share are to be made available to Governing Bodies and the proportion of the budget share to be made available at each such time.
- The virement between budget heads within the delegated budget.
- Circumstances in which a local authority may delegate to the Governing Body the power to spend any part of the authority’s non-schools education budget or schools budget in addition to those set out in section 49(4)(a) to (c) of the 1998 Act.
- The use of delegated budgets and of sums made available to a Governing Body by the local authority which does not form part of delegated budgets.
- Borrowing by Governing Bodies.
- The banking arrangements that may be made by Governing Bodies.
- A statement as to the personal liability of governors in respect of schools’ budget shares having regard to section 50(7) of the 1998 Act.
- A statement as to the allowances payable to governors of a school which does not have a delegated budget in accordance with the scheme made by the authority for the purposes of section 519 of the 1996 Act.

- The keeping of a register of any business interests of the governors and the head teacher.
- The provision of information by and to the Governing Body.
- The maintenance of inventories of assets.
- Plans of a Governing Body's expenditure.
- A statement as to the taxation of sums paid or received by a Governing Body.
- Insurance.
- The use of delegated budgets by Governing Bodies so as to satisfy the authority's duties imposed by or under the Health and Safety at Work etc. Act 1974.
- The provision of legal advice to a Governing Body.
- Funding for child protection issues.
- How complaints by persons working at a school or by school governors about financial management or financial propriety at the school will be dealt with and to whom such complaints should be made.
- Expenditure incurred by a Governing Body in the exercise of the power conferred by section 27 of the 2002 Act.

Annex B

The Funding Framework: Main Features

Since April 1989 the LA has delegated funding to its schools in accordance with its Local Management of Schools (LMS) scheme as approved by the Secretary of State. Under the terms of the School Standards and Framework Act (SSFA) 1998, LAs were required to draw up a new Fair Funding Scheme for Financing Schools to replace the old LMS scheme. The funding framework, which replaced LMS, is based on the legislative provisions in sections 45-53 of the SSFA 1998.

Under this legislation, LAs determine for themselves the size of their School Budget and LA Budget – although at a minimum a LA must appropriate its entire Dedicated Schools Grant (DSG) to their Schools Budget. The categories of expenditure, which fall within the two budgets, are prescribed under regulations made by the Secretary of State but included within the two, taken together, is all expenditure, direct and indirect, on an LAs maintained schools except for capital and certain miscellaneous items.

LAs may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under s45A of the SSFA 1998. The amounts to be retained centrally are decided by the LA 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 LA Budget must be centrally retained (although earmarked allocations may be made to schools).

LAs 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 s51 of the SSFA1998.

The financial controls within which delegation works to be set out in a scheme made by the LA in accordance with s48 of the SSFA.

The Secretary of State issues statutory guidance relating to Schemes for Financing Schools (Maintained) pursuant to s48(4) and paragraph 2A(2) of Schedule 14 to the SSFA 1998.

LAs are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. This guidance lists the provisions which a LAs scheme must, should or may include. Schemes need not follow the format used in this guidance, except for the text of directed revisions.

All proposals to revise the Scheme will be either directed revisions by the Secretary of State or local changes. These will require either consultation or notification to the schools maintained by the LA covered by the Scheme. Directed revisions from the Secretary of State are made after consultation and such revisions become part of the Scheme from the date of the direction. Scheme changes must be approved by the WSF (Maintained School Members). The LA may apply to the Secretary of

State for approval in the event of the WSF rejecting a proposal or approving it subject to modifications that are not acceptable to the LA.

Subject to this scheme's provisions, Governing Bodies of schools may spend budget shares for their school. They may also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under s50 of the SSFA *.

(*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.)

An LA may issue a notice of concern or fully suspend a school's right to a delegated budget if the provisions of the school financing scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. There is a right of appeal to the Secretary of State. A school's right to a delegated budget share may also be suspended for other reasons (s17 of the SSFA 1998) but in that case there is no right of appeal.

Regulations also require a LA to publish their scheme and any amendments to it on a web site accessible to the general public by the date any revisions come into force together with a statement that the revised scheme comes into force on that date. The web site address is: -

http://www.worcestershire.gov.uk/info/20063/worcestershire_schools_forum/7/departament_for_education_dfe_regulatory_issues

Annex C

Schools to Which this Scheme Applies (As 1 June 2024)

Nursery Schools (1)	DFE No
Evesham Nursery	1001
First/Primary Schools (85)	DFE No
Abberley Parochial Primary	3000
Abbey Park First & Nursery	2119
Ashton-Under-Hill First	2006
Astley C.E Primary	3300
Batchley First	2128
Bayton C.E. Primary	3001
Belbroughton C.E. Primary & Nursery	3002
Beoley First	2008
Bewdley Primary	3397
Blakedown C.E. Primary	3005
Bredon Hancock's Endowed First	3306
Broadwas C.E. Primary	3308
Broadway First	2013
Chaddesley Corbett Endowed Primary	3330
Chawson Community First	2036
Church Lench C.E. First	3018
Claines C.E. Primary	3019
Cleeve Prior C.E. First	3020
Clent Parochial Primary	3022
Clifton-Upon-Teme Primary	2032
Comberton Primary	2907
Cookley Sebright Primary	3016
Crothorne With Charlton C.E. First	3027
Crown Meadow First	2002
Defford-Cum-Besford C.E. First	3029
Dodford First	2034
Eckington C.E. First	3038
Eldersfield Lawn C.E. Primary	3039
Elmley Castle C.E. First	3040
Fairfield First	2047
Finstall First	2017
Fladbury C.E. First	3324
Flyford Flavell First	5201
Franche Primary	2910
Grimley & Holt C.E. Primary	3048
Hagley Primary	2055
Hallow C.E. Primary	3329
Hanbury C.E. First	3049
Harvington C.E. First	3053
Himbleton C.E. First	3056
Hindlip C.E. First	3057
Holy Redeemer R.C. Primary	3368
Lickey End First	2018

First/Primary Schools (85)	DFE No
Lickey Hills Primary	2901
Lindridge St Lawrence's C.E. Primary	3350
Malvern Wells C.E. Primary	3359
Meadow Green Primary (Wythall)	2188
Meadows First	2019
Millfields First	2020
Moon's Moat First	2192
Offmore Primary	2911
Ombersley Endowed First	3365
Overbury C.E. First	3084
Pebworth First	2118
Pendock C.E. Primary	3085
Pitmaston Primary	2200
Red Hill C.E. Primary	3116
Rubery, Beaconside Primary & Nursery	2197
Sedgeberrow C.E. First	3099
St. Andrew's C.E. First (Barnt Green)	3302
St. Andrews C.E. First (Evesham)	3043
St. Anne's C.E. Primary (Bewdley)	3011
St. Barnabas' C.E. Primary	3114
St. Catherine's C.E. Primary	3021
St. George's C.E. Primary (Worcester)	3389
St. James C.E. Primary (Malvern)	3360
St. Joseph's R.C. Primary (Malvern)	3358
St. Kenelm's C.E. Primary (Romsley)	3097
St. Luke's C.E. First	3093
St. Mary's C.E. Primary (Kidderminster)	3331
St. Richard's C.E. First	3042
Stoke Prior First	2147
Swan Lane First	2041
Sytchampton Endowed First	3381
Tardebigge C.E. First	3382
Tenacres First	2136
The Grove Primary	3400
Tibberton C.E. First	3105
Upton Snodsbury C.E. First	3108
Upton Upon Severn C.E. Primary	3107
Westlands First	2035
Whittington C.E. Primary	3110
Woodrow First	2137
Wyche C.E. Primary	3074

Middle-Deemed-Primary (2)	DFE No
Westacre Middle	2916
Abbey Park Middle	2906

Middle Deemed Secondary Schools (4)	DFE No
Aston Fields Middle	4401
Parkside Middle	4403
Blackminster Middle	4408
St. Egwin's C.E. Middle	4576

Secondary/High Schools (3)	DFE No
The Bewdley Community Secondary	4001
Wolverley C.E. Secondary	4503
Worcester, Blessed Edward Oldcorne R.C. College	5402

Special Schools (4)	DFE No
Chadsgrove	7015
Rigby Hall	7001
Fort Royal Community Primary	7025
The Wyre Forest School	7026

Pupil Referral Units (Pru) (3)	DFE No
Perryfields Primary	1103
The Beacon Primary	1105
The Forge Secondary	1121

DRAFT

Annex D

Proportion of Budget Share Payable at Each Instalment

Schools who operate their own bank account will receive the instalments of their budget share on the following basis: -

- The budget share allocation is divided into twelve monthly instalments.
- One third of the April monthly advance is paid to schools bank accounts on 1st April or nearest bank working day.
- The balance of the budget share due for April (two thirds) will be paid into school accounts two bank working days before Council's normal pay date (i.e. two days before 28th monthly or where this falls on a bank holiday or weekend the nearest previous bank working day).
- Instalments for May to March will be paid into school accounts two bank working days before Council's normal pay date (i.e. two days before 28th monthly or where this falls on a bank holiday or weekend the nearest previous bank working day).
- Other grant funding streams are paid on a basis to coincide with that grant being received by the County Council.

Annex E

Responsibility for Redundancy and Early Retirement Costs

This guidance note summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central Schools Budget or the LAs non-schools budget.

Section 37 of the 2002 Education Act says -:

(4) costs incurred by the local education 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.

(5) costs incurred by the local education 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.

(6) The fact that the 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 subsection (5); 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 LAs budget. In the former case, the LA 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. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

Charge of dismissal/resignation costs to delegated school budget

- If a school has decided to offer more generous terms than the LAs policy, then it would be reasonable to charge the excess to the school.
- If a school is otherwise acting outside the LAs policy.
- Where the school is making staffing reductions which the LA does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit.
- Where staffing reductions arise from a deficit caused by factors within the school's control.
- Where the school has excess surplus balances and no agreed plan to use these.
- Where a school has refused to engage with the LAs redeployment policy.

Charge of premature retirement costs to LA non-schools budget

- Where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards.
- Where a school is closing, does not have sufficient balances to cover the costs and where the central Schools Budget does not have capacity to absorb the deficit.
- Where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale.
- Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of local authority or government intervention to improve standards.

Costs of early retirements or redundancies may only be charged to the central part of the Schools Budget where the expenditure is to be incurred as a result of decisions made before 1st April 2013. Cost may not exceed the amount budgeted in the previous financial year.

The LA can retain a central budget within the schools budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the schools forum agree.

It is important that the LA discusses its policy with the Schools Forum. Although each case should be considered on its merits, this should be within an agreed framework. It may be reasonable to expect to share costs in some cases and the LA are able to operate a panel to adjudicate on applications.

A de-delegated contingency could be provided, if the Schools Forum agree, to support individual schools where a "governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share".

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

Section 37 now states: -

(7)Where a local education authority incur costs—

(a)in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or

(b)in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,

they shall recover those costs from the governing body except in so far as the authority agrees with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

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

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

(8) 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.

Annex F

Schedule of Responsibility for School Buildings in Maintained Community, Voluntary Controlled (VC) and Foundation Schools

Type	Definition	School funding responsibility	LA funding responsibility
Basic Need Capital	Additional school places as a consequence of increasing pupil numbers	Nil	All without limit
Planned Capital Maintenance	The annual capital programme. Likely inclusions are major replacement of roof coverings, doors and windows, boilers, and associated asbestos removal works .	Nil	All without limit
Revenue Maintenance:			
reactive	Emergency repairs	All without limit	Nil
	Unplanned, urgent repair needs not included in a current programme. This includes asbestos removal works.	All without limit	Nil
servicing	The cost of the actual service to components, plant and equipment.	All without limit	Nil
	Consequential works recommended following servicing, testing and inspection	All without limit	Nil
management of premises risks	Asbestos	All surveys, re-inspections and consequential works other than those described in the next column (LA funding responsibility). All works associated with a school funded project	Asbestos management survey plan All asbestos works associated with the Annual Capital Programme.
	Fire	Fire Risk Assessment and	Nil

Type	Definition	School funding responsibility	LA funding responsibility
		consequential works.	
	Water (Legionella)	All surveys and consequential works.	Nil
Planned maintenance, other than described above	Internal and external redecoration and associated repairs	All without limit	Nil
	Finishes to ceilings, walls and floors.	All without limit	Nil
	Fixtures and fittings (includes sanitary fittings, science laboratory and Food technology furniture)	All without limit	Nil
	External works, boundary walls and fences, car parks playgrounds, roads and paths. Drains and, SUDS systems. Grounds and trees.	All without limit	Nil
	Repair work designated as a priority by the school but not included in the Capital Maintenance Programme	All without limit	Nil
	All repair works relating to all buildings that are either owned or solely used by third parties	All without limit	Nil

Responsibility for Repairs and Maintenance

Maintained Voluntary Aided (VA) Schools Background

This document applies to temporary and permanent buildings on the school site. It does not apply to County Schools

Background

The DfE has reviewed the liabilities and funding arrangements for VA schools and produced the Regulatory Reform (Voluntary Aided Schools Liabilities and Funding) (England) Order 2002. The rules for determining premises liabilities have been simplified.

VA governing bodies are now liable for capital work to the school buildings and playground. LAs are liable for capital work to playing fields and their associated buildings. All revenue work is LA liability but this has in the main been delegated to governing bodies under the Fairer Funding initiatives.

Definition of Capital and Revenue Works

Revenue work describes those repairs that are of a cyclical nature and do not have a significant effect on the life of the building i.e.

- **Emergency repairs** – defined as unforeseen works to keep building users safe or to keep the building watertight or secure. The works are normally required as a result of breakdown of vital services or fabric defects involving risk to occupants or contents.
- **Urgent repairs** – defects whilst not a positive danger, cause some inconvenience to the user and/or may develop into more serious faults if left unattended.
- **Routine servicing, inspections and testing** – this includes all essential repairs identified by the servicing engineer that would normally be categorised as urgent as defined above.
- **Redecoration**

Capital work describes repairs that are of a substantial nature and have a significant life enhancing effect on the building. Capital repairs are grant aided, which is currently 90% of the total cost of the work including fees and VAT. The school has to fund the remaining 10%.

Schedule of Responsibility for School Buildings in Maintained Voluntary Aided (VA) Schools

Revenue Liability (defined above)

VA Governing Bodies	LA
All emergency and urgent works.	WCC Corporate Landlord will organise BUT NOT FUND asbestos removal (no fees to be charged). The removal of asbestos containing materials can normally be grant aided.
All servicing and consequential repairs.	
Internal and external redecoration (unless part of a capital repair, e.g. external refurbishment).	

Capital Liability (defined above)

VA Governing Bodies	LA
The existing buildings and services (internal and external).	
Those buildings currently known as exempted (kitchens, dining areas, medical/dental rooms, swimming pools, caretakers dwelling houses).	
Perimeter walls and fences.	
Playgrounds.	
Furniture, fixtures and fittings.	
Large-scale removal of asbestos.	
Other capital items.	

Report to the Worcestershire Schools Forum (WSF) Service Level Agreement (SLA) - Maintained Schools

1. Purpose

- 1.1 This is brought for reference to WSF for openness and transparency of what schools can expect from the Council when they are purchasing their services from the finance teams within the Council.

2. Background

- 2.1 The SLA are produced annually and published to schools; it was felt that these should be share this WSF for transparency of the financial services supplied to maintained Schools.
- 2.2 Appendix A attached is the SLA for the Schools Finance Team
- 2.3 Appendix B attached is the SLA for Central and Service Finance Teams.

3. Current Position

- 3.1 These are the latest version of these documents.
- 3.2 We will be asking the other service if run by the Council to provide us with these to share going forward with WSF.
- 3.3 If you wish for any of the services to be present going forward to answer any questions please contact me and I will arrange this.

4. Recommendation

- 4.1 To note for reference.

Rob Phillips
Finance Business Partner – Schools
Worcestershire County Council
December 2024

School Finance Team

SERVICE LEVEL AGREEMENT FOR MAINTAINED SCHOOLS

Specification Details for the provision of School Finance Support

Schools Finance Manager – **Bessant, Ruth and Phillips, Rob**

7 November 2024

Version Control

Version No.	Date	Author	Change Details
1.0	01.04.2022	R Bessant	
2.0	09.02.2023	R.Bessant	
3.0	22.08.2024	R.Bessant	Logo changed
3.1	07.11.2024	R.Bessant	Telephone Service

Maintained School Services to be provided by School Finance Team

Telephone Advisory Service

- Access to telephone advisory service open between the following hours during term time:
Monday 9.30 – 12.30 and 2 – 4.30
Tuesday 9.30 – 12.30 and 2 – 4.30
Wednesday 9.30 – 12.30
Thursday 9.30 – 12.30 and 2 – 4.30
Friday 9.30 – 12.30

Please note that during school conferences and finance training events the capacity to answer phone calls will be reduced.

Email Advice

- Access to a managed team email advice service.

Support and Advice

- Advice and support in the operation of the council's financial system including guidance on raising orders, processing invoices, reporting and other aspects of operating the financial system.

System Maintenance

- Implementation of any new codes and projects and associated mapping. Maintenance of system upgrades and patches.

SharePoint

- Access to the SharePoint eLibrary web portal providing a library of relevant support and system user guides.

Assistance with the Preparation of the annual budget

- A meeting to discuss any aspect of the school's financial management relating to maintained schools, to include budget planning, budget monitoring or forward planning. Meetings can consist of up to three colleagues to include Headteacher, Business Manager, finance staff or Governors.
- Advice on staffing projections and advice on the preparation of staff and non-staff budgets through Collaborative Planning (CP).
- Advice on financial controls of revenue and capital budgets.
- Advice on the preparation of forward plans.

Financial Management Principles

- Assistance with 'Best Practice' financial policies and procedures and access to 'Model' Finance Policy and the management of private funds.

Cash flow Management Advice

- Funding guidance, as well as advice and support with Imprest/petty cash reconciliation.

Budget planning/Monitoring

- Provision of Budget Planning working papers in either electronic or webbased format through CP, assistance with the preparation of staff and non-staff budgets, and support with budget monitoring returns to Worcestershire County Council.
- Access to CP to monitor budgets and provide projected outturns.
- Support with the submission of half-year and three-quarter-year budget reports where necessary.
- Provide advice to support budget adjustments and virements,
- Assistance with short- and long-term forecasts of funding allocations (subject to changes in the funding formula applied by the Department for Education) and
- Assistance with the preparation of forward plans.
- Supplying a Governor Template in CP, to share the financial position of the school with governors.

Financial Management

- Support for the completion of the Schools Financial Value Standard (SFVS). Provide and update policies, procedures, and information to assist schools with their financial management practices, for example, the 'Model Finance Policy' and local financial benchmarking information.

SUPPORT FOR THE COMPLETION OF THE CONSISTENT FINANCIAL REPORTING RETURN (CFR)

CFR Return

- The Schools Finance Team will produce the return and submits this to the Department for Education on behalf of the school. An electronic copy of the completed return will also be sent to the school.
- Produce local benchmarking for the school to discuss and use with governors.

Standard Training Modules

The Supplier offers training sessions for all aspects of financial management in maintained schools and academies to Headteachers, Leadership team members, business managers, finance staff and Governors.

Schedules and training content is available on SharePoint;

The areas covered in the training programme include:

- Budget preparation and planning
- Budget monitoring
- Complete overview of schools' finance for finance staff
- Management of Schools Private Funds
- Management of Imprest Accounts
- Training for new users
- Finances for Headteachers and members of the Leadership Team
- Getting the most from the Financial System
- Financial management training for Governors.
- School Financial Value Standard (SFVS)

Bespoke Training

- The supplier offers bespoke two-hour training sessions to individual schools. The session will include an overview of funding, financial management and financial good practices aimed to support all school staff and governors involved in the financial management functions. This will

be followed by a Q & A session giving the school an opportunity to discuss issues that are relevant to them. This is subject to availability and an additional charge.

Enhance SLA

The Supplier offers an enhanced service to schools to assist them with their financial administrative functions enabling them to fulfil the management responsibilities of a delegated budget at times of staff absence or staff shortages. This will be on an ad hoc basis subject to availability of School Finance Team staff.

Recruitment and Selection of Finance Staff

Support and advice is available with the recruitment and selection of finance staff in schools, this can be tailored to meet the specific needs of the school to include assistance and support in the following areas:

- Job descriptions and Person Specifications
- Reviewing applications
- Interview questions
- Participation on interview panels.
- Advice on finance staff induction.

CENTRAL & SERVICE FINANCE TEAMS

SERVICE LEVEL AGREEMENT FOR MAINTAINED SCHOOLS

Specification Details for the Provision of:

Accounts Payable, Accounts Receivable, Purchase Card Service Support

Deputy Chief Financial Officer, **Steph Simcox**

Version Control

Version No.	Date / Review	Author/s
1.0	01.04.2023	N Hardman, S Grove, K Collins
2.0	01.06.2024	N Hardman, S Grove, K Collins
3.0	31.10.2024	N Hardman

Maintained School Services to be provided by Central & Service Finance Teams

Accounts Payable Service Provision

Key Performance Indicators

The Accounts Payable Team will provide the following data to the designated Finance Operational Services Officer on a quarterly basis:

- % of invoices paid within 30 days of receipt of valid invoice – Target 95%
- % of new suppliers set up within 5 working days following receipt of a correct and accurate application – Target 90%

The Accounts Payable Service Provision is detailed in the table below:

Service Provision	Timescale (if applicable)	Customer Responsibility	Customer Timescales (if applicable)
Using the WCC Financial Package (E5), process payments to suppliers and service users in accordance with the terms and conditions agreed.	In accordance with WCC's payment run timetable	<ul style="list-style-type: none"> • Ensure new supplier records are set up accurately. • Ensure Supplier's bank account details are correct and obtained on WCC's current BACS form. • Ensure the supplier record is not already on E5. • Ensure Purchase Orders are raised, and approved, before Invoice is submitted. 	As required

Service Provision	Timescale (if applicable)	Customer Responsibility	Customer Timescales (if applicable)
		<ul style="list-style-type: none"> • Provide suppliers with Purchase Order numbers to be entered by the supplier on the invoice. • Accurately enter invoices onto the E5 supplier account and attach a copy of the invoice and BACS form to the transaction as a paperclip in E5. • Authorise supplier invoices and credit notes within 5 working days of being entered onto E5. 	Within 5 working days
In line with WCC processes, take action to stop/recall incorrect and duplicate payments, following instruction from School.	Same working day of receipt of notification of incorrect payment	Provide WCC Accounts Payable Team via wccpaymentquality@worcestershire.gov.uk with full and accurate information to allow payment to be recalled/stopped.	As soon as incorrect/duplicate payment is identified.
<p>Using specific software (AP Forensics) and reporting, monitor and investigate potential duplicate payments, taking action to prevent duplicates as far as possible.</p> <p>Accounts Payable will attempt to recover a payment made in error, in accordance with the WCC Procedures and timescales. Incorrect and duplicate payments should be returned to WCC within 20 working days.</p> <p>Where payment recovery is unsuccessful (within the agreed timescale), Accounts</p>	<p>Daily using reporting software and E5 following processes</p> <p>After 20 working days if refund not made</p> <p>After 20 working days</p>	<p>Enter 1 copy of an invoice ONLY onto E5 using the invoice number as the reference. NB. If invoice number is not used, there is an increased risk of a duplicate payment being made.</p> <p>Where an incorrect payment has occurred, arrange for the correct supplier to be paid. (Note, Accounts Payable will cancel the transaction on the incorrect supplier).</p> <p>Attempt to recover incorrect/duplicate payment from Supplier.</p>	<p>As required</p> <p>Within 5 working days of receiving an incorrect payment notification from AP</p> <p>As required</p>

Service Provision	Timescale (if applicable)	Customer Responsibility	Customer Timescales (if applicable)
Payable will notify and refer to the appropriate School for action.			
<p>Where a school is unable to resolve a payment query with their supplier, Accounts Payable will assist schools with resolving payment queries.</p> <p>Monitor and provide feedback on recurring issues, queries and themes to the Schools Finance Team to assist in minimising queries, promoting best practice and shaping future training sessions provided to schools.</p>	<p>Within 5 working days of receipt of query/issue received in Accounts Payable.</p> <p>Monthly</p>	<ul style="list-style-type: none"> Undertake close monitoring of current and new suppliers to ensure these suppliers provide effective and efficient services to Schools Follow standard procedures to ensure invoices and credit notes are accurately entered on the finance system. Check accuracy of data input including coding information. All staff involved in Supplier payments processing must be fully trained and have a good understanding of Accounts Payable Procedures and e5 Accounts Payable Processes, including the Supplier set up and approval process. Where service issues are identified, adopt a pro- active approach to resolution and service improvement. 	<p>As required</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>As required</p>
E5 suppliers will be approved, or rejected, within 5 working days of receipt of correctly completed request received into WCCSuppliers@worcestershire.gov.uk	Within 5 working days	To complete and submit request correctly, having checked supplier does not already exist, and provide all appropriate and accurate information to WCCSuppliers@worcestershire.gov.uk (NB. Commercial Team authorisation timescales are outside of this SLA)	As required

Accounts Receivable Service Provision

Key Performance Indicators

The Income Team will provide the following data to the designated Finance Operational Services Officer on a quarterly basis:

- Reduction in number of unallocated cash transactions — transactions greater than 31 days old target < 7% of total number of unallocated transactions
- County Fund Bank Income transactions posted within 2 working days of bank statement date — target 90% transactions posted

Service Provision	Timescale (if applicable)	Customer Responsibility	Customer Timescales (if applicable)
Process bank payments on behalf of Schools ensuring payments are accurately posted to the Council’s Debtor and General Ledgers	Within 2 working days of bank statement date	Schools to provide the Income Team with accurate and timely payment posting information, including: <ul style="list-style-type: none"> • Payment value • Payment date • Payment method • Payment Reference • Payer Details • Full cost code information including nominal, sub nominal and project codes Payment remittances and posting information must be sent to wccincomeallocation@worcestershire.gov.uk	Within 2 working days of known payment date
Review and approve Sales invoice Credit Notes	Within 2 working days of credit note creation date (as shown in finance system E5)	Where a sales invoice overcharge is identified, create an accurate credit note in the finance system (E5) and ensure that an authorised credit note approval form is paperclipped to the credit note transaction (in E5)	Credit note must be created within 3 working days of identifying the sales invoice error or required invoice amendment

Service Provision	Timescale (if applicable)	Customer Responsibility	Customer Timescales (if applicable)
Review and approve new Customer Records and amend existing customer records upon request	Within 2 working days of customer record creation date (as shown in finance system e5)	<p>Prior to creating the customer record, Schools must ensure the record does not already exist. Do not create a duplicate customer record. Create an accurate customer record in the finance system (e5) that includes the following information:</p> <ul style="list-style-type: none"> • Full customer name and address • Customer email address 	Within 5 working days of Service Provision
Process Dunning (Reminder) Runs on behalf of school debts raised	Reminders run weekly	<p>Schools to notify WCC where reminders are to be suppressed or released (following suppression)</p> <p>Note – where reminders are suppressed due to a dispute, Schools must take appropriate action to resolve the dispute promptly and inform WCC Income Team when the dispute has been resolved.</p>	As required
Process refund payments	5 working days from date of request	<p>Schools must complete the Card Payment Refund Request Form to provide the following information for online card payment refund requests:</p> <ul style="list-style-type: none"> • Name of payer • Amount of original payment • Date of original payment • Amount of refund • Payment receipt number • Last four digits of card • Authorisation <p>Note- where card details have expired, Schools must make arrangements to refund customers</p>	As required

Service Provision	Timescale (if applicable)	Customer Responsibility	Customer Timescales (if applicable)
		using the Non-Order one Off BACS payment process.	
Administer failed cheque payments and represented cheques – note - failed cheque payments will be written back to the codes/budget of the original posting.	Notify School and reverse payment within 5 working days from date of receipt of a failed cheque payment	Schools to contact their customers to chase payment and notify the Income Team of outcome	Within 7 working days of notification
Set up instalment plan arrangements in finance system (e5)	Plan set up in finance system within 5 working days of date of receipt of request	Where plans are agreed with customers, they must be done in accordance with timescales set out in the Council's Income and Debt Management Procedures and in line with the Council's Income and Debt Policy. WCC Income team must be notified of all instalment arrangements arranged between a School and their customer.	N/A
Refer Debts to Legal Services	Within 5 working days of Debt Team receiving completed Litigation Questionnaire	Schools must complete a Litigation Questionnaire and provide all invoice supporting documentation to ensure the debt can be pursued and successfully recovered by Legal Services. The completed LQ must be sent to WCC's Debt Team at COPDebtAdmin@worcestershires.gov.uk	Within 14 days of receipt of the Litigation Questionnaire
Issue Debt Reports to update on debt outstanding	Quarterly	Schools to utilise reports and interrogate e5 to manage debt outstanding	Ongoing

Purchasing Cards Service Support

The Purchasing Cards Service support from Accounts Payable is detailed in the table below:

Service Provision	Timescale (if applicable)	Customer Responsibility	Customer Timescales (if applicable)
Administer WCC's Procurement Card programme, providing information in line with WCC policy on the programme and Service spend as required.	As required	Ensure all coding of spend on procurement cards is completed on a weekly basis	Weekly
Cards blocked where coding is not carried out within agreed timescales.	Within 10 days	<p>Ensure receipts for spend are retained in line with guidance and processes issued.</p> <p>Report any lost or stolen cards as per guidance</p> <p>Comply with all guidance and policy</p> <p>Where cards have been blocked, and coding has been completed, inform WCCprocurementcardadmin@worcestershire.gov.uk to enable the card to be unblocked.</p>	<p>As and when required</p> <p>Within 24hrs of receipt of email notification (providing coding is completed)</p>
Administer WCC's Purchase Card programme in line with agreed processes – ensure adequate authorisation trail is provided to ensure cards are only issued with appropriate authorisation.	N/A	Advise Accounts Payable via WCCprocurementcardadmin@worcestershire.gov.uk of permitted authorisers	Immediately

Service Provision	Timescale (if applicable)	Customer Responsibility	Customer Timescales (if applicable)
Liaising with WCC’s card provider to include <ul style="list-style-type: none"> • new card requests, • blocking of cards, • delete users • changes to card administrators Please note - RBS and WCC should be notified directly of any lost/stolen card	Actioned within 2 working days of receipt of request	To comply with all guidance and policy. This includes adhering to the policy of only person named on card using the card. To report to RBS and WCC any lost or stolen cards.	As required Immediately
Actioning requests for change of card limits following approval through SFT	Actioned within 3 working days of receipt of email request from SFT	Approval for change in limits to be actioned by Schools Finance Team Approved requests to be sent to WCCprocurementcardadmin@worcestershire.gov.uk	As and when required

WBU Service Provision

Key Performance Indicators

The Workflow Business Unit will provide the following data to the designated Finance Operational Services Officer on a monthly basis:

- Resolution of queries received by email or telephone — completion within 10 working days — target > 74% of total number of queries
- Priority and escalated queries — responded to within 2 working days — target > 94% of total number of queries

Service Provision	Timescale (if applicable)	Customer Responsibility	Customer Timescales (if applicable)
Process queries from parents, schools, customers, providers and colleagues on payments and invoicing. To direct queries as appropriate to Schools, and the Children’s Portal team	To reach completion within 10 working days	To ensure suppliers and parents have an awareness of the processes and protocols around the Council’s Accounts Payable and Accounts Receivable Services.	N/A
Authorise and set up low value instalment plans for balances up to £4,000 to be paid between 3 – 12 months or less	N/A	N/A	N/A