

Worcestershire Schools Forum (WSF) Agenda 21 September 2023

2.30 pm

Remote Meeting

Via MS Teams invite

Document Details:

Status: V 0.1

Date: September 2023

Contact: Rob Phillips

Contents

Agenda

- Agenda Item 1. Election of Chair and Vice Chair (SW)
- Agenda Item 2. Welcome
 - a. Welcome Chris Bird.
- Agenda Item 3. Apologies
- Agenda Item 4. Declaration of interests
- Agenda Item 5. Declaration of potential conflict of interest with Items on the agenda
- Agenda Item 6. Minutes of the last meeting **22 June 2023**
- Agenda Item 7. Matters arising from minutes.
- Agenda Item 8. WSF Attendance academic year 2022/23 **(RP)**
- Agenda Item 9. Cabinet Report Financial Verbal **(CBI)**
- Agenda Item 10. School and LA Funding overview.
 - a. Indicative DSG rates for 2024/25 **(RP)**
 - b. School block **(RP)**
 - c. HLN Block **(RP)**
 - i. Funding PRUs/AP 2024/25 **(RP)**
 - d. Early Year Block **(RP)**
 - i. Early Years Supplementary Grant **(RP)**
 - ii. Early Years Changes and timetable **(RP)**
 - iii. Early Years Consultation – Government **(RP)**
 - iv. Early Years Consultation – Worcestershire **(RP)**
- Agenda Item 11. Delivering Better Value in SEND & DSG Management Plan - Update **(MB)**
- Agenda Item 12. DfE SEND AP and improvement plan change programme partnership **(MB)**
- Agenda Item 13. Scheme for Financing Schools – Property Section (Decision) **(RP)**
- Agenda Item 14. Equipment Policy **(MB)**
- Agenda Item 15. Teacher Pay Additional Grant **(RP)**
- Agenda Item 16. Any other business

Date of next programmed WSF meeting

Thursday 9 November 2023 at 2.30 pm remote meeting to be held via MS Teams

Worcestershire Schools Forum (WSF) Agenda 21 September 2023

If you need help understanding this document in your own language, please contact Ethnic Access Link. Tel: 01905 25121' (English)

'যদি এই নথিটি আপনার নিজের ভাষায় বুঝতে আপনার সাহায্যের প্রয়োজন হয়, অনুগ্রহ করে Ethnic Access Link (এথনিক অ্যাক্সেস লিঙ্ক) কে 01905 25121 টেলিফোন নম্বরে যোগাযোগ করুন' (Bengali)

如果你需要這個文件的中文信息，請聯絡 Ethnic Access Link，電話是01905 25121 (Cantonese)

'Jeśli potrzebujesz pomocy w zrozumieniu tego dokumentu we własnym języku, zadzwoń do Ethnic Access Link. Tel: 01905 25121' (Polish)

'Se necessitar de ajuda para perceber o conteúdo deste documento na sua língua, contacte a associação Ethnic Access Link pelo telefone: 01905 25121' (Portuguese)

'Si necesita ayuda para entender este documento en su idioma, puede ponerse en contacto con Ethnic Access Link en el teléfono 01905 25121' (Spanish)

Bu dokümanõ kendi dilinizde anlamak için yardım isterseniz Ethnic Access Link ile temasa geçiniz Tel: 01905 25121' (Turkish)

Ethnic Access Link (ایٹھنک ایکسس لنک) سے رابطہ کریں۔ ٹیلی فون: 01905 25121 (Urdu) 'گر آپ کو اس دستاویز کو آپ کی اپنی زبان میں سمجھنے میں مدد کی ضرورت ہے، تو براہ کرم

Worcestershire Schools Forum (WSF) – 'The Forum'
Membership Details and Terms of Office Constitution September 2023
Complying With The Schools Forum (England) Regulations 2012 And DfE Requirements

MEMBERSHIP RULES FROM THE APPROVED CONSTITUTION

1. In setting these arrangements the Forum shall, as far as is practicable, have membership from Head Teachers and Governors, which represent the school phases and geographical areas of the County Council.

2. Membership of the Forum shall not exceed 26 and shall comprise of: -

2.1 20 School Members

- 4 Nursery School/First School/Primary School Head Teacher representatives.
- 3 Nursery School/First School/Primary School Governor representatives.
- 1 Middle School Head Teacher representative.
- 1 Middle School Governor representative.
- 3 Secondary School/High School Head Teacher representatives.
- 3 Secondary School/High School Governor representatives.
- 2 Special School Head Teacher representatives.
- 1 Special School Governor representative.
- 1 Pupil Referral Unit/Alternative Provision Headteacher representative.
- 1 Pupil Referral Unit/Alternative Provision Governor representative.

2.2 6 Non School Members

- 1 Teacher Associations representative.
- 1 Archdiocese of Birmingham Schools Commission representative.
- 1 Church of England Board of Education representative.
- 2 Private, Voluntary and Independent (PVI) sector representatives.
- 1 16-19 Providers representative.

2.3 1 Observer Member

- 1 Education Funding Agency (EFA) representative.

Worcestershire Schools Forum (WSF) – 'The Forum'
Membership Details and Terms of Office Constitution September 2023
Complying With The Schools Forum (England) Regulations 2012 And DfE Requirements

3. Membership Stipulations

3.1 School Members

- There shall be one representative from a Nursery School.
- The representation from First, Primary, Middle, Secondary and High School Sectors must be broadly proportionately represented on the Forum between Maintained Schools and Academies, having regard to the total number of pupils registered.
- Where there is at least one maintained secondary school at least one school member must be a representative of a maintained secondary school.
- The representation from Special Schools must include a Special Academy or Free School.
- The representation from Pupil Referral Units (PRU) and Alternative Provision (AP) must include an AP Academy or Free School.
- Head Teacher representatives shall be nominated by the Head Teacher representative groups.
- Governor representatives shall be nominated by the Worcestershire Association of Governors.
- Academy sector representatives can also be nominated by the proprietors of the academies in the LA area.

3.2 Non School Members shall be nominated by their retrospective managing Groups, Governing Bodies, Committees or Organisations.

4. Each individual Forum member shall be able to nominate a named substitute to attend meetings in their absence. Substitute members are bound by the provisions in the Constitution and will have full membership rights and powers for any meetings they attend as a substitute.

5. Each Member shall be nominated or appointed for a period not exceeding 2 years (defined as a term of office) and shall remain in office until: -

- they cease to hold the office by virtue of which they became eligible for appointment to the Forum.
- their term of office comes to an end.
- they resign their office.

6. Upon completion of a term of office each member can seek re-nomination up to the limit detailed in paragraph 7.

Worcestershire Schools Forum (WSF) – 'The Forum'
Membership Details and Terms of Office Constitution September 2023
Complying With The Schools Forum (England) Regulations 2012 And DfE Requirements

7. Each member can be nominated for a maximum of 3 terms of office only (i.e. 6 years) after which they must stand down unless the nominating group approves that membership is continued for further terms. In agreeing this, the nominating groups must consider the potential implications in arriving at their decision.
8. Membership seats are for categories so a change in membership category for an existing Forum member means they are able to serve further terms of office as detailed in paragraph 6 and 7 in the new category.
9. Each member is required to give one school terms notice of resignation from the Forum.
10. Within two months of the appointment of any non-schools member the LA shall inform schools of the name of the Member and the appointing body.

Worcestershire Schools Forum (WSF) – 'The Forum'
Membership Details and Terms of Office Constitution September 2023
Complying With The Schools Forum (England) Regulations 2012 And DfE Requirements

DETAILED MEMBERSHIP

<u>Category/Number/Name</u>	<u>Membership Date</u>	<u>Membership Term</u>	<u>Term</u>	<u>Potential Re-Election/ Stand Down Date</u>	<u>Re-Election Requirements</u>	<u>Comments</u>
<u>School Members (20) 77%</u>						
<u>First/Primary Schools (7)</u>						
<u>Headteachers (4)</u>						
Marie Pearse – Evesham Nursery	1 st September 2016	2 years	3 rd	31 st August 2022	1 member in category	
Nathan Jones – Meadow Green Primary	1 st January 2019	2 years	2 nd	31 st December 2022	1 member in category	
Lizzie Dixon – Franche Community Primary	1 st January 2021	2 years	1 st	31 st December 2022	1 member in category	
Emma Pritchard – The Black Pear Trust @	1 st September 2020	2 years	1 st	31 st August 2022	1 member in category	
<u>Governors (3)</u>						
Malcolm Richards – Bromsgrove	1 st April 2006	2 years	8 th	31 st March 2022	1 member in category	Chair since 1 st September 2022
Vacancy @					1 member in category	
Vacancy					1 member in category	
<u>Middle Schools (2)</u>						
<u>Headteachers (1)</u>						
Vacancy					1 member in category	
<u>Governors (1)</u>						
Jo Helleher @	1 June 2023	2 years	1 st	30 th June 2025	1 member in category	

Worcestershire Schools Forum (WSF) – 'The Forum'
Membership Details and Terms of Office Constitution September 2023
Complying With The Schools Forum (England) Regulations 2012 And DfE Requirements

Secondary/High (6)						
Headteachers (3)						
Chris King – Severn Academies Educational Trust @	1 st September 2017		2 nd	31 st August 2021	1 member in category	
Bryn Thomas – Wolverley CE Secondary @	1 st February 2015	2 years	4 th	31 st January 2023	1 member in category	Vice Chair since 1 st September 2021
Vacancy @					1 member in category	
Governors (3)						
Jeff Robinson – Malvern Hills @	1 st November 2012	2 years	5 th	31 st October 2022	1 member in category	
David McIntosh – Wyre Forest @	1 st September 2007	2 years	8 th	31 st August 2023	1 member in category	
Vacancy					1 member in category	
Special (3)						
Headteacher (2)						
Ed Francis – Fort Royal Primary	1 st July 2021	2 years	1 st	30 th June 2023	1 member in category	
Jay Hart – Kingfisher School @	1 st July 2021	2 years	1 st	30 th June 2023	1 member in category	
Governor (1)						
Lorraine Petersen – Bromsgrove	1 st October 2016	2 years	3 rd	30 th September 2022	1 member in category	

Worcestershire Schools Forum (WSF) – 'The Forum'
Membership Details and Terms of Office Constitution September 2023
Complying With The Schools Forum (England) Regulations 2012 And DfE Requirements

Pupil Referral Units (PRU)/ Alternative Provision (AP) (2)						
Headteacher (1)						
Vacancy					1 member in category	
Governor (1)						
Vacancy					1 member in category	John Bateman – Resigned 31 st August 2023
<u>Non School Members (6) 23%</u>						
Union Representative (1)						
Phil Hanson – Association of School and College Leaders	1 st September 2021	2 years	1 st	31 st August 2023	1 member in non-school category	
Archdiocese Of Birmingham Schools Commission (1)						
Vacancy					1 member in non-school category	
Church Of England Board Of Education (1)						
Tim Reid – Diocesan Board of Education	1 st September 2017	2 years	2 nd	31 st August 2021	1 member in non- school category	

Worcestershire Schools Forum (WSF) – 'The Forum'
Membership Details and Terms of Office Constitution September 2023
Complying With The Schools Forum (England) Regulations 2012 And DfE Requirements

PRIVATE, VOLUNTARY AND INDEPENDENT (PVI) (2)						
Vivek Shah (Nursery Owner)	1 st September 2022	2 years	1 st	31 st August 2024	1 member in non-school category	
Annette Summers (Nursery Owner)	1 st September 2022	2 years	1 st	31 st August 2024	1 member in non-school category	
16-19 Provider (1)						
Adrian Ward	1 st September 2016	2 years	3 rd	31 st August 2022	1 member in non-school category	
<u>Total Membership = 26 (100%)</u>						

@ Representatives from the Academy Sector; Plus 1 Observer Seat Education Funding Agency (EFA) representative.



MINUTES OF THE MEETING OF THE WORCESTERSHIRE SCHOOLS FORUM (WSF)

Wednesday 22 June 2023
Remote Meeting Held Via MS Teams

The meeting started at 2.30 PM

IN ATTENDANCE:

a. WSF Members

Malcolm Richards (Chair) [MR]	- Governor, Bromsgrove
Bryn Thomas (Vice Chair) [BT]	- HT Wolverley CE Secondary School
Marie Pearse [MP]	- HT Evesham Nursery School
Phil Hanson [PH]	- Headteacher Pershore High School
John Bateman [JB]	- Governor, Aspire Alternative Provision (AP)
Nathan Jones [NJ]	- HT Meadow Green
Ed Francis [EF]	- HT Fort Royal Primary School
Chris King [CK]	- CEO Severn Academies Education Trust
Jo Kelleher [JK]	- Governor, Bredon Hill Academy
Lizzie Dixon [LD]	- HT Franche Primary School
Tim Reid [TR]	- Church of England Board of Education
Adrian Ward [AW]	- CEO/Exec Head of Bordesley MAT

b. Local Authority (LA)

Councillor Tracey Onslow [TO]	- Cabinet Member with Responsibility for Education and Skills, Worcestershire County Council
Phil Rook [PR]	- Chief Financial Officer - Worcestershire County Council
Sarah Wilkins [SW]	- Director of Education and Early Help Worcestershire Children First
Caroline Brand [CB]	- Schools Finance Manager – Worcestershire Children First
Mel Barnet [MB]	- Director of All Age Disability Services – Worcestershire Children First
Rob Phillips [RP]	- Finance Business Partner - Schools - Worcestershire Children First
Ruth Bessant [RB]	- Finance Business Partner - Schools - Worcestershire Children First

1. Apologies

Paul Essenhigh [PE] (Also resigned due to retirement)	- Executive HT Catshill Middle, Catshill First and Nursery Schools
----------------------------------------------------------	--------------------------------------------------------------------

Annette Summers [AS]	- Nursery Owner
Lorraine Petersen [LP]	- Governor, Bromsgrove
Emma Prichard [EP]	- Principal Black Pear Trust
Vivek Shah [VS]	- Nursery Owner
Jeff Robinson [JR]	- Governor, Malvern Hills

2. DECLARATION OF INTERESTS

None.

3. DECLARATION OF POTENTIAL CONFLICT OF INTERESTS WITH ITEMS ON THE AGENDA

Bryn Thomas for agenda item 13 – as a school with a deficit budget
Jay Heart for agenda item 13 – as a school with a deficit budget

4. MINUTES OF THE LAST MEETING (19 January 2023)

Minutes agreed.

5. MATTERS ARISING FROM THE MINUTES

None raised.

6. ANY OTHER BUSINESS

a. Maintained Schools Conference (CB).

CB gave a verbal update on the upcoming Maintained Schools Business Management Conference which is taking place on Tuesday 27 June 2023. There will be speakers from both Zurich Municipal and the DfE regarding their Risk Protection Arrangement Insurance (RPA). Schools will need to select a provider for their school's insurance cover by 30 September 2023.

b. WCC Cabinet Report – Provisional Financial Results 2022/23 (PR)

PR gave an update stating that the local authority ended the year with a £7.3m deficit due to a few factors including the impact of inflation and increased demand, this is going to be funded by using reserves this year.

The local authority published its financial accounts, on the 31 May 2023. A copy is available on the council's website for scrutiny.

7. Maintained School Balances (CB/RP)

CB presented the report and gave a summary of maintained school revenue balances for the financial year 2022/23. These have reduced by a further £1.1m from £5.5m to £4.4m.

The number of schools ending the year with a deficit balance increased from 28 to 30. The total of the deficits for the year is £10.8m.

The number of maintained schools setting budgets for 2023/2024 is 112 of which 28 have set a deficit budget. 25 schools, ending 2022-2023 with a deficit balance, have set a deficit budget for 2023-2024.

The total value of deficit budgets is £11.6 m against the value of surplus budgets of £8.7m. This indicates that schools' balances will be in deficit totalling £2.9m at the end of this financial year.

CB asked that the following points be noted:

The Local Government Pension Fund (LGPS) is fully funded for at least the next 3 years, 2023-2024 to 2025-2026, therefore there is no pensions back funding charge for schools to pay. This is an annual saving of £2.9m based on last year's charge.

The Mainstream Schools Additional Grant. This one year only grant totalling £4.3m is in addition to the Schools Block funding allocation, becoming part of Schools Block funding in 2024/25.

SW gave an update on the part that the School Resource Management Adviser (SRMA) has given to schools. This resource is helping schools. It is the expectation of the DfE and local authority for maintained schools with a deficit or financial difficulty will be offered this resource.

MR asked if we investigate surplus balances. CB reminded WSF that the LA has provision in its Scheme for Financing Schools to challenge excess surplus balances held by schools over the permitted level for their sector. However, in view of the current financial pressures on schools, permission is requested annually to be light touch,

Agreement was given to review excess surplus balances as part of this financial year's budget monitoring programme.

CB also confirmed that the LA will be requesting a three-year budget forecast from schools within this financial year.

8. Year End position for the DSG (PR/RP)

PR gave an update on the DSG year-end position. The High Needs Block has increased by £9.3m to £20.3m. This was due to further increases in demand and inflation. The cumulative deficit will need to be funded by the LA from 2026/27.

EF confirmed that the F40 was meeting with MPs to raise the issue of High needs Funding and will feedback to WSF at the meeting in September.

MP also said that maintained nurseries are also raising the issue of Early Years Funding with MPs and the government.

9. DfE Delivering Better Value in SEND (PR/MB)

Oli Clipsham from Newton Europe gave an update on the background and purpose of the Delivering Better Value programme. Newton Europe is supporting with the diagnostics stage of the programme, looking at all options and possibilities for change.

They are also aggregating the information they have received from the 55 local authorities involved in the programme and will report back their findings to the DfE. Giving them information on the position and barriers that local authorities are facing with delivering better value in SEND.

PR/MB discussed the context and overall picture of High-Level Needs funding if we did nothing. The trajectory of forecast spend would mean we would have a deficit of circa, £180m by 2027/28 if this is not mitigated. The plan has been produced with partners across the sector.

This is not going to flatten out the cost but there are opportunities for reducing cost and making sure that the outcomes for the young people in Worcestershire.

MB confirmed we have been asked to pilot the SEND and AP change programme which we have agreed.

PR confirmed that the cost of Newton Europe is being funded by the local authority and we are a participant in the process which is also being funded by the DfE.

10. New Secondary School, funding agreement, (Decision) (SW)

This is to agree the minimum funding pupil for the school opening which is anticipated for the academic year 2026/27 for Year 7 only. They will receive funding for the year 7 as being full going forward, with year 8 being funded on actual number on roll thereafter.

This was agreed by WSF.

BT raised concerns about how the curriculum and the staffing of the new school would be funded. SW to discuss this with Oasis Academy Trust and ask for clarity on how they will meet education needs and bring back to a future WSF.

11. New ASD School (Verbal update) (MB/SW)

MB/SW gave update on the new ASD school in Malvern. To date 9 Academy Trusts (AT) have attended information events. It is anticipated that the successful provider/AT will be announced in January 2024.

12. HLN Supplementary Funding (Decision) (RP)

RP explained the proposal and WSF agreed to this funding to be allocated to special school and APs.

13. Scheme for Financing Schools – Agreement to reduce interest on Deficit Schools and Procurement (RP)

RP explained the changes to WSF, change 1 brings us in line with regulation after Brexit and the other is changing the interest on schools with a deficit by removing the additional 1%. The local authority already put this in place for the end of financial year 2022/23 with us bring this to the WSF to match.

This was agreed.

14. Growth Funding Criteria (RP/PR)

The Chair asked this to be brought to the WSF for reference. It was requested that this goes out to all schools via SW newsletter to schools.

Should this document also include Resource units, but unfortunately this is school block rather than HLN block funding.

15. SEND Accelerated Progress Plan (SW/MB/BT)

MB confirmed that SW/MB/BT have been to scrutiny panel and thanks to all that attended.

DfE have recognised the positive culture change within schools and additional staffing in SEND and health to support. The lack of provision for SEND pupils and this is being worked on by the schools, local authority, and health.

BT emphasised the changes in the culture of mainstream schools to SEND pupils and working together for the pupils.

16. Disapplication for 'Exceptional Premises' (Decision) (RP)

RP explained that this was brought last year, and we need to ask for this agreement again this year. We still have 4 schools that need this additional support.

This was agreed by the WSF.

17. Split site funding and criteria for financial year 2024/25 (RP)

RP explained that one school would gain this funding next financial year and one school would lose this funding. RP confirmed that these schools will be updated on this.

18. Funding Consultation 2024/25 (Decision) (RP)

RP explained that last year we asked WSF for agreement if they want the local authority to go out and consult on the funding for school or not. If agreed, we would keep funding on the same principals as previous years.

This was agreed by the WSF to remain with current principals.

Meeting ended.

The meeting closed at 3.55 PM.

Date of next meeting

The date of the next WSF meeting: - Thursday 21 September 2023 at 2.30 PM
(Remote Meeting - MS Teams)

DRAFT

WORCESTERSHIRE SCHOOLS FORUM (WSF) MEMBERSHIP ATTENDANCE – ACADEMIC YEAR 2022/2023
DETAILED MEMBERSHIP **MEETING DATES**

<u>CATEGORY/NUMBER/NAME</u>	<u>TERM</u>	<u>RE-ELECTION DATE</u>	<u>Sept 2022</u>	<u>Nov 2022</u>	<u>Jan 2023</u>	<u>Mar 2023</u>	<u>June 2023</u>	<u>July 2023</u>
<u>FIRST/PRIMARY SCHOOLS (7)</u>								
<u>HEADTEACHERS (4)</u>								
Marie Pearse	3 rd	31 st August 2022	✓	✓	✓	C	✓	C
Emma Pritchard @	1 st	31 st August 2022	Ab	Ab	Ab	C	Ap	C
Nathan Jones	2 nd	31 st December 2022	Ab	Ap	✓	C	✓	C
Lizzie Dixon	1 st	31 st December 2022	Ap	Ab	Ab	C	✓	C
<u>GOVERNORS (3)</u>								
Malcolm Richards (Chair 1/9/21)	8 th	31 st March 2022	✓	Ap	✓	C	✓	C
Vacancy			V	V	V	V	V	V
Vacancy @			V	V	V	V	V	V
<u>MIDDLE SCHOOLS (2)</u>								
<u>HEADTEACHERS (1)</u>								
Paul Essenhigh	3 rd	31 st August 2023	✓	✓	✓	C	Ap	X
Vacancy			X	X	X	X	X	C
<u>GOVERNORS (1)</u>								
Vacancy			V	V	V	V	X	X
Jo Kelleher @	1 st	30 th June 2025	X	X	X	X	✓	C
<u>SECONDARY/HIGH (6)</u>								
<u>HEADTEACHERS (3)</u>								
Chris King @	2 nd	31 st August 2021	Ap	Ap	Ab	C	✓	C
Bryn Thomas (Vice Chair 1/9/21)	4 th	31 st January 2023	✓	✓	✓	C	✓	C
Vacancy			X	X	X	X	X	X
<u>GOVERNORS (3)</u>								
Jeff Robinson @	5 th	31 st October 2022	✓	✓	✓	C	Ap	C
David McIntosh @	8 th	31 st August 2023	✓	Ab	Ab	C	✓	C
Vacancy			V	V	V	V	V	V

WORCESTERSHIRE SCHOOLS FORUM (WSF) MEMBERSHIP ATTENDANCE – ACADEMIC YEAR 2022/2023
DETAILED MEMBERSHIP **MEETING DATES**

<u>CATEGORY/NUMBER/NAME</u>	<u>TERM</u>	<u>RE-ELECTION DATE</u>	<u>Sept 2022</u>	<u>Nov 2022</u>	<u>Jan 2023</u>	<u>Mar 2023</u>	<u>June 2023</u>	<u>July 2023</u>
<u>SPECIAL (3)</u>								
<u>HEADTEACHER (2)</u>								
Ed Francis	1 st	30 th June 2023	✓	✓	Ap	C	✓	C
Jay Hart @	1 st	30 th June 2023	✓	✓	Ab	C	✓	C
<u>GOVERNOR (1)</u>								
Lorraine Petersen	3 rd	30 th September 2022	✓	Ap	Ap	C	Ap	C
<u>PUPIL REFERRAL UNITS (PRU)/ALTERNATIVE PROVISION (AP) (2)</u>								
<u>HEADTEACHER (1)</u>								
Vacancy			V	V	V	V	V	V
<u>GOVERNOR (1)</u>								
John Bateman @	4 th	28 th February 2023	✓	✓	✓	C	✓	C
<u>NON SCHOOL (6)</u>								
<u>UNION REPRESENTATIVE (1)</u>								
Phil Hanson @	1	31/8/2023	Ap	✓	✓	C	✓	C
<u>ARCHDIOCESE OF BIRMINGHAM SCHOOLS COMMISSION (1)</u>								
Vacancy	2 nd	31 st August 2021	V	V	V	V	V	V
<u>CHURCH OF ENGLAND BOARD OF EDUCATION (1)</u>								
Tim Reid	2 nd	31 st August 2021	Ap	✓	Ab	C	✓	C

WORCESTERSHIRE SCHOOLS FORUM (WSF) MEMBERSHIP ATTENDANCE – ACADEMIC YEAR 2022/2023
DETAILED MEMBERSHIP **MEETING DATES**

<u>CATEGORY/NUMBER/NAME</u>	<u>TERM</u>	<u>RE-ELECTION DATE</u>	<u>Sept 2022</u>	<u>Nov 2022</u>	<u>Jan 2023</u>	<u>Mar 2023</u>	<u>June 2023</u>	<u>July 2023</u>
PRIVATE, VOLUNTARY AND INDEPENDENT (PVI) (2)								
Vivek Shah	1 st	31 September 2024	✓	Ap	Ab	C	Ap	C
Annette Summers	1 st	31 September 2024	✓	✓	Ap	C	Ab	C
16-19 PROVIDER (1)								
Adrian Ward	3 rd	31 st August 2022	✓	✓	Ap	C	✓	C
SUBSTITUTE MEMBERS								
TOTAL ATTENDANCE NOS. = ✓								
			13	11	8	N/A	14	N/A
TOTAL MEMBERSHIP = 26			26	26	26	N/A	26	N/A
TOTAL ATTENDANCE % (QUORUM 40%)			50%	42%	31%	N/A	54%	N/A
TOTAL MEMBERSHIP EXCLUDING VACANCIES = 18/20								
			20	20	20	N/A	21	N/A
TOTAL ATTENDANCE % (QUORUM 40%)			65%	55%	40%	N/A	66%	N/A

KEY

✓ = Attended; Ap = Apologies; Ab = Absent; X = Not a member at that point; V = Vacancy; C = Cancelled; N/A = Not Applicable

@ Representatives from the Academy Sector; Plus 1 Observer Seat Education Skills Funding Agency (ESFA) representative.

Report to the Worcestershire Schools Forum (WSF) Indicative DSG (Dedicated School Grant) rates for 2024/25

1. Purpose

- 1.1 To update WSF on the funding rates for the DSG for the financial year 2024/25 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.

2. Background

- 2.1 The funding rates for the financial year 2023/24 are as listed below:
- Primary Unit of Funding (PUF) **£4,751.58** per primary school pupils in mainstream schools.
 - Secondary Unit of Funding (SUF) **£6,107.94** per secondary aged pupils in mainstream schools.
 - Premises factors including, Private Finance Initiative (PFI), Rates, Split Site, and Exceptional Premises.
- 2.2 The allocation of Mainstream Schools Additional Grant (MSAG) for the financial year is £13,584,112, to Worcestershire schools, which is becoming part of the school block within 2024/25. This equated to approximately 3.36% of additional grant funding on top of the DSG in this year.
- 2.3 With all the above factors which therefore is an average of £5,599.23 per pupil on the October census excluding Growth funding.
- 2.4 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) **£5,051.56** 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, with all apart from the PFI reducing in 2024/25.
- 3.2 This is an increase of £299.98 per primary pupil (6.31% increase) and £376.18 per secondary pupil (6.16% increase).
- 3.3 Considering the MSAG being incorporated in the school block and the reduction on the premises factors, this gives an average per pupil of £5,743.34. This is an overall increase on the funding school block per pupil amount of 2.57%.
- 3.4 All this information will change when the actual pupil numbers are known after the October 2023 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 4.3% from last year but again this is including the incorporation of the additional grant funding.

- 3.6 Appendix A gives a breakdown for the 2023/24 DSG compared to the indicative figures 2024/25. 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 Children First
September 2023

Worcestershire 885 - Dedicated Schools Grant (DSG) - Schools, Central Schools Services And High Needs Only
2023-24 Latest July 2023 Vs. 2024-25 Initial July 2023

	<u>2023-24</u>		<u>2024-25</u>		Variance		Comments			
	Latest July 2023		Provisional July 2023							
	Units Of Funding	Pupil Nos. October 2022	Units Of Funding	Pupil Nos. October 2021	Units Of Funding	Pupil Nos.				
	£	£'m	£	£'m	£'m	%				
Schools Block (SB)										
Primary Unit of Funding (PUF)	4,751.58	43780.5	208.027	5,051.56	43780.5	221.160	299.98	0	13.133) Updated using the DfE 2022-24 PUF and SUF.
Secondary Unit of Funding (SUF)	6,107.94	30749.0	187.813	6,484.12	30749.0	199.380	376.18	0	11.567) Will be updated for the October 2022 pupil numbers.
		74529.5	395.840		74529.5	420.540		0.0	24.701	
Historic Premises			7.884			7.508			-0.375	See Below.
Formulaic Pupil Growth Fund			0.000			0.000			0.000	Not notified so have removed at present for comparison. 2023/24 £2.139165m
=SB			403.723			428.048			24.325	6.03% This % changes to 2.57% when taking into account the Mainstream School Additional Grant for 2023/24
Central School Services Block (CSSB)										
Formulaic CSS NFF			2.718			2.762			0.044) Reflects DfE policy to reduce the allocations of all LAs by a further 20%.
Historic Commitments			0.614			0.492			-0.123) Significant impact for the Early Intervention Family Support Service (EIFS).
=CSSB			3.332			3.253			-0.079	-2.38%
High Needs Block (HNB)										
Formulaic HN NFF			85.964			89.607			3.643	
=HNB			85.964			89.607			3.643	4.24%
= Total Gross DSG Excluding Early Years			493.019			520.909			27.889	5.66%

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		0.566	Split Site		0.299)
Rates		3.981	Rates		3.830)
Exceptional Premises		0.369	Exceptional Premises		0.104)
PFI	Baseline + RPI(X)		PFI	Baseline + RPI(X))
	£2.641 + 1.0156%	2.967		£2.967 + 10.4%	3.276)
		7.884			7.508	

) Within this section we have made some assumption to match the funding this is likely to be a different split when exact figures known and different % increases.

Report to the Worcestershire Schools Forum (WSF) School Block Changes

1. Purpose

- 1.1 To brief changes within the school block funding area for academic year 2024-25

2. Background

- 2.1 Appendix A, show the prior funding rates for the school funding formula.
- 2.2 Maintained schools received Mainstream Additional Supplementary Grant (MSAG) for financial year 2023-24 with the aim of being amalgamated into the school block in 2024-25
- 2.3 Low prior attainment data was based on 2019 due to the pandemic.
- 2.4 Split site was agreed by the local authority.
- 2.5 Local authorities were only funded for growth funding.

3. Current Position

- 3.1 Appendix A, show the prior and proposed funding rates as well as the minimum and maximum a local authority can vary from these factors.
- 3.2 The MSAG has been used to increase the Average Weighted Pupil Unit (AWPU), free school meals at any time in the last six years (FSM6), the lump sum funding rate and by raising the minimum funding floor.
- 3.3 Low prior attainment data will still use 2019 where key stage 2 (KS2) test are used as a proxy as these were cancelled due to the pandemic.
- 3.5 Split site will be formalised for financial year 2024-25. The replaces the local calculations on funding rates.
- 3.6 Local authorities will also receive funding for falling rolls as well as growth. A proposal of how this will work will be presented to the next WSF meeting this year and further required changes to the growth fund. Both will only take affect from financial year 2024-25 and not retrospective.
- 3.7 Local authorities are still able to use capping/scaling back in the following circumstances to fund any Minimum Funding Guarantee levels set and to allow the funding formula to be affordable.

4. Recommendation

- 4.1 Note the changes to the funding of schools from the school block.

Robert Phillips
Finance Business Partner - Schools
Worcestershire Children First
September 2023

Funding Rates Financial Year 2023-24 and 2024-25

	UNIT OF RESOURCE 2023-24 £	UNIT OF RESOURCE NFF £	UNIT OF RESOURCE Lowest £	UNIT OF RESOURCE Highest £
<u>FORMULA COMPONENT</u>				
Primary AWPU	3,394.00	3,597.00	3,507.08	3,686.93
KS3 AWPU	4,785.00	5,072.00	4,945.20	5,198.80
KS4 AWPU	5,393.00	5,717.00	5,574.08	5,859.93
Primary FSM	480.00	490.00	477.75	502.25
Secondary FSM	480.00	490.00	477.75	502.25
Primary FSM 6	705.00	830.00	809.25	850.75
Secondary FSM 6	1,030.00	1,210.00	1,179.75	1,240.25
Primary IDACI Band F	230.00	235.00	229.13	240.88
Primary IDACI Band E	280.00	285.00	277.88	292.13
Primary IDACI Band D	440.00	450.00	438.75	461.25
Primary IDACI Band C	480.00	490.00	477.75	502.25
Primary IDACI Band B	510.00	520.00	507.00	533.00
Primary IDACI Band A	670.00	685.00	667.88	702.13
Secondary IDACI Band F	335.00	345.00	336.38	353.63
Secondary IDACI Band E	445.00	455.00	443.63	466.38
Secondary IDACI Band D	620.00	635.00	619.13	650.88
Secondary IDACI Band C	680.00	695.00	677.63	712.38
Secondary IDACI Band B	730.00	750.00	731.25	768.75
Secondary IDACI Band A	930.00	950.00	926.25	973.75
Primary Low Prior Attainment	1,155.00	1,185.00	1,155.38	1,214.63
Secondary Low Prior Attainment	1,750.00	1,790.00	1,745.25	1,834.75
Primary EAL	580.00	595.00	580.13	609.88
Secondary EAL	1,565.00	1,605.00	1,564.88	1,645.13
Primary Mobility	945.00	970.00	945.75	994.25
Secondary Mobility	1,360.00	1,395.00	1,360.13	1,429.88
Lump Sum	128,000.00	135,700.00	132,307.50	139,092.50
NFF Minimum Funding Levels				
Primary	4,405.00	4,665.00		
Key Stage 3	5,503.00	5,824.00		
Key Stage 4	6,033.00	6,389.00		
Secondary	5,715.00	6,050.00		
Minimum Funding Guarantee	0.50%	0.50%	0.00%	0.50%

Report to the Worcestershire Schools Forum (WSF) HLN Block Changes

1. Purpose

- 1.1 To brief changes within the high needs block funding area for academic year 2024-25

2. Background

- 2.1 The commissioned place funding rate for financial year 2023-24 was £10,000 per commissioned place.
- 2.2 Special schools and PRUs/AP receive £660 per commissioned place for previous grants that have been mainstreamed.
- 2.3 SEN Unit and resourced provision are funded at element 1 being the Average Weighted Pupil Unit (AWPU) or £4,000 if not on roll of the school and element 2 which is £6,000. Plus, top-up funding where necessary and agreed with SEN.

3. Current Position

- 3.1 Commissioned place funding for financial year 2024-25 will be £10,000 per commissioned place in special school and PRUs/AP free schools.
- 3.2 Minimum funding guarantee (MFG) to be set at 0.0% to 0.5%, it can be higher at the local authority wishes but not lower. This applies to Special schools only.
- 3.3 Special schools PRUs/AP to continue to receive £660 per commissioned place for previous grants.
- 3.4 Special schools receive a one-off payment equivalent to the 3.4% from last year as an amount per place. PRUs/AP to still receive a one-off payment covered in the next agenda item.
- 3.5 Health and social care costs, the guidance is attempting to tighten up on the use of the DSG for top-up funding and where applicable that Health and Social Care pay the appropriate amount going forward. Stating that the DSG must not be used to meet non-educational costs, except where specifically permitted.
- 3.6 No changes announced to SEN Units or resource units, this excluded Early Years Language Units (EYLU) and other provision that the local authority tender for as these units don't fall into this category for funding purposes.

4. Recommendation

- 4.1 Note the changes to the funding of high needs block for schools.

Robert Phillips
Finance Business Partner - Schools
Worcestershire Children First
September 2023

Report to the Worcestershire Schools Forum (WSF) Funding PRUs/AP 2024-25

Purpose

- 1.1 To update WSF of the guidance from the Department of Education on the funding of this provision in 2024-25. This does not need agreement as it is a condition of the High Needs Block Funding for financial year 2024/25.

2. Background

- 2.1 Last year the Government said that this provision was to be given an additional 3.4% based on the funding for the prior year.
- 2.2 The aim is to give this provision/schools the same type of funding as the Mainstream School Additional Grant (MSAG) which will be mainstream into the School Block in 2024/25 financial year.

3. Current Position

- 3.1 The Department have already confirmed that this will remain in place for financial year 2024/25 for this type of provision.
- 3.2 Using our information we would be suggesting the amount in Appendix A.
- 3.3 Within the figures we are using is the closing position of the funding given last year so the original funding amount plus the amount of funding in financial year 2023/24 to give the starting position for financial year 2024/25.
- 3.4 For the schools where we have agreed to 'Vary High Level Need Block Funding for 2023/24 Academic Year Only' as per the agreement that this does not change or imply any change in the commissioned places and is not subject to any protection for future year funding levels or their calculations. These have been excluded.

4. Recommendation

- 4.1 For WSF for reference.

Robert Phillips
Finance Business Partner - Schools
Worcestershire Children First
September 2023

PRUs/AP

		Total Funding 2022/23		3.4% One-off Allocation	
SS1103	Perryfield	£	903,475.00	3.40%	£ 30,718.15
SS1105	The Beacon	£	797,444.00	3.40%	£ 27,113.10
SS1108	Continu Plus Academy	£	1,403,924.00	3.40%	£ 47,733.42
SS1110	Aspire Academy	£	1,169,532.00	3.40%	£ 39,764.09
SS1115	Newbridge	£	1,491,937.00	3.40%	£ 50,725.86
SS1121	The Forge	£	983,224.00	3.40%	£ 33,429.62
		£	6,749,536.00		£ 229,484.24

Report to the Worcestershire Schools Forum (WSF) Early Years Supplementary Grant

1. Purpose

- 1.1 To update WSF on the Early Years Supplementary Grant (September to March allocation only. Which was initially announced as part of the Spring Budget announcement

2. Background

- 2.1 Published the guidance on Friday 7 July 2023, with no conditions of grant available until September 2023.
- 2.2 Teams meeting with DfE (Department for Education) on 11 July 2023, just confirming what was in the guidance.
- 2.3 Confirmation that any overspending of the grant would need to come from the Local authority DSG (Dedicated Schools Grant).
- 2.4 Final allocation not known until July 2024 after January 2024 census.
- 2.5 Funding of grant to providers starting in September.

3. Current Position

- 3.1 Written to all providers who receive Nursery Education Funding (NEF) giving them the amount of the grant we will be paying in the autumn term. These match the suggested rates from Government (Appendix A).
- 3.2 Will write to providers again later in the academic year to confirm the funding rates for spring term.
- 3.3 Paying as other weighting on the NEF funding, as not sure that these funding rates will be what is funded in financial year 2024-25.
- 3.3 Still awaiting the condition of grant as mixed messages from the DfE if you must pay these rates or can vary them and only must distribute full grant.
- 3.4 Currently have put stop on 'Sufficiency Pot' set up, as may need this if need to fund full rates and January figures don't support the funding being given out to minimise any potential overspend due having a grant which may not be fully funded.

4. Recommendation

- 4.1 Update WSF on current position with the Early Years Supplementary Grant.

Robert Phillips
Finance Business Partner - Schools
Worcestershire Children First
September 2023

Report to the Worcestershire Schools Forum (WSF) Early Years Changes and Timetable

1. Purpose

- 1.1 Update WSF on the major changes that the Early Years sector will be going through over the next few years.

2. Background

- 2.1 The Chancellor of the Exchequer in the Autumn Statement announced changes in the Early Years sector.
- 2.2 This was an understatement to admit it caught everyone out, including the Department for Education (DfE).
- 2.3 Guidance is still not clear at this point on the full process of how these changes will affect the nursery provision, and families.

3. Current Position

- 3.1 When using the words per week it needs to be clarified that this is 38 weeks per year. This can be spread out over the full year with a maximum being 52 weeks with the minimum being 38 weeks)
- 3.2 3- &-4-Year-old funding will remain unchanged with 15 universal hours per week for every child the term after they turn 3. With children who both parents work can receive an additional 15 hours per week.
- 3.3 2-Year-olds are only funded if they meet certain criteria for deprivation mostly, this will change in that from April 2024, where children of working parents will be able to receive 15 hours per week. From autumn 2023 the ratio will change from 4:1 to 5:1
- 3.4 Under 2 will receive 15 hours per week for children of working parents. The term after they turn 9 months.
- 3.5 In September 2025 all children of working parents will be able to receive 30 hours of funded provision per week.
- 3.6 All schools able to offer 8am-6pm wraparound on their own or in partnership with others.
- 3.7 We amongst other are also trying to get the government to change this from free to funded nursery provision as the word "Free" is not strictly correct and confuses parent as providers can charge for additional services which the DfE have recognised does cause confusion.
- 3.8 This will also bring a lot more children into the system, so potentially a significant impact on the spend on high needs increasing the overspend on this area.

4. Recommendation

- 4.1 For information and to note.

Robert Phillips
Finance Business Partner - Schools
Worcestershire Children First
September 2023

Report to the Worcestershire Schools Forum (WSF) Early Years Consultation (Funding) - Government

1. Purpose

- 1.1 This is to share with the forum the response submitted by Worcestershire County Council and Worcestershire Children First to the recent Government consultation on funding.
- 1.2 The return had a closing date of the 8 September 2023 and was open over the summer holiday period.
- 1.3 This is also to give clarity on the reason that Worcestershire County Council and Worcestershire Children First wish to consult on the principle of funding from April 2023 (See agenda Item 10 d iv.).

2. Background

- 2.1 With the changes announced by the Chancellor of the Exchequer in the autumn statement in 2022 as per the discussion in agenda item 10 d ii, the Government are making changes to the cohort of children and the funding the funding of the 2-year-olds and under 2's, which is new.
- 2.2 Currently 2-year-old funding is only for children from families meeting the relevant criterial, this has meant that all children received deprivation funding as part of the funding amount to providers.
- 2.3 Under 2's is classified as children the term after their 9-month birthday until the reach the age of 2.

3. Current Position

- 3.1 The current funding is for 2-year-olds which are eligible due to eligibility. The changes are that these children will still be eligible as previously and children from working families will also become eligible from the term after turning 9 months will also receive this funding. Previously the funding we controlled more tightly with the full amount of this funding being earmarked as going out to providers.
- 3.2 The consultation is to bring this funding more in line with the funding of 3- &-4-year-olds. We have attached the response that was submitted to the consultation for your reference (Appendix A)
- 3.3 At present the Department for Education have not announced funding rates for the updated funding they have given vague assumptions and have clarified this is not about creating the funding stream but the distribution of the funding pot they already have, so the amount will change depending on the outcome of the consultation.
- 3.4 Within this is also a lot of unknown especially as this is all new children coming through and some may not have even been conceived at this time.

4. Recommendation

- 4.1 To note and ask question on our response.

Robert Phillips
Finance Business Partner - Schools
Worcestershire Children First
September 2023

Early years funding - extension of the entitlements

Section 1: National funding distribution for entitlements for children aged 2-years-old and under

1. Do you agree that we should introduce IDACI as a new proxy, and use it alongside FSM as a basket of measures for deprivation in the additional needs factor in the new national funding formula for 9-month-olds to 2-year-olds? **(Yes)**

We generally support this approach, moving toward using the same information for all funding streams within the DSG. We would have also welcomed the option for this to be implemented within the 3- &-4-Year-old funding stream so that all Early Years funding streams were aligned.

2. Do you agree that we should continue to use EAL and DLA as proxies in the additional needs factor in the new funding formula? **(Yes)**

We feel these are important factors to be considered within education funding.

3. Do you agree with our proposed approach to the area cost adjustment in the new national funding formula? **(Yes)**

We believe that using up to date GLM data would be the best method to make sure that the funding is correct within the area, however we are not sure that there is any value if all that it is being used for it to distribute the quantum already agreed, rather than determining a rate that reflects the actual costs of early education.

4. Overall, do you agree with our proposed approach of following the same structure and weightings for the new national funding formula as in the existing 3-and-4-year-old formula? **(Yes)**

We agree that using the same weighting within all areas of Early Years funding is important for sustainability and parity for all areas, and funding levels.

5. Do you agree that we should extend DAF eligibility to all children accessing the entitlements from April 2024? **(Yes)**

This will allow for the provision to increase their inclusivity for children with additional needs, although it will not cover the costs of adjustments for many of the children eligible for DAF.

6. Do you agree that we should extend EYPP eligibility to all children accessing a free childcare entitlement from April 2024? **(Yes)**

We would suggest that this should be at an increased funding rate, considering the lower ratio of children to adults. The EYPP amount still falls well short of the actual Pupil Premium Grant, and therefore does not support schools and settings to provide the best start possible.

In addition, EYPP should be paid for all funded hours (up to 30 hours per week) accessed to ensure appropriate support can be provided, otherwise a mechanism for sharing EYPP across two or more providers should be recommended. This should be consistent across all funding streams including 3- & 4-Year-olds.

Section 2: Impact of proposals

7. Do you agree with this approach? **(Yes)**

This will need to be closely monitored for impact on the funding to the sector, especially if only the quantum is being distributed rather than funding as per the calculations demonstrated.

8. Do you agree a pass-through rate of 95% should be applied to each funding stream in 2024-25: the 3-and-4-year-old universal and 30 hours offer; the two-year-old disadvantaged and working parent offers; and the 9 months to two-year-old offer? **(Yes)**

We agree that this would be a positive step, due to the additional burden produced for back-office services for the significant increase in the number of eligible children.

9. Do you agree that the same list of allowable supplements should be applied to every entitlement funding stream, capped at a maximum 12 percent of planned funding for that entitlement? **(Yes)**

This sound reasonable and fair and allows for consistent funding to providers.

10. Do you agree that the deprivation supplement should be mandatory for every entitlement funding stream? **(Unsure)**

If funding rates were sufficient to cover the costs of providing high quality childcare and education, additional deprivation funding would not be needed,

It would be useful to have clear and transparent guidance outlining expectations regarding the use of the funding, such as linking to 'cultural capital' and therefore Ofsted inspections. If not providing guidance, it would be worth acknowledging that it can be used to support the sustainability of settings within areas of deprivation, due to the low levels of funding.

11. Do you agree with our proposal that local authorities should establish a special educational needs inclusion fund for children aged 9 months to 2-years-old who are taking up the entitlements? **(Yes)**

We feel this is important, the concern we have for this is if we need to transfer money from the Early Years Block, this reduces the funding rates to the providers, or if it comes from the High Needs Block this will increase the tremendous pressure this is under and increase our deficit further.

Our thoughts are that this will need to be additional grant into the High Needs Block to cover these additional costs, or clear guidance from the Department on how this is to be funded if coming from either block.

12. What more can be done to support local authorities and providers to reduce bureaucracy and streamline SENIF processes whilst also ensuring the system remains fair and financially sustainable?

Clear Guidance to be given, from the Department, with the expectation on how much SENIF should be given per hour. If the steer is given on clear expectations, then the individual local authorities can amend the bureaucracy.

Additionally, a financial increase to the higher needs block, to account for the increase in NEF entitlements are therefore SENIF, when the age ranges are extended for the children the term after they turn 9 months old.

13. Would local authorities and providers find it helpful for the Department to be more prescriptive about the operation of local SENIFs? (Yes)

We believe this could be very helpful for all, but it would need to be clear rather than just signposting to lots of other documents/guidance, which then takes away from the clarity.

Section 4: Equalities Impact Assessment

14. Do you have any comments about the potential impact, both positive and negative, of our proposals on individuals on the basis of their protected characteristics? Where any negative impacts have been identified, do you know how these might be mitigated?

We don't believe that this will have a negative impact on any specialist groups.

Any Other Comments

15. Are there any other comments that you would like to make about our proposals set out in this consultation?

The Local Authority (LA) are in principle supportive of the consultation but will depend on the funding being supplied. We also feel that the 3- & 4-year-old funding to the LA should have been included so if agreed to use IDACI this was all picked up at the same time.

One of our biggest concerns is on the High Needs Budget and the demand on this block from an increase in demand that potentially will be included within this scheme, we are of course supportive that they receive the right support, but this will need additional funding to make sure that this is affordable from the limited resources we have and the already overspent Dedicated School Grant.

We would have appreciated the potential of being able to use some of the resources not passed through to support the sector to be ready for the implementation of this policy.

We are looking forward to seeing your communication strategy and the clarity to parents. Clarifying what they need to do to receive this provision and what they are receiving as we still have parent who feel that the Government are saying they should receive 30 hours a week provision for 52 weeks a year as they don't believe this has been made clear.

Unless the funding rates are sufficient to cover all business-related costs, removing the word 'free' from the statutory guidance would give settings the flexibility to meet the requirements of the families they serve, in a clear and transparent manner. Early Years settings are likely to be almost entirely funded through the Early Years entitlements; they must be paid at a sustainable level unless settings are allowed to charge a top-up.

DRAFT

Report to the Worcestershire Schools Forum (WSF) Early Years Funding Consultation

1. Purpose

- 1.1 Discuss the Early Years Funding Consultation for financial year 2024-25. The local authority will not have any funding rates guaranteed until December 2023.

2. Background

- 2.1 With the current announcement and changes timetable, with other provision coming online during the financial year. This is going to change the funding model for nursery provision.
- 2.2 Seek in principle the funding methods for nursery provision for financial year 2024-25 from the sector.
- 2.3 We have guidance on what the Department for Education (DfE) would like to have, but they have confirmed that this is still to totally be signed off by the minister. So, is subject to changes.
- 2.4 Currently 3- &-4-Year-old funding covers the full of the central funding for nursery provision with a pass-through rate of at least 95% of the funding received. For the last few years Worcestershire has been between 97% & 96% pass-through rate. With all the changes this is going to need more central funding.
- 2.5 2-Year-old funding does not contribute to this central funding and Under-two funding does not exist so also does not contribute to the central funding. With the announcement of these funding streams, they should now contribute and will need to start.
- 2.6 The DfE would like these rates to reduce over the next couple of years to about 97% pass-through.

3. Current Position

- 3.1 The local authority needs to consult with the sector on any changes to the Early Years Single Funding Model.
- 3.2 We need to have distinct factors within the current 2-year-old funding model as not all children will be entitled due to a deprivation factor, they are not entitled to other funding like Disability Access Funding (DAF) and Early Years Pupil Premium (EYPP) and a deprivation factor.
- 3.3 At present there is no funding model for under-two children so we will need to create a new funding model completely. We would like to go out to consultation by the end of September early October with a return before end of December.
- 3.4 We would like to consult with nursery representatives of WSF as a sub-group on the consultation. This will allow for flexibility and the speed needed.
- 3.5 Our aims are to as much as possible of all the funding models being the same with only the funding rates being different where necessary.
- 3.6 We would like to also like to consult on the principle of have and EAL (English as an Additional Language) supplement.
- 3.7 Information already starting to be released by the DfE are showing that the funding rates will be below the supplementary grant that they are asking local authorities to distribute.

- 3.7 To by end of January be able to publish funding rates for financial year 2024-25 to providers so that they can produce financial plans.

4. Recommendation

- 4.1 Agreement from WSF for us to work with a small subgroup of member, to produce a consultation, on the principles to be suggested.
- 4.2 Final sign off on the principles will sit with Cabinet or the member for Childrens. With officer implementing the best possible solution to the principles.

Robert Phillips
Finance Business Partner - Schools
Worcestershire Children First
September 2023

Report to the Worcestershire Schools Forum (WSF)

Schools Forum Delivering Better Value (DBV) and DSG Management Plan.

1. Purpose

1.1 To provide an update of the Worcestershire position following the submission of the DBV grant application.

2. Background

2.1 The Department for Education (DFE), in collaboration with Newton Europe and the Chartered Institute of Public Finance and Accountancy (CIPFA), is supporting 55 local authorities to implement changes in their local high needs system.

2.2 The programme is in 2 phases.

2.3 Phase 1 provided support to identify the highest impact changes that can be made to improve outcomes for children and young people with SEND, and to optimise the use of finances.

2.4 Phase 2 which will start in September 2023 is the implementation phase where Local Authorities and their partners will deliver the plans to realise improvements for their local area.

2.5 The evidence collated was presented to school's forum on 22nd June 2023.

2.6 The programme also includes the following:

- Funding to support the implementation of local change in the short term.
- Collation of a centralised catalogue of best practice in delivering services for children with SEND that all LAs can access.
- Aggregation of data and evidence across all the LAs in the programme into a central asset that can be analysed to understand consistent themes and challenges across a third of the sector, helping inform future national changes.

3. Current Position

3.1 The Local Authority submitted their grant application on 1st August 2023.

3.2 The application included the following:

- A summary of the diagnostic findings.
- Identification of workstreams i.e. Early Years/ Primary Transition, Primary to Secondary Transition and Secondary to Post 16 Transition
- Opportunity Matrix
- Overall Implementation Plan
- Governance Arrangements
- Work stream summaries and what the grant will be used for
- Programme risks
- Existing and Planned System Engagement

- DSG Management Plan

3.3 On 15th August 2023 confirmation was received that the Board had given indicative approval of the Stage 1 implementation plan.

3.4 On 30th August 2023 the documentation relating to the grant resource budget allocation was submitted.

3.5 Phase 1 of the programme has concluded. Phase 2 of the programme, i.e. implementation, commenced in September 2023.

3.6 Progress of the Implementation Plan, undertaken by the Vulnerable Childrens Unit, will take place on a quarterly basis from January 2024. As part of the monitoring reports are submitted and a review meeting held.

4. Recommendation

4.1 The Schools Forum is asked to consider and to note the overview provided.

Melanie Barnett
Director All Age Disability (0-25)
Worcestershire Children First
September 2023

Report to the Worcestershire Schools Forum (WSF) DFE SEND and AP Improvement Plan Change Programme

1. Purpose

1.1 To update Forum on the DFE SEND and AP Improvement Plan Change Programme.

2. Background

2.1 The SEND and Alternative Provision (AP) Improvement Plan published on 2nd March 2023 sets out the Department for Education (DFE) plans for reforming the system.

2.2 The DFE have committed to testing, refining and in some cases developing the most significant reforms via a £70m Change Programme.

2.3 Testing will take place in nine Regions across England. Each region will be made up of three to four local authorities and their partners.

2.4 On 19th June an online national information session was held which was attended by Melanie Barnett – Director for All Age Disability (0-25).

2.5 The DFE plan to deliver the reforms through:

- A National System Underpinned by National Standards
- Successful Transitions and Preparation for Adulthood
- A Skilled Workforce and Excellent Leadership
- Strengthened Accountabilities and Clear Routes of Redress
- A Financially Sustainable System Delivering Improved Outcomes

2.6 There are four key system level reform proposals.

- **National Standards**
 - Expert Panels
 - Develop Guidance
 - Test Draft Standards
 - Test Multi-Agency Panels
 - Test mandatory Mediation
 - Improve Early Years and Post-16 Transitions
- **Partnership and Plans**
 - Develop & publish Plans.
 - Expert Groups

- Test local Dashboards.
- NHSE ELSEC Pilot (Establish Partnership in one REP LA per Region- this has been confirmed to be Telford and Shropshire for the region)
- **AP Service**
 - Test 3-tier AP Service
 - Outreach to Schools
 - Sustainable Funding
- **Commissioning Reform**
 - Bands and Tariffs
 - Test Advisory Lists

2.7 Worcestershire was the invited and accepted the invitation to be part of the Change Programme.

2.8 Telford, Shropshire and Herefordshire are the other three local authorities that will be part of the West Midlands Regional Partnership.

2.9 Each partnership will work closely with parents, carers and children and young people to ensure they are involved in the testing, learning and development of the reforms.

2.10 Partnerships will also receive extensive hands-on support and expertise from REACH (Reaching Excellence and Ambition for all Children), the Department's Delivery Partner. PA Consulting will lead the consortium, comprising of IMPOWER, Council for Disabled Children (CDC) and Olive Academies.

2.11 £5.8m per area has been allocated.

3. Current Position

3.1 An introductory meeting was held with the Delivery Partners, Impower and the Council for Disabled Children on 8th September 2023.

3.2 A national launch event will take place on 19th September in London. Worcestershire will be represented by Melanie Barnett, Bryn Thomas, Headteacher Wolverley CE Secondary School and Mari Gay Managing Director NHS Herefordshire and Worcestershire.

4. Recommendation

4.1 The Schools Forum is asked to consider and to note the overview provided.

Melanie Barnett
Director All Age Disability (0-25)
Worcestershire Children First
September 2023

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 We have taken the summer to review the property section of the scheme

3. Current Aims

- 3.1 The overarching aim is to simplify the scheme and make the document clearer for all schools to understand.
3.2 These amendments are the first step in improving the clarity of the full document.
3.3 Property Services has reviewed the current scheme and want to remove some of the confusion within it.
3.5 Refresh the document to make sure that all documents detail the latest version of amendments to assist schools.
3.6 The document will continue to be worked through to clarify where necessary and simplify as much as possible.
3.7 The list of changes made to the document are listed in Appendix A.
3.8 The draft version of the Scheme for Financing Schools for your reference is Appendix B.

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 Children First
September 2023

Proposed Changes to the Scheme for Financing Schools. The only part of the section where a change is being made. The full proposed document is also attached for context.

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.

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 **2021**.

Changed to

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 at 31 March **2023**.

4.10 Licensed Deficits

The LA will permit a school, **which has no deficit at 31 March 1999** 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 **5 years**.

Change to:

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.

Changed to

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.**

Section 12 – 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 **approved in December 2011** 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 Provision Planning Team within Children, Families and Communities.

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 Children, Families and Communities.

Changed to

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.**

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

List of Contents

Section One – Introduction	4
1.1 The Funding Framework.....	4
1.2 The Role of the Scheme	4
1.2.1 Application of the Scheme to the LA and Maintained Schools	4
1.3 Publication of the Scheme	4
1.4 Revision and Approval of the Scheme	4
1.5 Delegation of Powers to the Headteacher	4
1.6 Maintenance of Schools	4
Section Two – Financial Controls	5
2.1.1 Application of Financial Controls to Schools	5
2.1.2 Provision of Financial Information and Reports.....	5
2.1.3 Payment of Salaries; Payment of Bills	5
2.1.4 Control of Assets	5
2.1.5 Accounting Policies (Including Year-End Procedures).....	6
2.1.6 Writing off of Debts	6
2.2 Basis of Accounting	6
2.3 Submission of Budget Plans	6
2.3.1 Submission of Financial Forecasts	7
2.4 Efficiency and Value for Money	7
2.5 Virement.....	7
2.6 Audit: General.....	7
2.7 Separate External Audits	8
2.8 Audit of Voluntary and Private Funds.....	8
2.9 Register of Business Interests	8
2.11 Application of Contracts to Schools	9
2.12 Central Funds and Earmarking	10
2.13 Spending for the Purposes of the School.....	10
2.14 Capital Spending From Budget Shares.....	10
2.15 Schools Financial Value Standard (SFVS)	11
2.16 Notice of Concern	11
2.17 Fraud.....	12
Section Three – Instalment of Budget Share; Banking Arrangements	13
3.1 Frequency of Instalments	13
3.2 Proportion of Budget Share Payable at Each Instalment	13
3.3 Interest Clawback	13
3.3.1 Interest on the Budget Share Payments	13
3.4 Budget Shares for Closing Schools	13
3.5 Bank and Building Society Accounts	13
3.5.1 Restrictions on Accounts	14
3.6 Borrowing by Schools	14
3.7 Other Provisions	15
Section Four – The Treatment of Surplus and Deficit Balances Arising in Relation to Budget Share	16
4.1 Right to Carry Forward Surplus Balances.....	16
4.1.1 Calculation of Balances	16

4.2	Controls on Surplus Balances.....	16
4.2.1	Reporting on the Intended use of Surplus Balances	16
4.3	Interest on Surplus Balances	17
4.4	Obligation to Carry Forward Deficit Balances	17
4.5	Planning for Deficit Budgets.....	17
4.6	Charging of Interest on Deficit Balances	17
4.7	Writing off of Deficits.....	17
4.8	Balances of Closing and Replacement Schools.....	17
4.9	Borrowing for Agreed Purposes.....	18
4.10	Licensed Deficits.....	18
4.11	Loan Schemes.....	18
4.11.1	Credit Union Approach	19
4.12	Multi Year Budgets	19
	Section Five - Income.....	20
5.1	Income from Lettings	20
5.2	Income from Fees and Charges	20
5.3	Income from Fund-Raising Activities.....	20
5.4	Income from the Sale of Assets	20
5.5	Administrative Procedures for the Collection of Income.....	20
5.6	Purposes for Which Income May Be Used	21
	Section Six – The Charging of School Budget Shares	22
6.1	General Provision	22
6.1.1	Charging of Salaries at Actual Cost	22
6.2	Circumstances in Which Charges May Be Made	22
	Section Seven - Taxation	25
7.1	Value Added Tax (VAT).....	25
7.2	Construction Industry Taxation Scheme (CITS).....	25
	Section Eight – The Provision of Services and Facilities by the LA.....	26
8.1	Provision of Services from Centrally Retained Budgets	26
8.2	Timescales for The Provision of Services Bought Back from the LA Using Delegated Budgets.....	26
8.2.1	Packaging.....	26
8.3	Service Level Agreements (SLAs)	26
8.4	Teachers Pensions	26
	Section Nine – Private Finance Initiatives/Public Private Partnerships	28
	Section Ten – Insurance	29
10.1	Insurance Cover	29
10.2	National Risk Protection Arrangement (RPA)	29
	Section Eleven – Miscellaneous.....	30
11.1	Right of Access to Information	30
11.2	Liability of Governors	30
11.3	Governors' Expenses.....	30
11.4	Responsibility for Legal Costs.....	30
11.5	Health and Safety	30
11.6	Right of Attendance for Chief Financial Officer	31
11.7	Delegation to New Schools.....	31
11.8	Special Educational Needs and Educational Inclusion	31
11.9	Whistle Blowing	31

11.10	Child Protection	31
11.11	Redundancy and Early Retirement Costs	31
	Section Twelve – Responsibility For Repairs And Maintenance	33
	Section Thirteen – Community Facilities.....	35
13.2	Consultation with the LA – Financial Aspects	35
13.3	Funding Agreements	36
13.4	Other Prohibitions, Restrictions and Limitations.....	36
13.5	Supply of Financial Information.....	36
13.6	Audit	36
13.7	Treatment of Income and Surpluses	37
13.8	Health and Safety Matters	37
13.9	Insurance.....	37
13.10	Taxation.....	37
13.11	Banking.....	38
	Annex A.....	39
	The Statutory Outline Scheme	39
	Annex B.....	41
	The Funding Framework: Main Features.....	41
	Annex C.....	43
	Schools to Which this Scheme Applies	43
	Annex D.....	46
	Proportion of Budget Share Payable at Each Instalment.....	46
	Annex E.....	47
	Responsibility for Redundancy and Early Retirement Costs.....	47
	Annex F.....	50
	Schedule of Responsibility for School Buildings in Maintained Community, Voluntary Controlled (VC) and Foundation Schools	50
	Responsibility for Repairs and Maintenance	52
	Maintained Voluntary Aided (VA) Schools Background	52
	Background	52
	Definition of Capital and Revenue Works	52
	Schedule of Responsibility for School Buildings in Maintained Voluntary Aided (VA) Schools	53
	Revenue Liability (defined above)	53
	Capital Liability (defined above).....	53

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 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.

- Finance leases, whereby the school requires the use of an asset from the supplier or lender over a specified period. At the end of the period, the school has paid the lender for the underlying cost and the asset plus interest charges.
- 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.

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.

DRAFT

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.

DRAFT

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 2023 (September)

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.

DRAFT

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](#).

DRAFT

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.

DRAFT

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/departments_for_education_dfe_regulatory_issues

Annex C

Schools to Which this Scheme Applies (As at 1st APRIL 2023)

Nursery Schools (1)	DFE No
Evesham Nursery	1001
First/Primary Schools (94)	DFE No
Abberley Parochial Primary	3000
Alvechurch, Crown Meadow First	2002
Ashton-Under-Hill First	2006
Astley C.E Primary	3300
Barnt Green St. Andrew's C.E. First	3302
Bayton C.E. Primary	3001
Belbroughton C.E. Primary & Nursery	3002
Beoley First	2008
Bewdley Primary	3397
Bewdley, St. Anne's C.E. Primary	3011
Blakedown C.E. Primary	3005
Bredon Hancock's Endowed First	3306
Broadwas C.E. Primary	3308
Broadway First	2013
Bromsgrove, Blackwell First	2022
Bromsgrove, Catshill First & Nursery	2015
Bromsgrove, Charford First	2016
Bromsgrove, Finstall First	2017
Bromsgrove, Lickey End First	2018
Bromsgrove, Meadows First	2019
Bromsgrove, Millfields First	2020
Chaddesley Corbett Endowed Primary	3330
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
Cookley Sebright Primary	3016
Cropton With Charlton C.E. First	3027
Defford-Cum-Besford C.E. First	3029
Dodford First	2034
Droitwich, Chawson Community First	2036
Droitwich, St. Joseph's R.C Primary	3317
Droitwich, Westlands First	2035
Eckington C.E. First	3038
Eldersfield Lawn C.E. Primary	3039
Elmley Castle C.E. First	3040
Evesham, St Andrews C.E. First	3043
Evesham, St Richard's C.E. First	3042
Evesham, Swan Lane First	2041
Fairfield First	2047
Fladbury C.E. First	3324
Flyford Flavell First	5201

First/Primary Schools (94)	DFE No
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
Kidderminster, Comberton Primary	2907
Kidderminster, Franche Primary	2910
Kidderminster, Offmore Primary	2911
Kidderminster, St. Catherine's C.E. Primary	3021
Kidderminster, St. Mary's C.E. Primary	3331
Lindridge St Lawrence's C.E. Primary	3350
Malvern, St. Joseph's R.C. Primary	3358
Malvern, The Grove Primary	3400
Malvern, Malvern Wells C.E. Primary	3359
Malvern, Wyche C.E. Primary	3074
Ombersley Endowed First	3365
Overbury C.E. First	3084
Pebworth First	2118
Pendock C.E. Primary	3085
Pershore, Abbey Park First & Nursery	2119
Pershore, Holy Redeemer R.C. Primary	3368
Redditch, Batchley First	2128
Redditch, Moon's Moat First	2192
Redditch, Oak Hill First	2920
Redditch, St. Luke's C.E. First	3093
Redditch, Tenacres First	2136
Redditch, Woodrow First	2137
Romsley, St. Kenelm's C.E. Primary	3097
Rubery, Beaconside Primary & Nursery	2197
Rubery, Holywell Primary & Nursery	2921
Rubery, Lickey Hills Primary	2901
Sedgeberrow C.E. First	3099
Stoke Prior First	2147
Sytchampton Endowed First	3381
Tardebigge C.E. First	3382
Tibberton C.E. First	3105
Upton Snodsbury C.E. First	3108
Upton Upon Severn C.E. Primary	3107
West Malvern St.James C.E. Primary	3360
Whittington C.E. Primary	3110
Worcester, Our Lady Queen Of Peace R.C. Primary	3387
Worcester, Pitmaston Primary	2200
Worcester, Red Hill C.E. Primary	3116
Worcester, St Barnabas' C.E. Primary	3114
Worcester, St George's C.E. Primary	3389
Worcester, St George's R.C. Primary	3390
Worcester, St Joseph's R.C. Primary	3391
Wythall, Meadow Green Primary	2188

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

Middle Deemed Secondary Schools (5)	DFE No
Bromsgrove, Aston Fields Middle	4401
Bromsgrove, Catshill Middle	4402
Bromsgrove, Parkside Middle	4403
Evesham, Blackminster Middle	4408
Evesham, St. Egwin's C.E. Middle	4576

Secondary/High Schools (4)	DFE No
Bromsgrove, North Bromsgrove High	4002
The Bewdley Community Secondary	4001
Wolverley C.E. Secondary	4503
Worcester, Blessed Edward Oldcorne R.C. College	5402

Special Schools (4)	DFE No
Bromsgrove, Chadsgrove	7015
Bromsgrove, 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

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) Specialist Equipment in Schools

1. Purpose

1.1 To provide forum with an overview of the issues being raised, by some schools, regarding the increasing costs associated with equipment and, discuss next steps to be taken.

2. Background

2.1 As part of their Accessibility Strategy, local authorities are required to set out what equipment or auxiliary aids schools and early years settings can be reasonably expected to provide from their own budget, and what is provided by the local authority, in line with the Equality Act 2010: Advice for schools, published by the Department for Education in May 2014.

2.2 From 1 September 2012 the reasonable adjustments duty for schools and education authorities includes a duty to provide auxiliary aids and services for disabled pupils.

2.3 The duty is 'to take such steps as it is reasonable to have to take to avoid the substantial disadvantage to a disabled person caused by a provision, criterion or practice applied by or on behalf of a school, or by the absence of an auxiliary aid or service.' Reasonable Adjustments for Disabled Pupils (Equality and Human Rights Commission).

2.4 Specialist equipment refers to 'A piece of portable equipment which, having been assessed for by a relevant professional is required to avoid substantial disadvantage to a child with a complex disability. This equipment must be specialist or used for a specialist purpose i.e. relating to that child or young person's special educational need or disability and should facilitate access to the environment / facilities / curriculum'.

2.5 Specialist Equipment in Schools and Educational Settings is an education need and it is therefore appropriate that it is funded by the Dedicated Schools Grant (DSG).

3. Current Position

3.1 The cost of the majority of specialist equipment in Worcestershire Special Schools needed for children and young people to access education is expected to be met from schools' budgets including place funding and Top Up Funding allocated to individual children.

3.2 For specialist equipment costing more than £500 schools **may** request the Local Authority to consider an additional contribution.

3.3 An increasing number of requests are being received to provide funding for specialist equipment in schools.

3.4 This is providing an increasing pressure on the High Needs Block.

3.5 Other factors to be considered are risk management, maintenance and storage.

3.6 An update on the Worcestershire Policy is in progress.

4. Recommendation

4.1 The Schools Forum is asked to consider, note and comment on the overview provided.

Melanie Barnett
Director All Age Disability (0-25)
Worcestershire Children First
September 2023

Report to the Worcestershire Schools Forum (WSF) Teacher Pay Additional Grant (TPAG)

1. Purpose

- 1.1 To share the current information available concerning the Teacher Pay Additional Grant to cover the pay award teacher for the academic year 2023/2024 and 2024/2025.

2. Background

- 2.1 The Government announced in August the methodology for the distribution of the £525m for the period September 2023 to March 2024 and the £900m for the period April 2024 to March 2025
- 2.2 The TPAG is to be split across mainstream schools, special schools and alternative provision (AP), early years (EY), and 16 to 19 provision.
- 2.3 For academies they will also receive April 2025 to August 2025 due to the lag funding for these schools compared to maintained schools. With the aim that for financial year 2025/2026 these will be incorporated into the normal funding streams.

3. Current Position

- 3.1 The methodology gives the following for the basic funding rates for 2023/2024 financial year.
- 3.2 Mainstream school funding, for the 5 to 16-year-old age range will be the following:
- Lump sum of £1,345
 - Primary £36 per pupil
 - KS3 (Key Stage 3) £50 per pupil
 - KS4 (Key Stage 4) £57 per pupil
 - FSM6 £31 per eligible primary pupil
 - FSM6 £45 per eligible secondary pupil
- 3.3 Special school and PRUs/AP schools. For PRUs/AP schools this is only pre-16 provision only.
- The funding will be £260 per place.
- 3.4 For financial year 2024/2025 these rates will be increased to twelve/sevenths of the 2023/24 funding rates as this will cover the full twelve-month period.
- 3.5 For EY we are still awaiting clarity on the funding mechanism.
- 3.6 16 to 19 funding has increased to cover the added cost of the pay award.

4. Recommendation

- 4.1 What you want from the forum.

Robert Phillips
Finance Business Partner - Schools
Worcestershire Children First
September 2023