

Bristol Schools Forum

DRAFT Agenda Tuesday 28th March 2017 at 5.45pm, City Hall, First Floor Writing Room
NB – please note meeting starts at 6.15 but refreshments available from 5.45pm

	Start	Item	Action	Owner	Paper
1	6.15	Welcome & Briefing	A	Chair	
2	6.20	Forum standing business <ul style="list-style-type: none"> ▪ Apologies for Absence ▪ Confirmation meeting is quorate ▪ Appointment of new members ▪ Notification of Vacancies ▪ Declarations of Interest 	A	Clerk	Verbal
3	6.25	Minutes of meeting held on 10 th January 2017 Corrections and approval <ul style="list-style-type: none"> • Matters arising not covered on agenda <ul style="list-style-type: none"> ○ Inclusion Group membership (PJ) ○ BIS funding de-delegation (PJ) ○ PRUs & rates (PJ) 	A	Chair	Attached
4	6.30	Correspondence	I	Chair	
5.	6.35	Strategic overview –including Place Planning and Central Services update	I	PJ	
6	7.00	Growth Fund update	De	WW	Attached
7	7.15	Scheme for Financing Schools update	De	WW	Attached
8	7.30	High Needs Update	C	AJ	Attached
9	8.00	Early Years consultation feedback –	I	SJ	Attached
10	8.15	National Funding Formula Consultation	I	PJ	Verbal
11	8.30	Any Other Business			

(*) A = Admin, I = Information, De = Decision required, C = Consultation, Di = Discussion

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Chair: Carew Reynell (contact via clerk)



FUTURE MEETINGS – All at City Hall – First Floor Writing Room

Date	Items
23 rd May 2017	<ul style="list-style-type: none"><li data-bbox="512 311 842 349">• High Needs Update
11 th July 2017	<ul style="list-style-type: none"><li data-bbox="512 385 807 423">• Financial Outturn<li data-bbox="512 427 842 465">• High Needs Update

Bristol Schools' Forum

Minutes of the meeting held on Tuesday 10th January 2017
at 18.15 hrs at City Hall

Present:

Claire Banks	Headteacher, St Werburgh's Primary
Jamie Barry	Headteacher, Parson Street Primary
Victoria Boomer	Headteacher, Oasis Academy John Williams
Karen Brown	Governor, St Mary Redcliffe & Temple
Tim Browse	Headteacher, Hillcrest Primary
Jo Butler	Headteacher, Cotham School
Colin Butterworth	Governor, Endeavour Academy Trust
Emma Cave	Governor, Claremont School
Yvonne Craggs	Governor, Elmlea Infants School
Marion Curran	14-19 Citywide Partnership
Graham Diles	Deputy Headteacher, St Mary Redcliffe & Temple
Peter Evans	Headteacher, Knowle DGE
Lindsey Fuller	Headteacher, Speedwell Nursery
Mary-Jane Hinchliffe	Headteacher, St Annes Infants
Tracy Jones	Headteacher, Bannerman Road Primary
Tom Merchant	Representative, Support Staff
Aileen Morrison	Headteacher, St Matthias Park
Sam Packer	PVI, Early Years
Alistair Perry	Colston Girls School
Alistair Pickering	Diocese of Bristol Board of Education
Cllr Ruth Pickersgill	Governor, Rosemary Nursery
Carew Reynell (Chair)	Governor, Henbury Secondary
Sarah Rupprecht	Governor, Elmlea Junior
Ann Rutherford	Headteacher, Filton Avenue Primary
Cedric Sanguinol	Governor Representative, Bishop Road Primary
Christine Townsend	Governor, Whitehall Primary
Michelle Wills	Representative, Teaching Professionals

In attendance:

Billy Forsythe	Clerk to Schools Forum
Cllr Claire Hiscott	Member for Education & Skills
Paul Jacobs	Service Director, Education & Skills
Sally Jaeckle	Head of Early Years Services
Annette Jones	Head of Specialist Education & Access
Wendy Welsh	Corporate Finance
Travis Young	Corporate Finance

Observers:

Chris Pring (Cabot Primary), Claire Pring (St Barnabus), Simon Bowker, Kevin Jay, Anna Stevens, Pepa Aguila-Soto, Sara Doherty, Siobhan Taylor, Michael Pilcher

Item	Action
1. Welcome and introductions	
The Chair opened the meeting at 18:15	
2. Forum standing business	
<p>Apologies Received from Ebrima Bojang, Alan Gould, Paul Smith, Wendy Weston & David Yorath, Clerk confirmed meeting was quorate. New member Peter Evans was welcomed to the meeting. No declarations of interest were expressed. Expenses – BF reminded colleagues that parking expenses could be reclaimed from WW.</p>	
3. Minutes of the meeting held on 22nd November	
<p>The following changes were advised and accepted. Claire Banks, Anne Rutherford, & Alistair Pickering had attended the meeting Page 4 Section 6 Early help were asking for £280K not £200K. Page 5 3rd para from end – ESG should be DSG Minutes of the meeting were then accepted as accurate. Matters arising: Item 5 – PJ advised the revised structure will be sent out with the minutes. Item 6 – Membership list of Inclusion Group was issued. Point was raised that some areas seem under-represented. PJ will liaise with JB. Letter to parents re High Needs was raised. AJ confirmed it will be included with the minutes as a draft. De-delegation of BIS funding was raised. Forum asked for details of how this £20K is being used.</p>	<p>BF PJ BF PJ</p>
4. Correspondence	
None.	
5. Budget Monitor	
<p>WW presented the report to update the Forum on the proposed expenditure of the DSG for 2016/17. The LA has challenged the DfE's interpretation of the Early Year's census figures and is awaiting a response. The main overspend area is the High Needs block. PJ advised that the authority is contesting the number of GFE places allowed for by the DfE. Phase 2 of the national Funding Formula is out for consultation with responses by 22nd March. The LA is holding a briefing meeting for Heads and governors on 24th January. This is a major reform and there are different views across the country.</p>	

<p>The Forum previously agreed not to change the formula factors and the de-delegation vote was taken at the last meeting.</p> <p>The Forum noted the report.</p>	
<p>6. Schools Block Budget</p>	
<p>PJ presented the report and the Forum was asked to approve a number of recommendations.</p> <p>2.1 Growth fund – proposal is to revisit the policy and retain the £3m with any underspend to be used against the High Needs overspend.</p> <p>2.2 Falling rolls funding is not really needed but a review of non-domestic rates is planned and the LA is proposing to retain the £0.4m to use against any rates increase.</p> <p>2.3 Proposing the same total amount for the centrally retained element.</p> <p>2.4 Approve the allocation of general duties funding to LA.</p> <p>2.5 The ESG is not ring fenced and the funding has decreased over the years. As schools academise the grant reduces. The LA has managed the reduction by economising and trimming services. The statutory duties of the LA have not been defined yet by the EFA. Government is proposing to remove ESG and to partially replace it with a number of different funds for LAs but the details are not yet clear. A transitional element from April to August is proposed and the amount has now been published. There will also be a school improvement grant which could be based on the number of Primary schools that are rated as not good. A Strategic fund will also be available on a bid basis. The LA is asking Forum to agree a further de-delegation of £36.06 per pupil to make up the shortfall in ESG. This will still be £0.5 m short of what is needed. This funding will cover core services that are offered free to maintained schools such as 3 core visits.</p> <p>2.6 The LA is also asking for the Early Help underspend of £280K to be given to Early help to enable them to support schools through the coming year and also support an element of the safeguarding team.</p> <p>2.7 Note the formula values in the Appendix.</p> <p>The Chair proposed to discuss and vote in sections: 1&2, 3&4, 5,6,&7</p> <p>2.1 & 2.2 Growth Fund & Falling Rolls – It was asked if the growth fund would be available to Special Schools. AJ confirmed that any growth for special schools would be agreed through the High needs Block.</p> <p>The question of PRUs paying rates was raised and PJ agreed to investigate</p> <p>WW advised that £1.6m of the growth fund was already committed to Primaries and Secondary schools could be asking for growth fund.</p> <p>It was asked if the cost of rates was known and if schools have to apply for the money.</p>	<p>PJ</p>

PJ advised that some schools could be looking at a 27% increase and they would have to advise the LA.

2.3 & 2.4 Centrally retained funds. A question was raised re AWPU values as KS4 seems to have been ignored. TY advised that KS4 has been improved.

VB asked about admission costs to Academies who buy via TwS.

CT added that there still seemed to be unlawful admission practices taking place.

PJ advised that Councillors are looking at admission policy and there will be a consultation with schools.

2.5 De-delegation PJ advised that all maintained schools including Nurseries, PRUs & Specials are entitled to vote on this de-delegation.

GD advised that Secondary heads are monitoring very tight budgets and feel strongly that any additional de-delegation is unaffordable. All Secondary heads are totally against this proposal.

PJ added that he had had 26 responses to his email consultation with only 5 in favour of the proposal.

MJH asked what the outcome would be if the money was not de-delegated. PJ advised that he would have to re-shape services to live within the budget and the traded offer from TwS would be amended with some services offered on a traded basis.

Concern was expressed on the lack of detail of the outcome of the decision. A request was made to defer the decision. PJ advised this was not possible because of DfE deadlines. Some schools felt in a difficult position as they had benefited in the past from LA help that would now not be available.

2.6 Early help – questions were raised on possibility of using some of the money for transition.

Voting took place:

2.1 – 21 in favour none against

2.2 – 23 in favour none against

2.3 – 21 in favour none against

2.4 - 21 in favour none against

2.5 – 13 are eligible to vote – 11 voted against de-delegation. PJ agreed to send out a strategy briefing to schools advising of the outcome.

2.6 (1) £280K for Early help transition - none in favour

2.6 (2) £280K for High Needs offset - none in favour

2.6 (3) split £280K between the two - 21 in favour with a priority on Safeguarding in Education capacity within the Early Help funding

2.7 – Noted

PJ

<p>7. High Needs Update</p> <p>AJ gave an update on the report</p> <p>Currently projected £3.21m overspend in 2016/17, with a further overspend in 2017/18, mostly on Top Up funding. Mitigating actions have worked to reduce the overspend but not by enough.</p> <p>Potentially an additional 300 placements in City of Bristol College that the EFA is refusing to fund in 2017/18 due to lag funding. The LA is making strong representations to government that this is unfair.</p> <p>The Inclusion Reference Group is operational and an Inclusion Audit will come out this term. The main focus is on Top Up and the IRG will be looking at proposals to make the system more efficient.</p> <p>The Secondary Panel has been successful in reducing the number of exclusions.</p> <p>A meeting is being held at City Hall on 26th January to look at options and AJ will bring a further report to the Forum on proposals to deal with the overspending.</p> <p>PJ added that the Government is making a one off capacity grant to the LA of £130K and the SEN grant will continue for a further year. Work is also planned on the issue of special schools and PFI sites.</p> <p>Forum noted the budget forecasts</p> <p>The planned further work was noted</p> <p>Forum did not support a proposal to curtail MFG protection for Special Schools/PRUS</p> <p>IRG is requested to carry out further analysis but issues around membership need to be resolved. JB happy to help to recruit.</p>	<p>AJ</p>
<p>8. EY Budget Planning</p> <p>SJ presented the report and reported she was cautiously optimistic. The key messages are:</p> <ul style="list-style-type: none"> • one base rate for all providers of EY • a cap on retained money • no change to 2 year old funding • an uplift to the hourly rate applicable from April • a EY pupil premium <p>The DFE have a better understanding of the role of Nursery Schools and have agreed £1.3m for Bristol EWY Nurseries for 3 years.</p> <p>The proposals will go for consultation in early February and will be discussed at the three area network meetings. SJ will keep Forum updated.</p> <p>Forum were happy to note the report and thanked SJ for her significant role in working</p>	<p>SJ</p>

with the DFE	
9. AOB	
Forum asked about the draft briefing letter from schools to parents. AJ advised that the parent partnerships are working on this and it will be produced very shortly.	

The meeting closed at 20:45hrs

DRAFT

Bristol Schools Forum
Growth Fund

Date of meeting:	28 th March 2017
Time of meeting:	6.15 pm
Venue:	City Hall

1. Purpose of report

To provide the Forum with the likely impact of Secondary Schools accessing the Growth Fund in 2017-18.

2. Recommendations

2.1 To note report and likely impact on the Growth Fund of Secondary Schools accessing the fund.

3. Background

3.1 Bristol City Council, with the approval of Schools Forum, has operated a Growth Fund of £3.0m primarily to fund planned growth in primary schools. This fund can also be accessed to compensate under other considerations too, for example Infant Class Size regulations or Exceptional Circumstances.

3.2 At Schools Forum it was clarified that Secondary Schools can access the Growth Fund. To date Secondary School have not accessed the Growth Fund, largely due to static or declining pupil populations, however Secondary Schools are now experiencing recovery and growth in their numbers on roll.

3.3 The policy itself does not preclude secondary schools from accessing the fund and so does not need amendment. The policy is presented as an appendix to this report.

3.4 Present commitments to the 2017-18 Growth Fund, from known planned Growth and Post Opening Grant in Primary Schools totals £1.463m although this figure will alter once Autumn 2017 census data becomes available.

4. Financial Implications

4.1 Early indicative information from the Admissions Manager suggests that nine secondary schools will be admitting numbers above their Planned Admission Number (PAN) in September 2017

4.2 Between them there is an anticipated potential need for Growth of 253 places. This is the pessimistic or higher estimate of pupil numbers, as some schools may end with a lower overall requirement. The actual number will not be known until final census data in the Autumn of 2017.

- 4.3 Assuming all 253 places occur, depending on whether they attract KS3 AWPU funding or KS4 AWPU funding then the expected range of commitment on the fund will be approximately £0.697m to £0.758m
- 4.4 This range of funding represents the seven months of funding required, for the period September 2017 to March 2018.
- 4.5 Assuming the higher case scenario this would leave approximately £0.780m unallocated and therefore available for legitimate claims not yet known or to remain potentially unspent and therefore available to assist with budgetary pressures in 2017-18.

APPENDIX 1

Growth Fund Policy

Background:

2015-16 Revenue Funding Arrangements published by the DfE/EFA: 'Operational Information for local authorities' outlines the principle for a growth fund. Local authorities may centrally retain funding within the schools block in order to create a growth fund for the purposes of supporting growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of new schools.

The growth fund may **not** be used to support schools in financial difficulty or for general growth due to popularity.

All central budgets within the schools block must be made available to recoupment academies on the same basis as maintained schools – The only exception is that DfE will continue to pay start-up and post opening costs for 'Free Schools'.

Growth funding will apply where a school/academy:

- has increased its PAN, at the request of the authority, to provide an extra form of entry or greater to meet basic need in the area (caused by general population growth or housing development) as an on-going commitment
- has agreed with the authority to provide a number of places above PAN as a bulge class as a consequence of school reorganisation or to meet short term additional needs.

Growth funding will **not** apply where a school/academy:

- increases its PAN by choice but not agreed with the local authority as part of the process to meet basic need in the area
- admits over PAN by choice (not to meet agreed basic need)
- where pupils are admitted above a schools PAN as a consequence of appeal or error in the school admissions process.

Bristol's growth fund consists of 5 elements:

1. Planned basic need growth
2. Brand new schools start up
3. Brand new schools post opening
4. Infant class size funding
5. Application for exceptional circumstance

1. Planned Basic Need Growth

Funding to schools is provided where the Local authority has requested to increase the schools PAN in order to meet basic need. Funding is calculated as follows:

In the first year of increased intake the formula is:

30 pupils (for an extra form entry) multiplied by the entire pupil led elements of the formula (basic entitlement, deprivation, EAL, prior attainment) multiplied by 7/12ths (for the September – March).

On average this is approximately £60,000. The school will also receive £4,000 for a new reception class and £3,000 for any other new key stage class.

The period April-August will be covered by the schools formula funding allocation in the following local authority financial year based on numbers from the October census however, for academies we are required to fund the increase for the whole academic year and the April – August element will be recouped from the EFA.

In subsequent years as the increased admission moves through the year groups, the school will be funded as above but on actual pupils rather than a full class of 30 i.e. year 1 on October 2015 census less year 1 on October 2014 census . If these extra pupils increase the number of classes needed in that year group, the school will also receive the £3,000 towards extra resources.

If the growth requires an **additional site**, the school would receive the split site element of the formula, (£31k in 2015/16).

In the first year of increased intake funds can be released for the start of September, for subsequent years information will be required from the October census therefore funds will be released by end of December.

Please note, there is no need to apply for this growth funding. If it is planned and authorised by the LA, the LA will track and pay each year.

2. Brand new schools - start up

Where a school or a new academy is established for basic need purposes, the responsibility for start-up funding and diseconomies lies within the Local Authority. Start-up costs apply to the period between the capital work being completed and the school opening.

A one- off payment will be made as follows:

£50,000 1 form entry school

£70,000 2 form entry school (or larger)

Please note, there is no need to apply for this growth.

3. Brand new Schools – Post opening funds

Where a school or a new academy is established for basic need purposes, the responsibility for start-up funding and diseconomies lies with the Local Authority. Post opening funds relate to the need to incur some fixed management and premises costs as new schools build up their numbers.

In the financial year after opening (i.e. school opened September 2014, post opening funds commence 2015/16 local authority financial year) the school will be eligible for post-opening funds as per the details below:

- An allocation for non staffing resources is paid whilst the school is building up to capacity, an amount of £250 is multiplied by the number of **new** pupils expected to be on roll at September. For example, if 30 pupils are on October 2014 census and 60 are expected on the October 2015 census, the non staffing element would be:

$$30 \times £250 = £7,500.$$

- An allocation for leadership is based on the number of year groups that the school will ultimately have but do not yet have pupils. For example, a primary school would have 7 year groups but in the first year of opening, 6 would be empty. A lump sum allocation would be given as per below:

Empty Cohorts	6	5	4	3	2	1
Primary allocation	£80,500	£67,500	£54,000	£40,500	£27,000	£13,500

Overall, if the primary school opened in September 2014 with 30 pupils in Reception there would be 6 empty year groups which would initiate an allocation of £80,500 and if the school expects to have 60 pupils in total by September 2015 (30 in reception and 30 in year 1) then they would also receive £7,500 in respect of non staffing resources. Hence their total post opening allocation would be £88,000.

This funding would need to be applied for on an annual basis. **The deadline for applications is 1st December.**

A form is available from the DSG finance team BristolDSGmailbox@bristol.gov.uk.

4. Infant Class size Regulation

Support for infant classes where pupil numbers exceed a multiple of 30 while an ordinary teaching session is conducted by a single teacher (or, where the session is conducted by more than one school teacher, a maximum of 30 pupils for every teacher).

Schools should not have class sizes of more than 30 in KS1 (from reception to Y2) in the infant phase.

This is governed by the Infant Class Size Regulations and is monitored externally by the DfE through the pupil census. A link to the regulation can be found here : [The School Admissions \(Infant Class Sizes\) \(England\) Regulations 2012](#)

There are exceptions to this, the Infant class size legislation makes allowance for the entry of an additional child in very limited circumstances where it would be prejudicial to his or her interests not to admit them ('excepted pupils').

The main circumstances where a child can be admitted as an 'excepted pupil' are:

- a) Children admitted outside the normal admissions round with statements of special educational needs specifying a school
- b) Looked after children and previously looked after children admitted outside the normal admissions round
- c) Children admitted, after initial allocation of places, because of a procedural error made by the admission authority or local authority in the original application process
- d) Children admitted after an independent appeals panel upholds an appeal
- e) Children who move into the area outside the normal admissions round for whom there is no other available school within reasonable distance (the local authority has to confirm that the child qualifies under this category)
- f) Children of UK service personnel admitted outside the normal admissions round
- g) Children whose twin or sibling from a multiple birth is admitted otherwise than as an excepted pupil
- h) Children with special educational needs who are normally taught in a special educational needs unit attached to the school, or registered at a special school, who attend some infant classes within the mainstream school

These children will remain an 'excepted pupil' for the time they are in an infant class or until the class numbers fall back to the current infant class size limit. Excepted pupils will not attract additional funding from the Growth Fund.

Where there would be no alternative to having a class size of more than 30, and in order to comply with the Regulations, funding will be paid to reflect the costs of an additional teacher. This funding would be used to either enable the formation of another class or simply teach the bigger class with 2 teachers.

Examples:

Total KS1 pupils on the October census are 154.
154 divided into 30 = 5.133 classes, so 6 classes are needed.
The difference between 6 and 5.133 = 0.867.
Therefore would be funded 86.7% of an average teacher.
 $£35,000 \times 0.867 = £30,345$.

Total KS1 pupils on the October census are 175.
175 divided into 30 = 5.833, so 6 classes are needed.
The difference between 6 and 5.833 = 0.167.
Therefore would be funded 16.7% of an average teacher.
 $£35,000 \times 0.167 = £5,845$.

Schools with fewer than 30 KS1 pupils will not be eligible as the lump sum on the funding formula is deemed to provide sufficient resources for an infant class.

Schools with more than 6 classes $30 \times 6 = 180$ pupils in KS1 would also not be eligible as they would be deemed to have sufficient resources in their funding formula.

Infant class size funding would need to be applied for on an annual basis. A form is available from the DSG finance team BristolDSGmailbox@bristol.gov.uk.

The deadline for applications is 1st December.

5. Application for exceptional circumstance

Schools can submit an application into the LA for extra funding from the growth fund **due to basic need growth**, the case for the exceptional circumstance (that requires funding over and above the funding formula and the planned basic need growth) should be clearly stated with evidence supporting the claim for which the outcome will be decided by the Service Director for Education and Skills and the Chair of the Schools Forum.

A form is available from the DSG finance team BristolDSGmailbox@bristol.gov.uk.

The deadline for applications is 1st December.

Unspent Funds

Any unspent growth funds as at 31st March will be used to support the overall DSG fund as directed by the Service Director of Education and Skills in consultation with the Head of Finance (People).

DRAFT

Bristol Schools Forum
Scheme for Financing Schools

Date of meeting:	28 th March 2017
Time of meeting:	6.15 pm
Venue:	City Hall

1. Purpose of report

To provide the Forum with the 2017 update of the Bristol City Council Scheme for Financing schools.

2. Recommendations

2.1 That the maintained school representatives of the Forum approve the 2017 Scheme for Financing Schools.

3. Background

3.1 Each Local Authority is required to have a “Scheme for Financing Schools” which sets out the roles and responsibilities between an LA and the schools that it maintains.

3.2 The Bristol Scheme for Financing Schools is largely based on guidance from the Department for Education (DfE). It should be approved by the Schools Forum annually.

3.3 The majority of the scheme is unchanged from the previous version. The main revisions in this update are:

- Strengthening and clarification of section 4, particularly paragraphs 4.4.2 , 4.4.3, 4.5.1, 4.8.1, 4.9.3
- Addition of clause (t) to 6.3.1
- Update of Annex 1

4. Financial Implications

4.1 There are no specific financial implications arising from this report. The Scheme will be posted on the Council’s internet site as required by legislation. Schools will be advised of the Scheme via the online briefing and Governors’ Newsletter.

Bristol City Council



SCHEME FOR FINANCING SCHOOLS 2017

Business Change Directorate

1st April 2017

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SECTION 1: INTRODUCTION

1.1 The Funding Framework : Main Features

- 1.1.1 The funding framework which replaces Local Management of Schools is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998.
- 1.1.2 Under this legislation, Local Authorities determine for themselves the size of their Schools Budget and their non-schools education budget although at a minimum and Authority must appropriate their entire Dedicated Schools Grant (DSG) to the schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools.
- 1.1.3 A Local Authority (LA) may centrally retain funding in the Schools Budget for purposes defined in regulations by the Secretary of State under s.45A of the Act. The amount to be retained centrally is decided by the LA, in conjunction with their schools forum, subject to any limits or conditions 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 retained centrally (although earmarked allocations may be made to schools).
- 1.1.4 Local Authorities may retain an unallocated reserve within the ISB but must otherwise 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 budget share for each maintained school. This budget is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act. The financial controls within which delegation works are set out in the scheme made by the LA in accordance with s.48 of the Act and approved by the secretary of State. All revisions to the scheme must be approved by the Schools Forum and, in the event of any dispute, must be agreed by the Secretary of State, who also has the power to modify schemes or impose one.
- 1.1.5 Each authority is obliged to publish each year a statement setting out details of its planned Schools Budget and other expenditure on childrens services, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school. After each financial year the authority must

publish a statement showing outturn expenditure at both central level and for each school, and the balances held in respect of each school.

- 1.1.6 The detailed publication requirements for financial statements and for schemes are set out in regulations, and each year's budget and out-turn statements so far as they relate to that school or central expenditure. The Scheme for Financing Schools and any revisions must be published on a website that is accessible to the general public

1.2 The Role of the Scheme

- 1.2.1 The objective of the scheme for financing schools is to enable Governing Bodies to manage the resources available to them in the most efficient and effective manner to meet the needs of their pupils.
- 1.2.2 The scheme for financing schools sets out the financial relationship between the LA and the maintained schools which it funds. The scheme contains requirements relating to financial management and associated issues, which are binding on both the LA and on schools.
- 1.2.3 The LA is responsible for the management of the education service. Its role is set out in the Code of Practice on LA/school relations which should be read in conjunction with this scheme.
- 1.2.4 The LA is responsible for the production of and for securing agreement to, the scheme for financing schools and for determining the overall level of resources and the means by which those resources will be allocated to schools.
- 1.2.5 Through the provisions of this scheme and other documents referred to within but published outside it, the LA will seek to ensure that there is proper accountability for the expenditure of public money.
- 1.2.6 Governors must at all times operate within legal requirements and regulations issued by the Government from time to time. Governors are also bound by the conditions and requirements as set out in the scheme for financing schools.
- 1.2.7 The role of governing bodies will be set out in regulations to be made under s38 of the SSAF Act and are set out in the Code of Practice on LA school relations.

1.3 Application of the Scheme to the Authority and Maintained Schools

- 1.3.1 The scheme for financing schools will apply to community, nursery voluntary, trust, foundation, community special or foundation special schools and Pupil Referral Units (PRUs) maintained by the LA.

- 1.3.2 It does not apply to schools situated in the authority's area which are maintained by another authority nor does it apply to academies.
- 1.3.3 The schools covered by the scheme maintained by the LA on 1 April each year are listed in Annex 1.
- 1.3.4 New maintained schools opening after 1 April each year will be covered by the scheme by virtue of s48 of the SSAF Act.

1.4 Publication of the Scheme for Financing Schools

- 1.4.1 The LA will publish the scheme for financing schools in accordance with the requirements of the regulations made by the Secretary of State following approval by the Schools Forum.

1.5 Revision of the Scheme

- 1.5.1 Any proposed revisions to the scheme for financing schools will be the subject of consultation with the Schools Forum.
- 1.5.2 Revisions to the Scheme can only be agreed by Forum members representing maintained schools
- 1.5.3 Proposed revisions to the scheme for financing schools will require approval by the Secretary of State in the event of dispute between the Schools Forum and the LA.

1.6 Delegation of Powers to the Head teacher

- 1.6.1 Governors may spend the school's budget share as they think fit for the purposes of the school. Where the LA may have concerns over the use of funds the LA can request the documentation showing approval by the governors.
- 1.6.2 Governors will be responsible for agreeing the school's first formal budget each year and for monitoring expenditure against that budget throughout the year.
- 1.6.3 Governors will consider and determine the extent to which they wish to delegate their financial powers to the head teacher, subject to the provisions of the scheme for financing schools and will record their decision (and any revisions) in the minutes of the governing body.
- 1.6.4 Head teachers will have responsibility for the day to day financial leadership, direction and management of the school, within the powers delegated to them by the governing body.

1.7 Maintenance of Schools

- 1.7.1 The LA is responsible for maintaining the schools covered by the scheme for financing schools, which includes a duty to defray all expenses of maintaining them, except in the case of voluntary aided schools, where some of the expenses of maintaining them are, by statute, payable by the governing body.
- 1.7.2 Part of the way in which the LA maintains the schools covered by the scheme for financing schools is through the scheme for financing schools, which the LA shall put in place under the provisions of sections 45 to 53 of the SSAF Act.

SECTION 2 FINANCIAL CONTROLS

2.1 General Procedures

Application of Financial Controls to Schools

- 2.1.1 Governing bodies may manage their schools' delegated budgets and spend any sums available to them as they think fit for the purposes of the school and for the benefit of pupils attending the school, in line with the priorities of the school development plan and subject to the provisions of the scheme for financing schools.
- 2.1.2 Governing bodies' discretion to manage their schools' budgets is subject to the LA's requirements in respect of financial controls and monitoring set out in the scheme for financing schools and those documents referred to in the scheme but which are published outside it, but only in so far as the provisions in those documents are compatible with the terms of scheme itself.
- 2.1.3 Under Section 50 (3) (b) of the SSAF Act, the Secretary of State may prescribe additional purposes for which expenditure of delegated budgets may be made.
- 2.1.4 The Service Director - Finance (Chief Finance Officer) is responsible for ensuring the adequacy of the financial organisation and accounting procedures in all schools.

2.2 Provision of Financial Information and Reports

- 2.2.1 A statement of expenditure against budget shall be submitted to the governing body (or finance committee) of these schools at least once in each term during each financial year.
- 2.2.2 Schools will be required to submit to the LA an estimated outturn twice each financial year in accordance with the timescales prescribed by the LA.
- 2.2.3 Statements of expenditure and income against budget in a form specified by the LA shall be made available to the LA quarterly (except for those connected with tax or banking reconciliation) in order to update the LA's financial records.
- 2.2.4 Schools opting out of the Councils finance system must make available their VAT and cash flow returns.

2.3 Payment of Salaries and Accounts

- 2.3.1 The procedures for payment of accounts and the keeping of financial records will be set out in the Financial Regulations for Schools.

2.3.2 The payment of all salaries, wages and other benefits that are the responsibility of the LA will be made only by the Chief Financial Officer, subject to the conditions and procedures set out in the Financial Regulations for Schools.

2.4 Control of Assets

2.4.1 Schools must maintain an inventory of all moveable assets, which must be kept up to date and be in a form acceptable to the governing body and which shall be reported annually to the governing body (or the finance committee).

2.4.2 The nature of the inventory for assets under £1,000 may be determined by the schools but for all that exceed that value the school must ensure that they record the date of purchase, the purchase value and the serial number as a minimum.

2.4.3 Assets must not be removed from the school other than in the course of school business, nor should they be used for purposes other than school business, except with the express permission of the head teacher.

2.4.4 The Chief Financial Officer shall have access at all times to the inventory of moveable assets and may make such checks and tests as are reasonable to verify the inventory.

2.4.5 Disposal of such moveable assets shall be in accordance with the procedures from time to time agreed by the Chief Financial Officer, which will be set out in the Financial Regulations for Schools.

2.5 Accounting Policies (including year end procedures)

2.5.1 The accounting policies for all schools, including the procedures to be followed at the year end will be set out by Trading With Schools Finance in March of each financial year.

2.6 Writing Off Debts

2.6.1 Governing bodies shall be authorised to write off debts in accordance with the procedures from time to time agreed by the Chief Financial Officer, which will be set out in the Financial Regulations for Schools.

2.7 Basis of Accounting

2.7.1 Schools shall where possible account to the LA for all income and expenditure on an accruals basis as defined in Financial Regulations for Schools.

2.8 Submission of Budget plans

- 2.8.1 Each Governing Body must approve a budget plan for the financial year, which shall be submitted to the LA before 31 May of that year. The required format of the budget plan will be notified to schools each year at the same time as they are notified of their budget share by the LA.
- 2.8.2 The LA shall provide schools with all information required for them to prepare budget plans.
- 2.8.3 Schools are allowed to take into account estimated balances at the previous 31 March in their budget plan.
- 2.8.4 Where the budget plan results in either an in-year deficit or an overall deficit the school must seek approval for this budget from the Service Director-Education and Skills via the Application for Licenced Deficit process (4.5 Planning for Deficit Budgets)

2.9 Efficiency and Value For Money

- 2.9.1 Schools must seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the Authority's purchasing, tendering and contracting requirements.
- 2.9.2 It is for heads and governors to determine at school level how to secure better value for money.

2.10 Virement

- 2.10.1 Governing bodies have the power, to vire freely between the budget heads in their annual budget plan, except where budgeted expenditure relates to earmarked items outside the school's budget share as defined in the Financial Regulations for Schools.
- 2.10.2 Governing bodies may delegate this power to the finance committee or to the head teacher.

2.11 Audit

- 2.11.1 Schools will be subject to regular internal audit by the City Council's Internal Audit service acting on behalf of the Chief Financial Officer under s151 of the Local Government Act 1972, in accordance with the LA's published annual Internal Audit Plan.
- 2.11.2 Schools will be subject to external audit as part of the external audit of the LA.
- 2.11.3 Governing Bodies will be required to ensure that schools cooperate with all reasonable requirements of internal and external auditors, and allow the Chief Financial Officer access at all times for the purposes of audit.

2.11.4 The LA will from time to time publish a statement of the responsibilities of schools in respect of the requirements of internal audit, which will be included in the Financial Regulations for Schools.

2.11.5 Governing bodies shall make arrangements for internal audit reports to be considered by at least one nominated governor, who shall bring any relevant recommendation to the attention of the governing body.

2.12 Separate External Audits

2.12.1 Governing bodies may authorise expenditure in their annual budget plan to obtain external audit certification of their accounts, separate from any LA internal or external audit process.

2.13 Audit of Voluntary and Private Funds

2.13.1 Governing bodies shall ensure that annual audit certificates are obtained in respect of voluntary and private funds held by schools and of the accounts of any trading organisations controlled by the school and that such certificates are made available for inspection by the LA.

2.14 Registers of Business Interests

2.14.1 Governing Bodies shall establish a register which lists for each member of the governing body, the head teacher and any member of staff responsible for expenditure, any business interests they or any member of their immediate family have.

2.14.2 Such a register shall be kept up to date with notification of changes and through an annual review of entries.

2.14.3 Such a register shall be made available for inspection by the LA, governors, staff and parents.

2.14.4 Detailed guidance on the maintenance of the register referred to in section 2.13 and other registers of interests in line with good practice in the public sector is contained in the Financial Regulations for Schools.

2.15 Purchasing, Tendering and Contracting Requirements

2.15.1 Schools may purchase from any supplier, providing that they comply with the Financial Regulations for Schools and the provisions of the Procurement Regulations depending on the amount involved.

- 2.15.2 Where relevant, schools shall assess in advance of purchasing or letting contracts the health and safety competence of suppliers or contractors, taking account of the LA's policies and procedures in this regard.
- 2.15.3 Contracts financed from schools' delegated budgets, shall be let in accordance with the provisions of Procurement Regulations relating to contracts. Except where contracts are the responsibility of the governing body of Voluntary Aided schools, governing bodies entering into contracts shall do so on behalf of, and in the name of, the City Council. Governing bodies will be responsible for the proper management of such contracts and for the authorisation of payments. Governing bodies are advised to seek the advice of the Chief Financial Officer before entering into such contracts.
- 2.15.4 Bristol City Council orders shall be used in respect of all goods and services procured by schools, except where other formal arrangements are in place, for example, for the provision of the electricity supply and TWS.
- 2.15.5 No provision of Financial Regulations for Schools and the Procurement Regulations Relating to contracts shall have the effect of requiring schools to:
- (a) do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive;
 - (b) seek LA officer countersignature for any contracts for goods or services for a value below £60,000 in any one year.
 - (c) select suppliers only from an approved list;
 - (d) seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year.

2.16 Application of Contracts to Schools

- 2.16.1 Schools may opt out of contracts arranged by the LA for the supply of goods and services, except where school has agreed to be covered by a contract for a service for which funding was delegated before 1 April 1999, or where a school agreed to be covered by a contract for a service for which funding is delegated after 1 April 1999.

2.17 Central Funds and Earmarking

- 2.17.1 The LA may make revenue funding available to schools from central funds in the form of allocations which are additional to and separate from the schools' budget shares.
- 2.17.2 Such allocations shall be subject to conditions setting out the purpose or purposes for which the funds may be used and allocations may not be assimilated into the school's budget share for the purposes of exercising virement. Schools will be required to demonstrate that this requirement has

been complied with, in accordance with the Financial Regulations for Schools.

- 2.17.3 Schools will be required to return the balance of earmarked funds remaining unspent at the end of the financial year, or within the period over which schools are allowed to use the funding if different.

2.18 Spending for the Purposes of the School

- 2.18.1 Schools may choose to spend their budget share on community facilities or services as prescribed under section 27 of the Education Act 2002.

- 2.18.2 Schools may also choose to spend their allocations on any of the purposes as outlined in the School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2010. These allow schools to spend their budgets on pupils who are on the roll of another maintained school or academy.

2.19 Capital Spending from Budget Shares

- 2.19.1 Governing bodies may use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the SSAF Act.

- 2.19.2 Governing bodies will be required to seek the consent of the LA to proposed capital works to be met from schools' delegated budgets, where the premises are owned by the LA or the school has voluntary controlled status. Consent maybe withheld only on the grounds of Health and Safety.

- 2.19.3 Governing bodies will be required to notify the LA when they determine to devote any part of their delegated budget to capital expenditure.

- 2.19.4 Governing bodies may submit bids in the manner prescribed by the LA for approval for capital expenditure on works to school premises, which would be made by the LA outside the school's delegated budget.

2.20 Notice of Concern

- 2.20.1 Under powers given by the Secretary of State the LA may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Finance Officer and the Service Director Education and Skills, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local authority or the school.

- 2.20.2 Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it.

These may include:

- (i) insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- (ii) insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
- (iii) placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the local authority;
- (iv) insisting on regular financial monitoring meetings at the school attended by local authority officers;
- (v) requiring a governing body to buy into a local authority's financial management systems; and
- (vi) imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

2.20.3 The LA may suspend a school's right to a delegated budget if the provisions of the school financing scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. There is a right of appeal to the Secretary of State. A school's budget share may also be suspended for other reasons (s.17 of the SSAF Act 1998) but in that case there is no right of appeal.

2.21 Schools Financial Value Standard (SFVS)

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

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

2.21.3 All other maintained schools with a delegated budget must submit the form to the LA before 31 March 2013 and annually thereafter

2.22 Fraud

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

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

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

3.1 Frequency of instalments

3.1.1 Where schools make their own payroll arrangements, the LA shall make the total of their budget share available in twelve equal instalments.

3.2 Proportion of budget share payable at each instalment

3.2.1 The relevant sum on which advances under section 3.1.1 shall be calculated in twelve equal instalments for the school allocation less any allocation for National Non-Domestic Rate.

3.2.2 A separate advance will be made in respect of the budget allocation for the cost of the National Non-Domestic Rate for the school.

3.2.3 If a school opens an external bank account the LA must, if the school desires, transfer, immediately to the account an amount agreed by both the school and the LA as the estimated surplus balance held by the LA in respect of the school's budget share on the basis that there will be a subsequent correction when accounts for the relevant year are closed.

3.3 Interest on late budget share payments

3.3.1 The City Council will add interest to late payments of budget share instalments, only where such late payment is the result of City Council error. The interest rate used will be that used for the interest clawback calculations.

3.4 Budget shares for closing schools

3.4.1 Budget shares of schools participating in the cheque book management scheme, where approval for discontinuation has been given, shall be made available on a monthly basis net of estimated pay costs, irrespective of previous arrangements.

3.5 Bank and Building Society Accounts

3.5.1 All maintained schools may have external bank accounts into which instalments of their budget share are paid, subject to the conditions of 3.6.3 being met.

3.5.2 Where schools have such accounts, they shall be allowed to retain all interest payable on the account unless they choose to have an account within an LA contract which makes other provision.

3.5.3 New bank account arrangements may normally only be made with effect from the beginning of each financial year. Application should normally be made

before the end of November before the beginning of the financial year but must be made by the end of January preceding the financial year.

- 3.5.4 Schools may operate bank accounts for budget share purposes which are in the name of the school rather than the LA, but accounts must include the name of the City Council. If the school operates an external account for community facility purposes, the account mandate should not imply that the LA is the owner of the funds in the account except insofar as those funds have been provided by the LA itself.
- 3.5.5 Money paid by the LA and held in such accounts remains LA property until spent as provided for by s.49(5) of the SSAF Act.

3.6 Restrictions on Accounts

- 3.6.1 All banking arrangements must be made with the approval of the Chief Financial Officer.
- 3.6.2 Schools may choose to operate a bank account with any institution approved by the Chief Financial Officer from time to time. A list of at Least 10 approved institutions will be appended to the Financial Regulations for Schools.
- 3.6.3 Schools that currently have a deficit budget may only hold bank accounts at the expressed approval of the LA. Schools holding bank accounts that have failed to demonstrate adequate control measures will also be subject to withdrawal.
- 3.6.4 Any school closing an account used to receive its budget share and opening another must select the new financial institution from the approved list, even if the closed account was not with an institution on that list.
- 3.6.5 The conditions and requirements governing schools maintaining external bank accounts (cash schools) are set out in the Financial Regulations for Schools and are binding on all schools in the scheme.

3.7 Borrowing by schools

- 3.7.1 Governing bodies may only borrow money, other than from the LA, with the written permission of the Secretary of State.
- 3.7.2 Circumstances in which schools may borrow from the LA are prescribed in section 4.10 of this scheme.
- 3.7.3 The restriction on borrowing in section 3.8.1 does not apply to Trustees or Foundations.
- 3.7.4 Debts resulting from the borrowing of Trustees and Foundations may not be serviced directly from schools' delegated budgets, but schools are free to

agree, and pay, a charge for a service which the Trustees or Foundations are able to provide as a consequence of their own borrowing.

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

4.1 Right to Carry Forward Surplus Balances

- 4.1.1 Schools will carry forward from one financial year to the next any surplus or deficit on their budget share for the year plus or minus any balance brought forward from the previous year.
- 4.1.2 Where new schools are opening, particular provisions apply, and the LA may modify the amount of funding to be received by a new school as part of its budget share to assist in setting up the new school, which may reflect the balances of any predecessor schools.

4.2 Controls on Surplus Balances

- 4.2.1 Governing bodies shall consider annually, as part of the budget-setting process, the level of surplus balances they intend to carry forward at the year end.
- 4.2.2 Governing bodies will be required to submit a business plan to the LA on the use which they intend to make of excess balances in cases where the surplus balance exceeds 5% (secondary schools) or 8% (nursery, primary, and special) of the school's budget share at 31 March each year. Schools that fail to submit their plans on how they wish to spend their excess balances will be subject to immediate clawback of those excess balances.
- 4.2.3 Surplus budget share balances held by schools are permitted under this scheme and are subject to the following restrictions:
 - a. the authority shall calculate by 31 May each year the surplus balance, if any, held by each school as the preceding 31 March. For this purpose the balance will be recurrent balance category as defined in the Consistent Financial Reporting Framework;
 - b. the authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance;
 - c. the authority shall deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned and which the authority is satisfied are properly assigned for specific purposes, as follows;
 - 1. Capital spending (see para 2.20).
 - 2. Asset purchase, for example, library re-stocking, furniture and equipment, IT/computer equipment.
 - 3. Review of staffing structures.

To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the authority.

- d. if the results of steps a-c is a sum greater than whichever is the greater of 5% of the current year's budget share (secondary) or 8% (nursery, primary and special), then the Authority shall deduct from the current year's budget share an amount equal to the excess.

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

4.3 Interest on Surplus Balances

- 4.3.1 Schools not maintaining external bank accounts which have a positive average balance will receive interest on their average balance calculated in accordance with section 4.2 up to a maximum average balance of 3% of budget share.

4.4 Obligation to Carry Forward Deficit Balances

- 4.4.1 The LA may not write off the deficit balance of any school.
- 4.4.2 Schools may not plan for a deficit at any point in their three year plan, except with the express approval of the Service Director Education and Skills and the Chief Financial Officer as provided for in Section 4.6 of the scheme.
- 4.4.3 Schools that forecast a deficit in-year having previously set a balanced or surplus budget will be required to apply for approval of the deficit at the point the forecast deficit is identified.

4.5 Planning for Deficit Budgets

- 4.5.1 If a school has a deficit balance at the end of a financial year, such a deficit balance must be carried forward and treated as a charge against the following year's budget share. Schools may not plan to end any financial year with a cumulative (i.e. overall) deficit, except with the express approval of the Service Director Education and Skills and the Chief Financial Officer as provided for in Section 4.9 of the scheme.
- 4.5.2 Schools which fail to submit a recovery plan in the timescales specified will be subject to a Notice of Concern.

4.6 Charging of Interest on Deficit Balances

- 4.6.1 Schools not maintaining external bank accounts which have a negative average balance will be charged interest on their average balance calculated in accordance with section 4.2 where the average balance is above 3% of budget share.
- 4.6.2 The average balance will be calculated as 50% of the sum of the opening balance and the closing balance for the year. Interest will be calculated by multiplying the average balance by the appropriate rate of interest as advised by the Corporate Treasury team.

4.7 Writing Off Deficits

- 4.7.1 Local Authorities cannot agree to write off the deficit balance of any school. However, it may choose to give assistance to the elimination of the deficit balance by allocation of a cash sum from the authority's schools budget (from a centrally held budget specifically for the purpose of expenditure on special schools and pupil referral units in financial difficulty or, in the respect of mainstream maintained schools, from a de-delegated contingency budget where it has been agreed by the Schools Forum).

4.8 Balances of Closing and Replacement Schools

- 4.8.1 When a school closes any balance (whether surplus or deficit) reverts to the authority; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus transfers to an academy where a school converts to academy status under section 4(1)(a) of the Academies Act 2010.

4.9 Licensed Deficits

- 4.9.1 The LA shall make provision for an arrangement whereby, in exceptional circumstances, schools are allowed to plan for a deficit budget in any financial year, funded by the collective surplus of school balances held by the authority on behalf of other schools, including those in schools' external bank accounts and makes express provision for this to be the case, or where the schools concerned have agreed that their balances may be included in the arrangement.
- 4.9.2 Governing bodies of schools with deficits shall agree with the Service Director Education and Skills and the Chief Financial Officer the extent of the recovery of the deficit in each financial year until full recovery is effected. Such agreements shall not cover more than three financial years and shall be reviewed at least annually by the LA.

4.9.3 Where schools are forecasting a deficit budget position then the school is required to make an application for a licensed deficit and to work with the LA to recover the financial position. The LA shall require the provision of information to support the application for a licensed deficit to include (and not limited to)

- At least a three year budget plan that shows the school finances recovering the deficit and returning to surplus within three years (if not sooner)
- Information on all ongoing commitments currently funded from reserves and how these arrangements will cease
- An application for a Licensed Deficit (if your three year plan shows a deficit budget in any year)
- A detailed narrative and supporting documents to explain how the school will return to surplus within the three year period.

4.9.4 Agreements under section 4.9.2 shall not extend beyond 5% of the school's budget share in each of the financial years covered by the agreement.

4.9.5 The maximum proportion of the collective surplus of school balances held by the LA as defined in section 4.9 (1) which may be used to back the licensing of deficits and loans (see section 4.7) by the Service Director Education and Skills and the Chief Financial Officer shall not exceed 40%.

4.10 Loan schemes

4.10.1 Subject to prior approval by the Service Director Education and Skills and the Chief Financial Officer and in the light of the overall spending plans of the LA, schools may incur exceptional expenditure on approved developmental projects in a financial year and fund it over a period not exceeding three years including the year in which the expenditure is initially incurred.

4.10.2 Projects which will be considered for approval will generally be those which seek to make physical improvements or changes to school buildings (eg the creation of a library or resources area) or which involve the procurement of information and communications technology equipment. Schools will be required to submit project plans and to demonstrate that repayment of the loan can be made from their delegated budgets.

4.10.3 Interest at the City's Consolidated Loans Fund Pool Rate estimate for the year of the advance will be charged on an annuity basis in each financial year for which the loan is granted. Schools will not normally be permitted to apply for loans which in total exceed 10% of their budget share for the year of the advance.

4.10.4 Such loan arrangements shall be funded by the collective surplus of school balances held by the LA on behalf of other schools as defined in section 4.9.1 and, together with licensed deficits agreed under section 4.9 such funding shall not exceed 40% of the collective balances.

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SECTION 5: INCOME

5.1 Income from Lettings

- 5.1.1 Schools may retain income from lettings of school premises which would otherwise accrue to the LA as permitted under SSF Act 1998 for various categories of schools, unless subject to alternative provisions made with the Community Education Service, or in respect of any joint use or PFI agreements.
- 5.1.2 Schools may cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to a school's delegated budget.
- 5.1.3 Schools are required to have regard to directions issued from time to time by the LA in respect of use of school premises and shall be required to comply with the provisions for the LA's policy in respect of the provision of community education.

5.2 Income from Fees and Charges

- 5.2.1 Schools shall retain income from fees and charges except where a service is provided by the LA from centrally retained funds, provided such charges are levied in accordance with the LA's charging policy.

5.3 Income from Fund-Raising Activities

- 5.3.1 Schools may retain income from fund-raising activities.
- 5.3.2 Income raised through such activities for specific purposes may only be spent in respect of those purposes.

5.4 Income from the Sale of Assets

- 5.4.1 Schools shall retain the proceeds of sale of assets in accordance with the Financial Regulations for Schools, except in cases where the asset was purchased with non-delegated funds, or the where the asset concerned is land or buildings forming part of the school premises and is owned by the LA.

5.5 Income, generally

- 5.5.1 Schools shall retain all income except in circumstances specified elsewhere in this section.
- 5.5.2 The Chief Financial Officer is responsible for the general control and supervision of administrative arrangements for the collection and recording of all monies due to the Council and schools shall comply with the provisions of the Financial Regulations for Schools in this matter.

- 5.5.3 Income retained by schools may only be spent for the purposes of the school, subject also to the provisions of section 5.3.2.

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SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General Provision for the Charging of School Budget Shares

- 6.1.1 Schools' budget shares may be charged by the LA without the consent of the governing body only in circumstances expressly permitted by the scheme.
- 6.1.2 The LA shall consult schools when they intend to so charge, and shall notify schools when such a charge is made.
- 6.1.3 The LA may not act unreasonably in the exercise of any power implied by this section of the scheme, or it may be the subject of a direction under s.496 of the Education Act 1996 and, in each circumstance, except that covered by section 6.3.1(c), the LA would have to be able to demonstrate that the expenditure now charged to the budget share had necessarily been incurred by the LA.
- 6.1.4 In respect of charges to be made under section 6.3.1(d) and (e), the LA shall establish a procedure for arbitration of disputes over such proposed charges to which governing bodies may have an automatic right of recourse.
- 6.1.5 For the avoidance of doubt, local authorities may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools Forum.

6.2 Charges to Schools for the Costs of School-Based Staff

- 6.2.1 Where payments to staff are made through the LA's payroll system, the LA shall charge to the schools the actual costs of the payments to the staff employed in each school.

6.3 Charges to Schools' Budget Shares

- 6.3.1 The LA may seek to protect its financial position from liabilities caused by the actions or inaction of the governing body by making a charge to schools' delegated budgets without the consent of the governing body equal to the costs incurred by the LA, where:
- a) premature retirement costs have been incurred by the governing body 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);
 - b) the LA has incurred other expenditure to secure resignations and the school had not sought advice and guidance, or followed advice and guidance given by the LA;
 - c) courts or out of court settlements and/or industrial tribunals have made awards against the LA as a result of a governing body not having sought

- advice and guidance, or not having followed advice and guidance given by the LA;
- d) the LA has incurred revenue or capital expenditure in carrying out health and safety work 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 or the work has not been carried out to the required standard;
 - e) the LA has incurred revenue or capital expenditure in making good defects in building work funded by capital spending from schools' budget shares, where the premises are owned by the LA or the school has voluntary controlled status;
 - f) expenditure has been incurred by the LA in insuring its own interests in a school where funding for insurances has been delegated but the school has failed to arrange cover at least as good as that which would have been arranged by the LA;
 - g) a dispute over the monies due from a school for services provided to the school by the LA has been referred to a disputes procedure set out in a service level agreement with the LA and has been resolved in favour of the LA;
 - h) penalties and/or interest have been imposed on the LA by the Board of Inland Revenue, the Contributions Agency, the Teacher's Pensions or HM Customs and Excise as a result of negligence by the school;
 - i) the LA is rectifying errors made in calculating charges to a school's budget share which it is entitled to make and where it can demonstrate to the school that errors were made;
 - j) the school has failed to notify the LA of changes to the length of the school day, or the normal opening days of the school and additional or unnecessary transport costs respectively have been incurred by the LA;
 - k) legal costs which are incurred by the authority because the governing body did not accept the advice of the authority;
 - l) costs of necessary health and safety training for staff employed by the authority where funding for training has been delegated but the necessary training not carried out;
 - m) the LA meets costs or pays compensation as a consequence of a school defaulting on a payment or entering into a contract beyond its powers, such that the contract is of no effect;

- n) cost of work done in respect of teacher pension remittance and records for schools using non LEA payroll contractors, the charge to be the minimum required for the LA to achieve compliance with its statutory obligations;
- o) costs incurred by the LA in securing provision specified in a statement of SEN where the governing body has failed to secure adequate provision despite funds being delegated to do so;
- p) costs incurred by the LA due to submission by the school of incorrect data;
- q) recovery of amounts spent for specific grants on ineligible purposes;
- r) costs incurred by the LA as a result of the governing body being in breach of the terms of a contract;
- s) costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- t) Costs incurred by the authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

SECTION 7: TAXATION

7.1 Value Added Tax (VAT)

- 7.1.1 VAT incurred by schools when spending any funding made available by the LA, whether or not part of the school's delegated budget, and whether or not the school is participating in the cheque book management scheme, is treated as being incurred by the LA and may be reclaimed by the LA under section 33 of the VAT Act 1994, except where the liability for VAT arises as a result of expenditure by the governors of a voluntary aided school when carrying out their statutory responsibilities to maintain the external fabric of their buildings.
- 7.1.2 VAT incurred by schools when spending schools' own funds, for example, income raised by the school, is not treated as being incurred by the LA and is not reclaimable by the LA under section 33 of the VAT Act 1994.
- 7.1.3 Schools shall comply with the requirements of the Financial Regulations for Schools in respect of accounting for VAT, which shall have regard to guidance on VAT rules for schools published by HM Customs and Excise.
- 7.1.4 Schools participating in the LA's cheque book management scheme shall be reimbursed one month in arrears for VAT incurred.

7.2 Construction Industry Scheme (CIS)

- 7.2.1 Schools shall comply with the requirements of the Financial Regulations for Schools in respect of the accounting for CIS.

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

8.1 Provision of Services from Centrally Retained Budgets

8.1.1 The LA shall determine and publish details of the basis on which services, including payment of the costs of premature retirement and redundancy payments, will be provided and payments made to schools.

8.1.2 The LA shall not discriminate in the provision of such services, or the making of such payments, on the basis of categories of schools, except where:

- (a) funding for a particular service has been delegated to some schools only;
- (b) discrimination is justified by differences between categories of schools in respect of their statutory duties.

8.2 Provision of Services Bought Back from the LA to Schools, Funded from Delegated Budgets

8.2.1 Services provided by the LA to schools, funded from delegated budgets, excluding centrally arranged premises and liability insurances, shall be subject to the terms and conditions and service standards published in the catalogue of services to schools published by the LA.

8.2.2 Where the LA is offering services to schools, which they may choose to buy from delegated budgets, the LA shall offer to provide such services in a way which does not unreasonably restrict schools' freedom of choice to buy any or all of the services available, and, where practicable, the LA shall provide such services individually as well as part of a package of services.

8.2.3 The LA may stipulate dates during the year by which time service agreements shall be agreed, and/or by which time, with at least one months notice of the terms of the proposed agreement, schools shall have opted to buy any LA services for the following financial year. If such a date is stipulated, it shall be binding on both the LA and the schools.

8.2.4 The term of any agreement with a school to buy services or facilities from the City Council shall normally be limited to a maximum of three years from the inception of the scheme or the date of the agreement, which ever is the later, and periods not exceeding five years for any subsequent agreement relating to the same services. In respect of catering contracts these dates can be five and seven years respectively.

8.2.5 When a service is provided for which expenditure is not retained centrally by the City Council under the Regulations made under section 45A of the Act, it must be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total costs of the service must be met by the total income, even if schools are charged differently.

8.3 Packaging

- 8.3.1 Services offered by the LA should not restrict a schools freedom of choice in being able to select individual services as required. Packages of services may be offered which allow schools a discount but authorities should offer these alongside the option to be individual packages.

8.4 Service Level Agreements

- 8.4.1 Service Level agreements must be in place at least 3 months prior to the following financial year. Schools must have a minimum of one month to consider the terms of agreement.
- 8.4.2 Services or facilities provided under a service level agreement must allow for the terms of the agreement to be reviewed at least every three years from its inception.
- 8.4.3 Services offered by the Local Authority will be available on a basis that is not related to an extended agreement.

8.5 Teachers Pension

- 8.5.1 In order to ensure that the performance of the duty on the authority to supply Teachers Pensions with information under the Teachers Pension Regulations 1997, the following conditions are imposed on the authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares.
- 8.5.2 The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the authority to provide payroll services.
- 8.5.3 A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the authority to provide payroll services, shall ensure that any such arrangement or agreement is varied to require the person to supply salary, service and pensions data to the authority which the authority requires to submit its annual return of salary and service to Teachers Pensions and to produce its audited contributions certificate. The authority will advise schools each year of the timing, format and specification required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the schools budget share.
- 8.5.4 A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the authority which the authority requires to submit its annual return of salary and service to

Teachers' Pensions and to produce its audited contributions certificate. The authority will advise schools each year of the timing, format and specification required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the schools budget share.

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SECTION 9: PRIVATE FINANCE INITIATIVE (PFI)/PUBLIC PRIVATE PARTNERSHIP (PPP)

9.1 PFI/PPP Contracts

- 9.1.1 PFI schools will continue to be funded through the formula in the same way as other schools. However, contract charges will be charged against their delegated budgets for items such as repairs and maintenance, grounds maintenance, utilities, caretaking, cleaning and other costs met by the PFI contractor.
- 9.1.2 The City Council has produced an agreement for each PFI school. This deals with the reaching of agreement with Governing Bodies of schools on the basis of project contract charges and the treatment of monies withheld from contractors due to poor performance.

SECTION 10: INSURANCE

10.1 Insurance Cover

- 10.1.1 Except where the responsibility for the insurance of the buildings lies with the governing body of a Voluntary Aided school, the LA centrally provides insurance cover for the risks set out in the Insurance Schedule provided by the Chief Financial Officer, either by way of external insurance or an internal insurance fund.
- 10.1.2 Schools are free to arrange and fund from their delegated budgets additional insurance cover beyond that set out in the Insurance Schedule.
- 10.1.3 If funding for insurances is delegated to any school, the school shall demonstrate to the satisfaction of the Chief Financial Officer, at the time that application for delegation of funding is made, that cover relevant to an LA's insurable interests, under a policy to be arranged by the governing body, is at least as good as the relevant minimum cover arranged by the LA and is sufficient to protect the LA's interests.

SECTION 11: MISCELLANEOUS

11.1 Right of Access to Information

11.1.1 Schools shall allow the LA access to all accounting records, financial or other information and documents which might reasonably be required to enable the LA to satisfy itself as to the management of the school's delegated budget or other funding made available to the school.

11.2 Liability of Governors'

11.2.1 School governing bodies are corporate bodies, and under the terms of s.50(7) of the SSAF Act, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget provided they act in good faith.

11.2.2 The LA shall arrange for appropriate insurance cover to be provided to insure the LA and governing bodies against liability for negligence in the discharge of their functions in respect of schools.

11.3 Governors' Expenses

11.3.1 Only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget. Schools may not make payment of any other allowances.

11.3.2 The LA shall determine and publish from time to time a schedule of allowances which it believes may be reasonably paid.

11.3.3 Schools may not pay expenses to governors which duplicate those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

11.3.4 The LA may delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses, which shall be paid in accordance with the schedule referred to in section 11.3.2.

11.4 Responsibility for Legal Costs

11.4.1 Where the costs of legal actions, including costs awarded against the LA, incurred by governing bodies fall to be met by the LA by virtue its statutory responsibility to maintain the school, the LA may require them to be met from the school's budget share, unless:

(a) the governing body has acted in accordance with written advice provided by the LA, or

(b) the costs are incurred relate to the statutory responsibility of governing bodies of Voluntary Aided schools for buildings.

11.4.2 Governing bodies may obtain their own legal advice where there may be a conflict of interest between the LA and the governing body. Unless agreed by the LA in advance, the costs of obtaining such advice shall be borne by the school.

11.5 Health and Safety

11.5.1 In expending schools' delegated budgets, governing bodies shall have due regard to duties placed on the LA in relation to health and safety.

11.5.2 Governing Bodies are required to adopt the LA's policy on Health and Safety, as set out in the LA's Health & Safety Manual for schools, and where that policy does not cover all circumstances fully, Governing Bodies shall establish their own policies.

11.5.3 Governing bodies are required to ensure that their statements of safety policy adequately cover the responsibilities of Governors.

11.6 Right of Attendance for Chief Financial Officer

11.6.1 Under Section 151 of the Local Government Act 1972, the Chief Financial Officer is responsible for the probity and regularity of all the City Council's financial activities.

11.6.2 The Chief Financial Officer, or his/her representative, shall have the right to attend meetings of Governing Bodies for specific agenda items only under which he/she may give advice and report on major financial matters in respect of his/her responsibilities under s151 of the Local Government Act 1972. The Chief Financial Officer will determine which particular financial issues must be reported to a governing body.

11.6.3 The LA shall give schools notice of the proposed attendance of the Chief Financial Officer, or his/her representative, unless it is impractical to do so.

11.7 Special Educational Needs

11.7.1 Schools shall use their best endeavours in spending their delegated budgets to ensure that adequate provision is secured for pupils with special educational needs, whether or not they are covered by a statement of special educational need.

11.8 Whistleblowing

11.8.1 The City Council has relevant procedures to be followed by persons working at a school or school governors who wish to complain about financial

management at the school. Governing bodies should ensure that the procedures are readily available at the school.

11.9 Child Protection

11.9.1 Schools are reminded of the need to release relevant staff to attend child protection case conferences and other related events.

11.10 Redundancy / Early Retirement Costs

11.10.1 Premature retirement and redundancy costs will be funded in accordance with the 2002 Education Act. Further guidance is provided in Annex 2.

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

- 12.1.1** Governing bodies of all schools will be responsible for the revenue repairs and maintenance responsibilities. The definition of capital expenditure for these purposes is that used by the City Council in line with the CIPFA Code of Practice on local authority accounting.
- 12.1.2** Items under a de-minimus value of £2,000 will be deemed to be revenue expenditure and may not be charged to capital budgets unless they are part of a scheme identified in the schools asset management plan which in total exceeds £2,000.
- 12.1.3** For voluntary aided schools the liability for repair and maintenance of funds is the same as for other maintained schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de-minimus value applied by DfE to categorise such work, not the de minimus level limit used by the authority.

SECTION 13 : COMMUNITY FACILITIES POWER AND COMMUNITY BASED EXTENDED SCHOOLS PROVISION

13.1 Introduction

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

(a) those contained in schools' own instruments of government, if any;

and

(b) in the maintaining LA's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools. This section of the scheme does not extend to joint-use arrangements; transfer of control agreements, or agreements between the Authority and schools to secure the provision of adult and community learning.

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

13.2 Consultation with LA - Financial Aspects

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

13.2.2 Governing bodies are required to provide a full account of all various aspects of their application a term before the commencement of community facilities.

13.2.3 The Authority must provide advice to schools in a reasonable timescale so as not to prejudice the timely commencement of the community facility. Governing bodies are required to advise the authority on the actions taken following advice.

13.3 Funding Agreements - LA Powers

13.3.1 The provision of community facilities may be dependent on the funding agreement with a third party which will either be to supply the funding or to supply both the funding and some active part in providing the provision of the service

13.3.2 The Authority requires that any third party funding agreement in respect of community facilities should be submitted for comments. This should be provided within the timescales set out by the Authority so long as these are deemed appropriate. The Authority does not have a power to veto these agreements. However, if an agreement has been or is to be concluded against the wishes of the Authority, or has been concluded without informing the Authority, which in the view of the Authority is seriously prejudicial to the interests of the school or the Authority, it may constitute grounds for suspension of the right to a delegated budget.

13.4 Other Prohibitions, Restrictions and Limitations

13.4.1 Governing bodies that make use of their community facilities power shall make arrangements to protect the financial interest of the Authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project, as specified by the Authority.

13.4.2 Governing bodies that make use of their community facilities power are subject to limitations in the scheme for financing schools and the safeguarding of the financial position of the Authority and school.

13.5 Supply of Financial Information

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

13.5.2 If the Authority believes there to be cause for concern as to the school's management of the financial consequences of the community facilities power, a financial statement is required to be supplied every three months and a recovery plan for the activity.

13.6 Audit

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

13.6.2 Schools are required, when concluding funding arrangements with other persons pursuant to the exercise of the community facilities power, to ensure that such agreements contain adequate provision for access by the Authority

to the records and other property of those persons held on the school premises, or held elsewhere insofar as they relate to the activity, in order for the Authority to satisfy itself as to the propriety of expenditure on facilities in question.

13.7 Treatment of Income and Surpluses

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

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

13.8 Health and Safety Matters

13.8.1 The responsibilities of governing bodies with regard to duties placed by the Authority in relation to Health and Safety are extended to the community facilities power.

13.8.2 The governing body is responsible for the costs of securing Criminal Records Bureau clearance for all adults involved in community activities taking place during the school day. Governing bodies are free to pass on such costs to a funding partner as part of an agreement with that partner.

13.9 Insurance

13.9.1 The governing body is responsible to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, having taken professional advice as necessary. Such insurance should not be funded from the school budget share. The Authority's advice must be sought before any arrangement for community facilities is finalised.

13.9.2 The Authority has the right to undertake its own assessment of the insurance arrangements made by a school in respect of community facilities. If the Authority judges insurance arrangements to be inadequate, arrangements will be made by the Authority and charged to the school, but not the school's budget share.

13.10 Taxation

13.10.1 Schools must seek advice from the Authority and local VAT office on any issues relating to possible imposition of Value Added Tax on expenditure in connection with community facilities, including the use of the Authority's VAT reclaim facility.

13.10.2Schools are liable for payment of income tax and national insurance, in line with Inland Revenue rules, for any member of staff employed by the Authority or school in connection with community facilities, from the school's own bank account.

13.10.3Schools must follow advice in the scheme for financing schools in relation to Construction Industry Scheme where it is relevant to the exercise of community facilities powers.

13.11 Banking

13.11.1Schools are required to either maintain separate bank accounts for budget share and community facilities, or to have one account but with adequate internal accounting controls to maintain separation of funds. Schools can utilise Authority bank accounts which would permit adequate separation of such funds. However in the case of a bank account which is used by the school in connection with community facilities (whether or not the account also contains funds from the school's budget share), the account mandate should not show the Authority as the owner of the community facilities funds in the account except insofar as these funds have been provided by the Authority itself.

13.11.2Schools may choose to operate a bank account with any institution approved by the Chief Financial Officer. A list of approved institutions is contained in the Financial Regulations for Schools.

13.11.3Schools may not borrow money for the exercise of community facilities powers without the written consent of the Secretary of State.

ANNEX 1

INFANT, JUNIOR AND PRIMARY SCHOOLS MAINTAINED BY THE LOCAL AUTHORITY ON 1 APRIL 2017

DfES

No.

2001	Brunel Field Primary School
2002	Cheddar Grove Primary
2003	Ashley Down Primary School
2004	Ashton Gate Primary School
2005	Ashton Vale Primary
2006	Nova Primary School
2010	Fonthill Primary School
2018	BROOMHILL JUNIOR SCHOOL
2019	St Werburgh's Primary School
2020	Chester Park Junior School
2021	Chester Park Infant School
2023	Hillcrest Primary
2027	Shirehampton Primary
2028	Two Mile Hill Primary School
2037	Glenfrome Primary School
2041	Henleaze Infants
2052	Luckwell Primary School
2069	St Anne's Infants'
2073	Sefton Park Infant
2074	Sefton Park Junior School
2079	Southville Primary School
2081	Summerhill Infant School
2086	Upper Horfield Community
2098	Holymead Primary School
2099	Headley Park Primary
2105	Perry Court Primary School
2109	Brentry Primary
2115	Broomhill Infant School
2130	Wansdyke Primary School
2138	Elmlea Infants' School
2139	Cabot Primary School
2299	Hannah More Primary
2312	Bishop Road Primary School
2314	Blaise Primary & Nursery School Compass Point South Street School & Children's
2320	Centre
2326	Fair Furlong Primary School

- 2327 May Park Primary
- 2328 Whitehall Primary School
- 2336 Millpond Primary School
- Badock's Wood Primary School and Children's
- 2338 Centre
- 3000 Avonmouth C. E. Primary School
- 3008 Horfield CEVC
- 3010 St Barnabas C.E.V.C Primary
- 3013 St George Cof E VC Primary
- 3014 St John's Primary School
- 3016 St Mary Redcliffe Primary
- St Michael's on the Mount Church of England
- 3018 Primary
- 3400 School of Christ the King
- 3401 Holy Cross R.C. Primary School
- 3402 SS. Peter & Paul R.C. Primary
- 3403 St Bernard's Catholic Primary
- 3405 St Joseph's Catholic Primary
- 3412 Our Lady of the Rosary Primary
- 3413 St. Pius X RC Primary School
- 3415 St Bernadette RC Primary
- 3417 St Bonaventure's Catholic Primary School
- 3433 Stoke Park Primary School
- 3437 Bridge Farm Primary School
- 3438 Knowle Park Primary School
- 3439 Sea Mills Primary School
- 3440 Victoria Park Primary School
- 3441 Air Balloon Hill Primary School
- 3442 St Peter's Church of England Primary

SECONDARY SCHOOLS

- 4030 Ashton Park Secondary
- 4801 St. Bernadette Catholic Secondary
- 4603 St. Mary Redcliffe & Temple Secondary

SPECIAL SCHOOLS

- 7042 Briarwood Special
- 7001 Bristol Gateway Special
- 7011 Claremont Special
- 7000 Elmfield School for Deaf Children
- 7002 Kingsweston Special
- 7014 New Fosseway Special
- 7015 Notton House Special
- 7025 Woodstock Special

NURSERY SCHOOLS

1003 Filton Avenue Nursery
1016 Hartcliffe Children's Centre
1005 Ilminster Avenue Nursery
1012 Knowle West Early Years Centre
1015 The Limes Nursery
1004 Little Hayes Nursery
1014 Redcliffe Early Years Centre
1007 Rosemary Nursery
1009 Speedwell Nursery
1002 St Phillips Marsh Nursery
1011 St Werburghs Park Nursery

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Annex 2

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 local authority's 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 local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. 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 authority's policy, then it would be reasonable to charge the excess to the school
- If a school is otherwise acting outside the local authority's policy

- Where the school is making staffing reductions which the local authority 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 local authority's redeployment policy

Charge of premature retirement costs to local authority 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. Costs may not exceed the amount budgeted in the previous financial year.

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

A de-delegated contingency could be provided, if 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 agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

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

Bristol Schools Forum
High Needs Block Update

Date of meeting:	28 th March 2017
Time of meeting:	6.15 pm
Venue:	City Hall

1. Purpose of report

To update Schools Forum on the implementation of measures to reform the approach to Top Up funding and other High Needs spend.

2. Recommendations

2.1 To note the current budget forecast for the High Needs budget for 2016/17 and 2017/18

2.2 To note progress on measures already taken to reduce spend

2.3 To seek Forum's views on BCC's recommendations to reduce spend in 2017/18:

2.3.1 Further review Special School/PRU and Resource Base funding in relation to national benchmarking and introduce revised funding model for September 2017. Work is underway to model a new approach to funding special schools to take account of 'core costs' to run a particular school and then revise the top up allocated to individual pupils.

2.3.2 Review the protocols and processes for top up for pupils with no EHCP.

2.3.3 It is recommended that work takes place to review the GFE Top Up approach in line with modelling carried out last year for mainstream Top Up. i.e create common funding assumptions for top up costs.

2.3.4 Further review the Secondary BIP model with Secondary Headteachers to reduce the number of commissioned Alternative Learning commissioned places

2.3.5 Further review the BIP model to include placements in Hospital Education service and clarify charging arrangements

2.3.6 Introduce a charging model for Primary exclusions and placements into Early Intervention Bases or PRUs. Removal of AWPU for permanent exclusions is recommended to be introduced from 1st April with a more complete charging system in place from 1st September.

2.3.7 Carry out a re-commissioning process for specialist placements including those currently outside of existing contracts. The use of a Dynamic Purchasing System is expected to reduce costs.

3. Progress on mitigating actions previously agreed:

3.1 Inclusion Reference group: This group last met on January 26th. The notes of the last meeting are attached in Appendix A. We are proposing to create three task & finish groups:

1. Inclusion Audit – This group will track the audit from inception through to completion, analyse outcomes and feedback from education settings and schools and report to the IRG. It is anticipated that this group will be ongoing however for the purposes of the SEND inclusion audit this year, 3 further meetings this year will be planned to report to IRG in June/July 2017.
2. SEND process and Top Up - With the embedding of the Children and Families Act and further Government changes to High Needs and schools/ early years funding this working group will focus on processes and paperwork to make sure SEND processes follow the graduated approach and ensure that Top Up applications and decision making runs as smoothly as possible. This group will report to the IRG and meetings will be held monthly. It is anticipated this will be an ongoing working group that the IRG can utilise for specific relevant projects.
3. Bristol's Access Strategy - All schools must have an Accessibility plan linked to the Local Authority Accessibility Strategy. This is a requirement of the Equality Act 2010. This group will refresh Bristol's Access Strategy and support inclusion. This strategy will inform School's individual accessibility plans. This group will report to the IRG and will have 6 meetings to complete this piece of work.

3.2 Reducing Exclusions: Alternative provision block contracts and a quality assurance framework has been put in place since July 2016. A new panel system for secondary schools (BIP- Bristol Inclusion Panel) for considering young people at risk of exclusion and to support the Fair Access has been introduced and a new charging system has been agreed when exclusions occur. The target reduction in permanent exclusions was set at 75% by the end of the academic year 2017. There have now been 13 BIP panels. There have been 6 permanent exclusions from secondary schools (2 out of Bristol schools but, to date, 93 students have moved into a new education establishment. The Fair access protocol has supported more young people moving back into mainstream education and we have also seen an increase in school to school negotiated transfers. The use of Alternative Provision remains high, and subsequent agreement with secondary schools to contribute funding annually towards these costs have been agreed.. The income from secondary school contributions is forecast to be £450k. Work is still progressing with Primary colleagues to pilot a similar approach at Primary level and 3 Early Intervention Bases (EIB's) have been set up as part of the re-commissioning plan to support young people who may be at risk of exclusion. There is one base in each area currently. The re-commissioning plan identified the need for 2 bases in North and East/ Central and 3 in South.

A workshop has taken place in South Bristol to develop the model further and workshops will take place in the coming months. These discussions include options for financing the EIB's. This current academic year has seen an increase in primary permanent exclusions (15) with 10 of these from south schools. This is adding pressure to the pilot EIB's and to additional spend in the HNB (c£110,000 at this point)

4. Budget Monitor

4.1 The table below sets out the 2016/17 budget and forecast outturn and an indicative budget for 2017/18 with a forecast based on taking no further mitigating actions.

	Forecast Outturn for 2016/17			Forecast Outturn for 2017/18			
	Revised Budget	Forecast Outturn	Draft Variance	Draft budget	Projected forecast	Projected variance	
	£000	£000	£000	£000			
Core Place funding	11,471	11,252	(218)	Core Place funding	11,900	11,900	0
Top up (Bristol Schools)	18,895	20,056	1,161	Top up (Bristol Schools)	18,889	20,897	2,008
OLA Top Up	1,198	1,474	276	OLA Top Up	1,198	1,198	0
GFE Top Up	948	1,763	815	GFE Top Up	1,580	1,836	256
Placements	4,776	6,478	1,702	Placements	4,976	6,117	1,142
ALN commissions & Block Contracts	2,420	2,327	(93)	ALN commissions & Block Contracts	2,165	1,989	(176)
Commissioned contracts	779	758	(21)	Commissioned contracts	558	558	0
SEN Equipment & Therapies	517	509	(8)	SEN Equipment & Therapies	404	404	0
Schools in Financial Difficulty	400	400	0	Schools in Financial Difficulty	300	300	0
ALP/Hope Virtual school Staffing	1,528	1,130	(398)	ALP/Hope Virtual school Staffing	1,330	1,330	0
Total	42,931	46,147	3,217	Total	43,299	46,529	3,230
Projected position 16/17			Projected position 17/18				
Estimated outturn for 16/17			46,147	2017/18 budget			45,199
Budget 16/17			42,931	Top slice £1.9m (15/16 overspend)			- 1,900
Forecast Overspend for 16/17			3,217	Remaining (in year) budget 17/18			43,299
Overspend carry forward from 15/16			1,894	Forecast expenditure (in year) 17/18			46,529
Est outturn overspend 16/17			5,111	Forecast Outturn (in year) 17/18			3,230
Use of growth fund to offset 15/16 overspend			(1,000)	Carry forward overspend of 4,111 from 16/17 less 1.9m top slice from 17/18 budget			2,211
Est outturn overspend 16/17 to carry forward			4,111	17/18 Outturn including c/f overspend from 16/17			5,441

4.2 Deficit carry forward: The financial forecast above indicates that the current forecast is an in-year overspend of £3.2m in addition to the deficit carry forward from 2015/16 of £1.9m. There is a forecast surplus on the Growth Fund for 2016/17 and it is recommended that this surplus be used to mitigate the overspend on High Needs in 2016/17. This would leave a total deficit of c £4.111m at the end of this year.

4.3 In order to demonstrate to the EfA that we are seeking to address this deficit, it is proposed that last year's £1.9m deficit carry forward is top-sliced from the

2017/18 budget. The budget expected for High Needs for 2017/18 is £45,199,120. Top slicing the 2015/16 deficit will leave a budget for 2017/18 of £43,299,000.

4.4 The forecast for 2017/18 above assumes no further mitigations are taken. The commentary below gives more detail on each budget line and proposes a number of further mitigation options. The target for funding reductions for 2017/18 needs to, at least, ensure no increase in the net deficit of £4.111m by the end of the financial year. This is estimated as a saving of £1.3m

4.5 Failure to address the underlying budget pressures on the High Needs block could lead to the Local Authority transferring significant further funding from the Schools Block to the High Needs block in 2018/19. The proposals below should be read in that context.

5. Commentary on proposed High Needs budget 2017/18:

5.1 Core Place Funding: This funds the core places at specialist provision. There are currently 738 pupils in Special Schools and 172 pupils in Resource Bases.

5.2 Top Up: This funds top up in specialist provision and mainstream schools.

Sector	Number of Pupils	Cost
Bristol Mainstream	1026	£3.66m
Resource Bases	176	£1.60m
Special Schools	738	£13.54m
PRUs	105	£1.2m

The average increase in cost as a result of a Top Up panel process is an additional £500k.

Following discussions at the last Inclusion Reference group the following options could reduce the spend on top up:

5.2.1 Further review Special School/PRU and Resource Base funding in relation to national benchmarking and introduce revised funding model for September 2017. Work is underway to model a new approach to funding special schools to take account of 'core costs' to run a particular school and then revise the top up allocated to individual pupils. A further saving of 5% would equate to a saving of c£300k next year.

5.2.2: Remove Band 1 & 2 funding from primary schools, in line with removal from secondary schools this year. This could save an estimated £200k. However, given the recent reductions in mainstream top up, BCC does not recommend this option.

5.2.3: Reduce to one top up application round per year with the opportunity to apply for funding outside the main application round only for new arrivals. In theory, this could reduce spend by c£500k but it is likely to shift costs to the next available top up round. This option is not recommended by BCC.

5.2.4: Review the protocols and processes for top up for pupils with no EHCP. This task should be referred to the Top Up task group within the Inclusion Reference Group.

5.3 General Further Education Top Up: This funds top up for Post 16 students. In line with the SEND legislation, there is an increase in the number of students remaining in education post 16.

Year	2014/15	2015/16	2016/17
No. of Students	174	247	366

Of the 366 students this year, 248 are 16-18 year olds and 118 are post-19.

5.3.1 It is recommended that work takes place to review the GFE Top Up approach in line with modelling carried out last year for mainstream Top Up. i.e create common funding assumptions for top up costs.

5.4 Out of Local Authority Placements: This funds placements for young people placed in specialist provision outside of Bristol.

5.5 Placements: A key element of this budget is the placement costs for Alternative Learning placements in addition to the block ALP contracts. The introduction of the Bristol Inclusion Panels has significantly reduced the number of permanent exclusions from Secondary Schools. However, the allocation of students to Alternative Learning placements has been increasing. Whilst schools now contribute to these placements for each year of the placement, there is still a strain on the placement budget. The Secondary Headteachers have now agreed to make a contribution to each year of a placement. This will increase the income on this budget.

No. of pupils in ALP	169
No. of pupils in block contracts	50
Cost of Primary spot purchases	£389,000
Cost of Secondary spot purchases	£820,000
Cost of Post 16 spot purchases	£248,000
Contribution from secondary schools	£327,500

5.5.1 Further review the Secondary BIP model with Secondary Headteachers to reduce the number of commissioned Alternative Learning commissioned places

5.5.2 Further review the BIP model to include placements in Hospital Education service and clarify charging arrangements

5.5.3 Introduce a charging model for Primary exclusions and placements into Early Intervention Bases or PRUs. Removal of AWPU for permanent exclusions is recommended to be introduced from 1st April with a more complete charging system in place from 1st September.

5.5.4 Carry out a re-commissioning process for specialist placements including those currently outside of existing contracts. The use of a Dynamic Purchasing System is expected to reduce costs.

5.6 Commissioned Contracts: This is the funding for the statutory support from Inclusion services. The commissioning levels have remained constant despite an increase in demand due to the new EHCP processes and new Post 16 responsibilities.

5.7 SEN equipment and therapies: This funds adaptations and support as agreed in EHCPs.

5.8 Schools in Financial Difficulty: This provides one off funding for Special Schools or PRUs with a deficit and agreed three year recovery plan. It is proposed to reduce this fund by £100k for next year.

5.9 Core Staffing: This funds the core team in Specialist Education & Access and the Hope Virtual School. In 2017/18 there are proposed savings of £200k on this budget due to staff efficiencies.

6. High Needs Grant Strategic Planning Grant:

6.1 The Government has allocated a one off grant to each Local Authority. The guidance states: "Local authorities can use this fund to carry out a strategic review of their high needs provision. We ask that local authorities prioritise this review and planning activity, working with schools, colleges and other providers, and with parents and young people.

We anticipate that local authorities will use the funding provided to increase their capacity so that their review and planning of special provision is high-quality and collaborative, where appropriate undertaken jointly with neighbouring authorities. Where such review and planning work has already been undertaken along the lines envisaged, this fund can be used to help implement the outcomes of the reviews. Local authorities should publish the outcomes of these reviews in the form of strategic plans to demonstrate transparency and accountability."

6.2 The allocation for Bristol is £185,602. We propose to use this fund to create capacity to:

- Work with WoE Authorities on a strategic plan for specialist provision, including post 16 and post 19
- Complete the review of Special School, PRU and Resource Base funding
- Pilot the development of area and phase based Specialist Leaders in Inclusion
- Benchmark all High Needs spend against core city and national data

- Create a strategic plan and associated performance report

7. Glossary of Terms

LA	Local Authority
SEND	Special Educational Needs and Disability
PRU	Pupil Referral Unit
AP	Alternative Provision

DRAFT



Appendix A: Inclusion Reference Group

MINUTES

<i>Meeting</i>	<i>Date</i>	<i>Time</i>	<i>Location</i>
Inclusion Reference Group	26/1/2017	3.30pm	City Hall
Attendees			
Paul Jacob (Chair), Annette Jones, Victoria Duke (Children in Care), Aileen Morrison (St Matthias PRU), Deborah Barkham (Millpond), Liz Jenkins (St.Werburgh's Park), Alex Bacon (Nova Primary), Cerew Bradford (Henbury Secondary), Tracy Jones (Bannerman), Melody Cote (Holymead Primary), Karen Gill (Parson Street), Peter Evans (Notton House),			
Apologies		CC	
		Christa Garnette (cgarnettbristol@gmail.com)	

Agenda Items

- Introductions and Minutes
- High Needs Block
- Inclusion Audit
- Inclusion Reference Group TOR
- SEND Ofsted & CQC Inspection

Agenda Item	Discussion Points/ Outcomes & Actions
1.	Minutes
2	<p>High Needs Block Presentation from Paul Jacob. The presentation covered the new funding formula and the nine factors that would decide how high needs funding is spent</p> <p>2018/2019 is a transition year, there is a cap on gains and losses After that funding will follow the national formula</p> <p>The need to respond to the National Consultation on the proposed school</p>

Agenda Item	Discussion Points/ Outcomes & Actions
	<p>national funding formula to make sure Bristol's perspective is seen nationally was raised. Paul encourages all schools and citizens to respond. Action: presentation to be emailed to the group</p> <p>HNB Budget info Annette distributed the Forecast Outturn for 2016/2017 that has previously been discussed at Schools Forum for IRG members.</p> <p>Request for more detail around income, in particular the reduction compare to previous years.</p> <ul style="list-style-type: none">• Additional numbers in top up vs additional amount per pupil• Information about top up banding (e.g. whether there is an increase in requests for higher bandings).• Breakdown of large budget <p>Question: What is the expectation of the Inclusion Reference Group in looking at the budgets?</p> <p>To</p> <ul style="list-style-type: none">▪ help make decisions about where further reductions would be best made to bring the High Needs Budget into line with minimum impact.▪ how schools apply for Top Up <p>Discussion: do BUDS need to be reviewed ? No conclusion at this point.</p> <p>Question: What happens with the data from Nursery Schools to inform planning into secondary? The data helps to do place strategic specialist place planning. Transitioning from nursery to primary settings.</p> <p>Question: will Resource base funding stay the same? High Needs Block funding consultation suggests there will be changes to resource bases funding, moving away from place funding</p> <p>Top up Annette introduced detailed information on the Top Up spend. There was an increase in the numbers in the higher Top Up bands. 114 requested additional costs were downgraded.</p> <p>Discussion over how the Inclusion Audit might support schools to think about what they need to be doing. Also whether Schools should be held more accountable to having two terms of evidence before publishing. Discussion</p>

Agenda Item	Discussion Points/ Outcomes & Actions
	<p>about whether looking at how Early Years Top Up is administered could be useful.</p> <p>Discussion over whether Top Up paperwork is standardised enough. Annette invited interest in whether there would be a sub group willing to look at standardised paperwork for Top up and Top Up administration. Action: Invite to join an Inclusion Reference Sub Group with a focus on Top up. Group also to look at Top Up values.</p> <p>Discussion over whether the May Top Up Panel needs to happen. Concerns over whether children at transitions would be disadvantaged. Questions over whether that would affect schools which were gathering two terms worth of evidence.</p>
	<p>Inclusion Audit Nakita presented the new Inclusion Audit. Group agreed it was better than the last version. Action: Email draft Inclusion Audit letter to Group</p>
	<p>Inclusion Reference Group TOR Action: To be emailed to the Group Annette talked about the governance and structure of the collaboration of the Local Area. The group agreed the diagram was useful and should be included in the Terms of Reference.</p>
	<p>SEND Ofsted & CQC Inspection Action: The presentation from Annette to be emailed to the Group.</p>

Bristol Schools Forum
Early Years Funding Consultation

Date of meeting:	28 th March 2017
Time of meeting:	6.15 pm
Venue:	City Hall

1. **Purpose of report:** To share the outcome of the Early Years National Funding Formula consultation

2. **Recommendations:** To endorse the consultation recommendations

3. **Background:**

In February and March 2017, Bristol City Council invited current providers of the Free Entitlement (Private, Voluntary and Independent Nurseries, Childminders, Children's Centres, Nursery Schools and Nursery Classes of Maintained Schools and Academies) to take part in a consultation about the Early Years National Funding Formula and 30 Hours Free Childcare.

117 providers responded to the on-line questionnaire and 159 early years practitioners from 113 different providers attended the briefing sessions which were held across the city

Key Findings:

- The majority of providers (92%) are planning to continue to offer Free Early Education places for eligible two year olds.
- Most providers are considering delivering the 30 Hours Free Childcare (89%) and 97% will continue to deliver the 15 hours.
- 50% of providers have the capacity to expand their provision to provide 30 Hours Free Childcare
- Bristol currently caps the daily FEEE claim to six hours a day, but this limit will be removed from September 2017 to allow providers to claim up to the national maximum of 10 hours in any one day. Providers are permitted to limit the number of hours they offer freely each day as part of their offer, as long as they are able to deliver the full free entitlement (universal and/or extra) fairly to all children.
- There is currently a large variation in the hourly rates paid by parents, and whilst this is due to a number of factors (e.g. the size of the provision, the qualification levels of staff etc.) it is vital that all providers know what their 'hourly cost' is and that any additional charges (e.g. lunches, snacks, trips) are excluded from this rate when reporting charges.
- Given the broad support for the proposed FEEE rates (61%), we will commence with the following with effect from 1st April 2017 for all providers:

- For 3 and 4-Year-Olds the base rate will be £4.87 per hour per child (+ £0.15 per hour child transitional funding) for 2017/2018
- For Eligible 2-Year-Olds the base rate will be £5.40 per hour per child
- Respondents were asked which of the following non-mandatory supplements to the base rate should be included and why?
 - Quality
 - Flexibility
 - Rurality
 - EAL

The DfE recommends that a minimum of 70 responses are the minimum requirement for a viable consultation and as responses to EAL, Rurality and Flexibility fell below this number they will not be included.

92% of providers were in favour of implementing the Quality Supplement so Bristol will include this non-mandatory supplement.

- The EYNFF Operational guidance (p.14) states that ‘a quality supplement is permitted to either:
 - Support workforce qualifications, or
 - Support system leadership (supporting high quality providers leading other providers in the local area)’

As the majority of Bristol providers employ an Early Years practitioner qualified to graduate level and the base rate will be increased to support this cost, the Quality Supplement will be used to ensure that all early years settings and schools are able to access free ongoing support to implement the Early Years Foundation Stage statutory framework. Every school and setting (including childminders) will receive ongoing support from an experienced Lead Teacher as part of Bristol’s systems leadership approach and additional support from a Specialist Leader of Education where a need has been identified. Specialist Leaders will provide additional expertise for settings on:

- Early language and Communication
- Early Maths
- Birth to Threes
- Family Support
- Inclusion and SEND
- Assessment and Transition
- Equalities and EAL
- 90% of respondents agreed that the Income Deprivation Affecting Children Index (IDACI) should be used as the metric to measure deprivation

- 94% of respondents agreed that the current referral process for children with emerging SEN should continue.

Next Steps:

- The new Early Years Funding Formula (EYNFF) will commence from 1st April 2017.
- The 30 Hour Free Childcare for working parents will commence from 4th September 2017
- To support providers and parents, documents will be made available during the Summer 2017 term giving clear instructions on the changes coming into effect through the new Statutory Guidance. This will include EYR1 Parental Declaration forms.
- An updated EYR7a Local Provider Agreement will be sent to all providers now that the Model Agreement has been published by the Department for Education so that we will know which providers will be offering 30 Hours Free Childcare.
- Using some of the information gleaned from this consultation, Bristol City Council is working on updating its Childcare Sufficiency data and will share this with providers as soon as possible, but we would strongly encourage all providers to engage with parents now to better understand their intentions for September 2017.
- When the HMRC website is opened to the public for applications for Tax Free Childcare and 30 Hours Free Childcare, providers will be updated.
- Updates to software systems (Pioneer, SIMS and the LA Database) will begin in the Summer 2017 term and comprehensive guides will be given to all relevant providers ready for September 2017 if not sooner.
- More provider briefings will be announced soon. These will be held before September 2017.

4. Financial Implications

The new Early Years Funding Formula will be introduced as above.