

Rotherham Schools' Forum

Venue: Rockingham Professional Development Centre **Date:** Friday, 5 April 2019
Time: 8.30 a.m.

A G E N D A

1. Apologies for Absence.
2. Register of Interests.
3. Minutes of the School Forum meeting held on 18th January 2019. (Pages 1 - 7)
4. Matters Arising from Previous Minutes

Items for Discussions:-

5. School Forum Representation & Responsibilities. (Pages 8 - 58)
6. DSG Deficit Recovery Plan. (Pages 59 - 82)
7. SEND Sufficiency/SEMH Strategy - Impact on the High Needs Budget.
8. Apprenticeship Levy. (Pages 83 - 97)
9. Update on Rotherham Scheme for Financing Schools. (Pages 98 - 155)
10. Update on Schools Voluntary Fund Policy. (Pages 156 - 193)
11. Information on non-DSG grant funding allocation for 2019/20. (Pages 194 - 196)
12. Any Other Business.
13. Date of Next Meeting - Friday, 21st June, 2019, 8.30 – 10.30 a.m. at Rockingham Professional Development Centre.

MINUTES	MEETING:	Rotherham Schools Forum
	DATE:	Friday 18th January 2019
	VENUE:	Meeting Room 1 (Wing B) – Floor 4, Riverside House
	CHAIR:	Deborah Ball (Treeton CofE Primary)
	NOTE TAKER:	Georgia Oxley

ATTENDANCE & APOLOGIES

In Attendance;

Deborah Ball – Chair (Academy)
 Jon Stonehouse – DCS (RMBC)
 Nevine Towers – DSAT
 Chris Harris - Wickersley Partnership Trust
 Steve Scott – PVI Rep
 Aileen Chambers – Early Years (RMBC)
 Pepe Di’lasio - Assistant Director, Education (RMBC)
 David Naisbitt – Oakwood High School (Academy)
 Dean Fenton – Head of Service (RMBC)
 Paul Silvester – Newman Special School (Maintained)
 Neil Hardwick – Head of Finance (RMBC)
 Vera Njelic – Finance (RMBC)
 Phil Davis – Wingfield School (Academy)
 Peter Gerrard – Nursery Schools (Maintained)
 Andy Krabbendam – KPI & Harthill Primary (EHT Maintained)
 Dom Curran – Aston Academy (Academy)
 Lynne Pepper – Herringthorpe Infant School (Maintained)
 Kirsrtly Peart, Sitwell Infant School (Maintained)
 Christina Hill – GMB Rep

Apologies;

Alan Richards – Secondary Governors
 Peter Haynes - Woods Woods Academy Trust
 Helen Simpson – Ferham Primary School
 Steven Rhodes – Winterhill School
 Paula Dobbin - Redscope Primary School

ITEM	TITLE	ACTION
1	Apologies for absence	
	Apologies noted above.	
2	Register of Interests	
	No register of interests were declare.	
3	Minutes of the School Forum meeting held on 9th November 2018	
	The minutes of the previous meeting of the Rotherham Schools Forum, held on 9th November 2018, were approved as true and accurate record.	
4	Matters Arising	
	None.	
5	Constitution	Deborah Ball
	<p>The new model was discussed and agreed at the last Schools Forum meeting. The new proposal was sent to all Rotherham Schools, however only 5 schools replied to confirm they were in favour. 3 out of the 5 have also put themselves forward as representatives for Schools Forum.</p> <p>The Chair advised she would like to look at the representatives from schools and ensure as many colleagues as possible are engaging with the process as it is felt this isn't currently happening.</p> <p>Unions are invited to attend each meeting; however they only have observer rights and cannot be included in any votes.</p> <p>It was queried if Laura Read is still the College representative. Pepe offered to follow this up and advise Deborah.</p> <p>School Forum representatives agreed the new model – no objections were raised.</p> <p>Clarification from the DfE is being sought regarding School Business Mangers (SBM) representation at this meeting.</p> <p>It is thought if a Headteacher nominates a SBM they do have voting rights, however if they attend as a SBM they would not have voting rights. Neil/Deborah will update the group once they have guidance/clarification from the DfE.</p>	<p>Pepe Di'lasio</p> <p>Neil Hardwick /Deborah Ball</p>
6	Final 2019/20 school funding formula	Vera Njegic & Neil Hardwick
	<p>Apologies were given for the delay sharing the papers for today's meeting. It was confirmed for future meetings this would be organised by Committee Services.</p> <p>The DfE issued the final version of the Authority Pro-forma Tool (APT)</p>	

	<p>to Local Authorities, with the autumn 2018 pupil census information shortly before Christmas. The local authority has until 21st January 2019 to submit the final version back to the Department for Education.</p> <p>In October 2018 the local authority sought consultation with schools, academies and Schools Forum on the local funding formula decisions. This will be used against the High Needs Block (HNB) and doesn't include Nursery Schools or Colleges.</p> <p>Vera spoke to the paper (2019/20 Dedicated Schools Grant) which was circulated with the minutes (attached again for information).</p> <p>As agreed at the Schools Forum meeting on the 9th November 2018 a request to transfer 1.5% from the school block to the high needs block was submitted to the Secretary of State on the 30th November 2018. If this request does not gain approval 0.5% will be transferred, therefore the local authority has completed 2 versions of the Authority Pro-forma Tool (APT).</p> <p>Table 2 within the document shows 'Successful Disapplication request to transfer 1.5%'. Table 3 shows 'Unsuccessful Disapplication request - transfer 0.5%' both of which show comparisons to last year.</p> <p>Neil spoke to the Annex A document relating to the funding formula proposals</p> <p>It was confirmed all schools will be protected to a minimum of 0.5% per pupil. Option 2 of the proposal caps funding where schools would be gaining more.</p> <p>A question was asked regarding the disapplication, if it was agreed to be the 1.5% option will this be requested next year and each year going forward.</p> <p>Vera confirmed they are not sure if this would be an option. The 1.5% is a one year agreement.</p> <p>The aim is to develop a long term plan to address this issue and plan for the future in a way that is open and transparent to all.</p> <p>Vera explained the funding in table 6 for the Central Schools Block allocation and the group agreed with the comments.</p> <p>The Teachers pay grant will continue in academic year 2019 to 2020.</p> <p>Pupil premium will continue at the current per-pupil rates for the 2019 to 2020 financial year.</p> <p>The grant for universal infant free school meals (UIFSM) continues at a meal rate of £2.30 for the 2019 to 2020 academic year.</p> <p>Year 7 catch-up premium continues in financial year 2019 to 2020.</p> <p>The Teacher's pension rate is to increase from September 2019, the DfE issued consultation on this which closes 12th February 2019.</p>	
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7	Mid-year update on DSG position	Vera Njegic & Neil Hardwick
	<p>Neil presented this item to give an overview on pressures brought forward and spoke to the DSG 2018/19 – Mid Year Update Report.</p> <p>Neil confirmed that work is underway to review the High Needs and Early Years Blocks to improve the budget estimates for future years.</p> <p>No questions or comments were raised.</p>	
8	Update on HNB 2018/19 Forecast & 2019/20 budget setting	Vera Njegic & Neil Hardwick
	<p>The High Needs Block (HNB) is £31.2m and is under pressure due to the increasing numbers of children in specialist provision.</p> <p>The forecast at end of December shows an overspend of £4.9m.</p> <p>The main areas of increased spend are; Special School Places Top Up Funding Out of Authority Placements (OoA)</p> <p>A short term solutions for the HNB pressure is the disapplication process, the High Needs Sub Group will be working with Finance to look at different option to help generate efficiencies.</p> <p>The Strategy will recommend a review of inclusion services to ensure they are value for money, high quality and appropriate to meet demand.</p> <p>Additional areas to be monitored and reviewed to control expenditure include:</p> <ul style="list-style-type: none"> • Utilise all existing placements in the borough • Review Top Up arrangements • Final approval through the AD Commissioning and Performance for all additional funding requests • Strengthen parent and carer knowledge and the offer from available and suitable Rotherham provision in the early stages of the Education, Health and Care Plan process to minimise out of authority parental preference. • To continue to work with schools to maintain pupils in mainstream settings wherever possible. <p>The DfE have recently undertaken a consultation with proposals to implement closure monitoring of the Dedicated School Grant for those councils with a DSG deficit with proposals that councils with a DSG deficit should have a recovery plan to remove the deficit within 3 years and in those cases where this is not possible to operate within the annual DSG allocation within 3 years. The consultation is linked to a significant number of councils now having an overall DSG deficit due to the financial pressures in the High Needs Block with lobbying for additional monies to be provided to councils to reflect the demands for High Needs provision. Neil confirmed the DfE have</p>	

	<p>acknowledged this will be harder for some councils to remove the deficit in the next 3 years.</p> <p>It was acknowledge that the council is now in a more positive place to give this area of work the focus it requires. This is a common issue across councils and this will need to be looked at sub regionally to get a better idea where we are.</p> <p>Any future plans and strategies will be reported at the new Rotherham Education Strategic Partnership (RESP) board.</p> <p>A question was raised if it was possible to use funding from other places in the system to help clear the deficit.</p> <p>It was confirmed there is no funding in the system to allow this kind of flexibility. The council need to be able to demonstrate to the DfE that there is a credible plan going forward.</p>	
9	Feedback from sub-groups	Paul Silvester
	<p>Sub groups have always been set up however work needs to be done to review the TORs and agree Chairs for each sub group going forward.</p> <p>To confirm, one of the sub groups (High Needs Sub Group) have met twice since the last Schools Forum meeting. 11th December 2018 and 14th January 2019. The group has been set up for a while but the meeting has now been tightened up and it is evidencing work is being done as a team and it is now being captured.</p> <p>Feedback from each sub group should become a standing item on the Schools Forum agenda</p> <p>Attendees of the High needs sub group are; Deborah Ball - HT, Academy Primary Vera Njegic - RMBC Finance Jenny Lingrell - RMBC Neil Hardwick - RMBC Paul Silvester - HT, Special School Paula Dobbin - HT, Primary Pepe Di'Lasio - HT Secondary and RMBC</p> <p>A TOR for this sub group has now been created. If anyone from Schools Forum was interested in attending they were asked to speak to Paul after the meeting.</p> <p>The Finance Sub Group is to be reviewed and the last meeting was held at Treeton Primary School before the schools broke up for Christmas.</p> <p>It was agreed this sub group cannot work in isolation and this meeting wouldn't just be about numbers. It was decided there should be a representative from a Primary, Secondary and Special school. It was also felt that SBM's would be a useful resource and most welcome to attend this meeting.</p> <p>Action – Pepe agreed to speak to Laura Redmile (a secondary SBM) to ask if she has the capacity to become a representative</p>	

	<p>at this sub group meeting.</p> <p>Vera agreed she would look to set up dates/times for 2019 for this sub group to meet and will circulate to the members.</p> <p>To ensure information/feedback from the Schools Forum is cascaded to all schools and Headteacher it was agreed this should become an agenda item at the Primary, Secondary and Special Headteacher meetings.</p>	
10	2019/20 Early Years Funding	Aileen Chambers
	<p>Aileen confirmed this paper is brought annually to the Schools Forum meeting for information and to get approval from members to approve the Early Years hourly rate and spend.</p> <p>It was confirmed the Early Years block funding is delivered through the national funding formula and every Local Authority is allocated a funding block.</p> <p>The Local Authority is required to bring any changes to this to the School Forum.</p> <p>It is proposed to allocate approximately 2% of the 3 / 4 year allocation to the deprivation supplement.</p> <p>It is proposed to retain 5% of the 3 / 4 year old funding to contribute towards central costs.</p> <p>The Inclusion Support Grant to continue at current levels, with a full review of the Inclusion Support Funding to be undertaken early in the new financial year. A contribution from the High Needs Block to continue in 2019/20.</p> <p>It was confirmed that the 5% that is retained centrally doesn't cover the cost of the service so this funding could not be released to contribute to other early years costs.</p> <p>The Nursery Schools were then discussed and continuation of the subsidy towards these education provisions. The work Peter Gerrard carries out is valued by all, not knowing if the funding/budget will be there is a hard work and Peter deals with this really well.</p> <p>There were no objections to the 2019/20 Early Years Funding.</p>	
11	Forward plan	All
	<p>It was agreed once the subgroups are set up and have established how often they should meet this will help formulate a plan and will be in a better position to feedback at the next meeting. It was agreed each subgroup should meet a minimum of 3 times throughout the year and that the integrity of each group must be maintained.</p> <p>Members confirmed they are happy with the current stakeholder's</p>	

	<p>representation.</p> <p>Forward planning/Actions; Continue to improve communications to reach next level of staff/stakeholders Schools Forum minutes to be share with all RMBC Schools via the 'Schools-All' email distribution list. The Schools Forum email list to be reviewed to ensure that it is up to date. A document is to be created to show representation for the Schools Forum and the sub-groups.</p> <p>It was reiterated this is a public meeting and anyone is welcome at the meetings.</p>	
12	Any other business	All
	Vera agreed she would send an email to School Forum members once the outcome of disapplication request has been processed.	
13	Dates of future Schools Forum meetings;	
	<p>Friday, 5th April, 2019 8.30 – 10.30 am Rockingham Professional Development Centre</p> <p>Friday, 21st June 2019, 8.30 – 10.30 am Rockingham Professional Development Centre</p> <p>Action - Georgia to ensure Rockingham PDC has been booked for the future meetings.</p>	

REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	5 April 2019
2.	Title:	School Forum Representation & Responsibilities
3.	Directorate:	Finance and Customer Services

1. PURPOSE OF THE REPORT

To provide an update to Schools Form members on the proposed structure of Schools Forum and remind members of schools forums powers and responsibilities

2. RECOMMENDATION(S)

That members of Schools Forum note the content of the report.

That the membership of Rotherham's Schools Forum is in line with ESFA guidance and is fit for purpose.

3. REASON FOR RECOMMENDATION(S)

To ensure members are aware of the proposed Schools Forum Structure.

To ensure that Rotherhams Schools Forum complies with the governing regulations & ESFA good practice guide.

4. BACKGROUND

The Education and Skills Funding Agency publish guidelines for the structure of a Schools Forum body (see paper 05c for details), giving a general indication on the expected structure, representation, and decision making responsibilities and the decisions each type of member is authorised to vote on.

The ESFA on 28 March 2019 communicated to all LA's the requirements and compositions of LA School Forums to ensure they are complying with governing regulations and the ESFA schools forums good practice guide.

5. SCHOOLS FORUM STRUCTURE

Schools and academies members together must number at least two-thirds of the total membership of the schools forum and the balance between maintained primary, maintained secondary and academies members must be broadly proportionate to the pupil numbers in each category.

School Members will be a combination of Headteachers and Governors and whilst there is no ESFA guidance for Academy Members it is suggested that they should also be Headteachers, Principal, CEO and Governors to ensure a consistent representation.

The structure should be regularly reviewed. It's important that all members of the schools forum and those that have attended the meeting are clearly detailed in the meeting minutes to enable interested parties to ensure the forum is representative and quorate.

Non school members may represent PVI settings, 16 to 19 providers and diocesan representatives.

6. VOTING RIGHTS

All **schools members** can vote on the scheme for financing schools All **schools members** can vote on any other schools forum business, including the consultation on the funding formula.

All **academies members** can vote on any other schools forum business, including the consultation on the funding formula.

For **non-school members** only **PVI** representatives can vote on the consultation on the funding formula. All **non-school members** can vote on any other schools forum business.

Further detail on the required structure for the schools forum can be found in the schools forum structure guide. The guide breaks down the types of members and elections (see paper 05c)

7. SCHOOL FORUM OPERATIONAL + GOOD PRACTICE GUIDE AND SCHOOL FORUM POWERS & RESPONSIBILITIES

The schools forum operational and good practice guide (see attached paper 05d) provides detailed information for local authorities, schools forum members and members of the public around the requirements of running effective school forum meetings. The guide provides good practice recommendations and information on how to comply with the regulations.

The ESFA have also published the schools forum powers and responsibilities guide (see attached paper 05e). This guide provides in depth detail around the voting rights of schools forum elected members. It highlights the topics members are required to vote or be consulted on. The document also shows which sector is required to vote and any restrictions.

8. NAME AND CONTACT DETAILS

Neil Hardwick
Head of CYPS Finance
Tel: 01709 254508
email neil.hardwick@rotherham.gov.uk

Vera Njegic
Principal Finance Officer (Schools Finance)
Tel: 01709 822042
email vera.njegic@rotherham.gov.uk

Rotherham Schools Forum: Constitution – April 2019

Position	Name	End of Term	School/Body	Email
School Members				
Nursery School Headteacher x 1	Peter Gerard		Executive Head of Rawmarsh Nursery & Arnold Centre	Peter.Gerard@rotherham.gov.uk
Primary School Headteachers x 4	Paula Dobbin		Headteacher of Redscope Primary	REPPDobbin@rgfl.org
	Lynn Pepper		Headteacher of Herringthorpe Infant	HEILPepper@rgfl.org
	Kirsty Peart		Headteacher of Sitwell Infant	SIKPeart@rgfl.org
	Vacancy			
Primary Academy Representatives x 4	Deborah Ball		Chair and Headteacher of Treeton CofE Primary	trpdball@rgfl.org
	Andy Krabbendam		Executive Head of Kiveton Park Infant and Harthill Primary	KPIAKrabbendam@rgfl.org
	Helen Simpson		Headteacher of Ferham Primary	FEPHSimpson@rgfl.org
	Vacancy			
Special School Headteacher x 1	Paul Silvester		Headteacher of Newman School	NSSPSilvester@rgfl.org
Secondary Maintained School Headteacher x 1	Vacancy			
Secondary Academy Representatives x 6	Phil Davies		Headteacher of Wingfield Academy	pda@wingfieldacademy.org
	Dom Curran		Headteacher of Aston Academy	dominic.curran@astonacademy.org
	Steve Rhodes		Headteacher of Winterhill Academy	srhodes@winterhill.org.uk
	Jon Taylor		Headteacher of Wath	jtaylor@wcs.rotherham.sch.uk

	David Naisbitt		Headteacher of Oakwood Academy	d.naisbitt@oakwood.ac
	Andy Riches		CEO of LEAP Academy Trust (Brinsworth & Dinnington)	ariches@brinsworth.rotherham.sch
Pupil Referral Unit Headteacher x 1	Lianne Camaish		Headteacher of Aspire	
Maintained School Members: Primary Governors x 3	Sue Mallinder			smallinder@hotmail.co.uk
Maintained School Members: Secondary Governor x 1	Alan Richards			alan.govs@gmail.com
Academy Members: Governors x 6				
Non-School Members				
Diocese of Sheffield Church of England x 1	Nevine Towers			dsat@rgfl.org
Diocese of Hallam, Roman Catholic x 1	Vacant			
Private, Voluntary and Independent	Steve Scott			

Sector Nursery x 2	Vacant			
16-19 Provider x 1	Laura Reid		RNN Group	
Union Representatives x 2	Christina Hill		GMB	GMB@rotherham.gov.uk
	Sultan Mahmood		Unison	s.mahmood@unison.co.uk
Observer				
Education Funding Agency	Name notified to School Governor Services in advance of attendance.	N/A	EFA	
Total Places				
Total Places Filled				
Total Vacancies				

Hardwick, Neil

From: ESFA local authorities <esfa.local.authorities@notifications.service.gov.uk>
Sent: 28 March 2019 11:20
To: Hardwick, Neil
Subject: For information: requirements and composition of schools forums



Education & Skills Funding Agency

Dear Neil

We're writing to you in your role as a finance contact at Rotherham Metropolitan Borough Council.

Requirements and composition of local authorities' schools forums

A recent scrutiny exercise of local authorities' schools forums' minutes has shown that some local authorities are not complying with the governing regulations or the schools forum good practice guide.

This email aims to remind local authorities of the requirements they should follow with regards to their schools forums, as stated in the 'schools forum: operational and good practice guide':

<https://www.gov.uk/government/publications/schools-forums-operational-and-good-practice-guide-2015>

Key sections

We've highlighted some of the key sections below:

Paragraph 16

This paragraph states that schools forums must have 'schools members', 'academies member(s)' if there is at least one academy in the

local authority's area and 'non-schools members'.

Schools and academies members together must number at least two-thirds of the total membership of the schools forum and the balance between maintained primary, maintained secondary and academies members must be broadly proportionate to the pupil numbers in each category.

The structure should be regularly reviewed. It's important that all members of the schools forum and those that have attended the meeting are clearly detailed in the meeting minutes to enable interested parties to ensure the forum is representative and quorate.

Paragraph 61

This paragraph states that schools forums are required to be open to the public and that papers, agendas and minutes must be publicly available well in advance of each meeting, at least a week in advance.

Paragraph 78

This paragraph states that that the frequency and timing of schools forum meetings should be agreed in advance of each financial year or academic year, and that it's good practice to publish the dates of the meetings on the schools forum website.

Paragraph 99

This paragraph states that notes or minutes of each schools forum meeting should be produced and published on the website as soon as possible after the meeting to enable members and others to see the outcome of any discussions and, or votes.

It further advises that it is good practice to publicise the draft minutes no later than five days of the meeting. This is important so that interested parties, including representatives and the public, can view them and consult as necessary. They will not be able to do so if the minutes are not published until after they are agreed at the next meeting.

Further information

You can find the Schools Forums (England) Regulations 2012 at:
http://www.legislation.gov.uk/uksi/2012/2261/pdfs/uksi_20122261_en.pdf

If you have any questions about the contents of this email, please contact us via our enquiry form:

<https://tinyurl.com/ESFAenquiries>

Yours sincerely

Owen Jenkins

Deputy Director
Academies & Maintained Schools Directorate
Funding Division
Education and Skills Funding Agency



1. Home (<https://www.gov.uk/>)

Guidance

Schools forum operational and good practice guide

Information for local authorities, school leaders and governing bodies about their schools forum obligations and duties.

Published 26 March 2015

Last updated 17 September 2018 — see all updates

From:

Education and Skills Funding Agency (<https://www.gov.uk/government/organisations/education-and-skills-funding-agency>)

Applies to:

England

Documents

Schools forum operational and good practice guide

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/741121/Schools_forum_operational_and_good_practice_guide.odt)

ODT, 65.8KB

This file is in an OpenDocument (<https://www.gov.uk/guidance/open-document-format-odf-guidance-for-uk-government/overview-of-productivity-software>) format

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Schools forum powers and responsibilities

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740721/Schools_forum_powers_and_responsibilities.docx.odt)

ODT, 48.8KB

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Schools forums structure

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/740722/Schools_forums_structure.docx.pdf)

PDF, 138KB, 4 pages

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Schools forum self-assessment toolkit

(https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/647443/Schools_forum_self-assessment_toolkit.odt)

ODT, 52.1KB

This file is in an OpenDocument (<https://www.gov.uk/guidance/open-document-format-odf-guidance-for-uk-government/overview-of-productivity-software>) format

Details

The schools forum operational and good practice guide provides detailed information for local authorities, schools forum members and members of the public around the requirements of running effective school forum meetings. The guide provides good practice recommendations and information on how to comply with the regulations.

We've published the schools forum powers and responsibilities guide. This guide provides in depth detail around the voting rights of schools forum elected members. It highlights the topics members are required to vote or be consulted on. The document also shows which sector is required to vote and any restrictions.

Further detail on the required structure for the schools forum can be found in the schools forum structure guide. The guide breaks down the types of members and elections.

The self-assessment document allows you to identify the strengths and potential weaknesses of your schools forum.

Published 26 March 2015

Last updated 17 September 2018 + show all updates

1. 17 September 2018 We've updated the operational and good practice guide, and the powers and responsibilities guide and made it clearer who the intended users are for each of the documents.
2. 27 September 2017 We've updated the schools forum operational and good practice guide and the schools forums powers and responsibilities.

3. 1 December 2016 'Schools forums power and responsibilities' table updated. Date removed from the 'schools forums: operational and good practice guide'.
4. 26 March 2015 First published.

Related content

- Schools forum: a guide for schools and academies (<https://www.gov.uk/guidance/schools-forum-a-guide-for-schools-and-academies>)
- Using Open Document Formats (ODF) in your organisation (<https://www.gov.uk/guidance/using-open-document-formats-odf-in-your-organisation>)
- School governance: learning from the best (<https://www.gov.uk/government/publications/school-governance-learning-from-the-best>)
- Listening to and involving children and young people (<https://www.gov.uk/government/publications/listening-to-and-involving-children-and-young-people>)
- School behaviour and attendance: parental responsibility measures (<https://www.gov.uk/government/publications/parental-responsibility-measures-for-behaviour-and-attendance>)

Explore the topic

- Schools forums (<https://www.gov.uk/education/schools-forums>)



Schools forums structure

A summary of the structure of schools forums.

Category	Schools members	Academies members	Non-school members
Represented groups	<p>Where the local authority maintains the following types of school, they must be represented on the schools forum:</p> <ul style="list-style-type: none">• Primary Schools• Secondary Schools• Special Schools• Nursery Schools• PRUs	<p>At least one academies member must be a representative of mainstream academies, which includes free schools, UTCs and Studio Schools. In addition, there must be one member for each of the following groups (if such exist in the local authority area):</p> <ul style="list-style-type: none">• Special academies, including free schools• Alternative provision academies, including free schools	<p>16 to 19 providers</p> <p>Early years Private, Voluntary and Independent (PVI) providers</p> <p>Before considering other groups, the local authority must consider diocesan representation</p>

Category	Schools members	Academies members	Non-school members
Type of member	<p>Within each of the five groups above there could be the following types of member:</p> <ul style="list-style-type: none"> • Headteachers (or their representative) • Governors • Headteachers and Governors • In overall terms there must be at least one headteacher (or their representative) and one governor 	Any	Any
Schools forum structure	<p>Schools members and academies members must comprise at least two thirds of the schools forum membership</p> <p>Primary schools, secondary schools and academies must be broadly proportionately represented on schools forum, based on the total number of pupils registered at them</p>	<p>Schools members and academies members must comprise at least two thirds of the schools forum membership</p> <p>Primary schools, secondary schools and academies must be broadly proportionately represented on schools forum, based on the total number of pupils registered at them</p>	
Voting	Only primary representatives can	No voting on de-delegation or the	No voting on de-delegation or the

Category	Schools members	Academies members	Non-school members
	<p>vote on primary school dedelegation</p> <p>Only secondary representatives can vote on secondary school dedelegation</p> <p>All schools members can vote on the scheme for financing schools All schools members can vote on any other schools forum business, including the consultation on the funding formula.</p> <p>Maintained school members can vote on items relating to general duties and retained duties.</p>	<p>scheme for financing schools All academies members can vote on any other schools forum business, including the consultation on the funding formula.</p> <p>Academy members can vote only on retained duties.</p>	<p>scheme for financing schools Only PVI representatives can vote on the consultation on the funding formula.</p> <p>All non-school members can vote on any other schools forum business</p>
Elected by	<p>The relevant sub-group of the relevant type of school e.g. primary school governor representatives are elected by the governors of primary schools, secondary school headteachers are elected by the headteachers of secondary schools.</p>	<p>The relevant proprietors of academies elect for their group, e.g. mainstream academies, special academies and alternative provision academies</p>	<p>Election only applies to the representative for the 16 to 19 providers, who is elected by all eligible 16 to 19 providers</p>

Local authority appointment of members	Only if no election takes place by the agreed date or in the event of a tie	Only if no election takes place by the agreed date or in the event of a tie	<p>Can appoint a 16 to 19 representative only if no election takes place by the agreed date or in the event of a tie.</p> <p>For all other non-schools members the local authority appoints, but it's good practice to seek nominations from the relevant bodies</p>
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Other attendees who are permitted to contribute to a schools forum meeting:

- an observer appointed by the Secretary of State
- the Chief Financial Officer
- the Director of Children's Services
- officers providing financial & technical advice to schools forum
- the Executive Member for Children's Services
- presenters (restricted to the paper they are presenting)
- the Executive Member with responsibility for resources



Education & Skills
Funding Agency

Schools Forum

Operational and good practice guide

September 2018

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Introduction

1. This guide is designed to provide local authority officers and schools forum elected members with advice and information on good practice in relation to the operation of schools forums.
2. It is organised in two sections:
 - section 1 provides information on the constitutional and organisational requirements for schools forums
 - section 2 covers a number of key aspects of the operation of schools forums at local level, drawing on good practice from a number of schools forums
3. The Department's website (GOV.UK) contains details of all the announcements, documents and other information relating to school funding and schools forums, including the National funding formula (NFF) This website also has a range of useful links to other sites that may be of relevance to schools forum members.
4. A short [guide to the schools forum for schools and academies](#), which may be helpful to stakeholders and the wider school family, is available on GOV.UK.
5. If you have any queries about the operation of schools forums please contact the Education and Skills Funding Agency (ESFA) using the [ESFA enquiry form](#).

Section 1 – schools forum regulations: constitution and procedural issues

Regulations

6. [National regulations](#)¹ govern the composition, constitution and procedures of schools forums. Local authorities can provide schools forum members with a copy of these regulations or alternatively they can be accessed at:
<http://www.legislation.gov.uk/ukxi/2012/2261/contents>

7. A short [guide to the schools forum for schools and academies](#) is also available to provide a wider understanding of the work of schools forums.

Schools forum powers

8. Schools forums generally have a consultative role. However, there are situations in which they have decision making powers. The respective roles of schools forums, local authorities and the DfE are summarised in [schools forum powers and responsibilities](#). The overarching areas on which schools forums make decisions on local authority proposals are:

- de-delegation from mainstream maintained schools budgets (separate approval will be required by the primary and secondary phase members of schools forum), for prescribed services to be provided centrally
- to create a fund for significant pupil growth in order to support the local authority's duty for place planning (basic need), including pre-opening and diseconomy of scale costs, and agree the criteria for maintained schools and academies to access this fund
- to create a fund for falling rolls for good or outstanding schools if the schools' surplus capacity is likely to be needed within the next three years to meet rising pupil numbers and agree the criteria for maintained schools and academies to access this fund
- agreeing other centrally retained budgets, including for local authority statutory responsibilities (where these relate to maintained schools only, voting is by the primary, secondary, special and PRU members of schools forum)
- funding for central early years expenditure, which may include funding for checking eligibility of pupils for an early years place, the early years pupil premium and/or free school meals

¹ Schools Forums (England) Regulations 2012 (S.I. 2012/2261) (as amended)

- authorising a reduction in the schools budget in order to fund a deficit arising in central expenditure, or from de-delegated services, which is to be carried forward from a previous funding period in the 2018 to 2019 funding year the schools block is ring-fenced. Local authorities require schools forum approval in order to move up to 0.5% from the schools block to other blocks
- in each of these cases, the local authority can appeal to the Secretary of State if the schools forum rejects its proposal.

9. Local authorities should be aware that the provisions of the [Local Government Act 2000](#) restrict the delegation of local authority decisions to Cabinet, a member of Cabinet, a Committee of Cabinet or an officer of the Council, which would not include schools forums. As a result the local authority cannot delegate its decision making powers to schools forum, for example, decisions on the funding formula.

10. Regulations state that the local authority must consult the schools forum annually in connection with various schools budget functions, namely:

- amendments to the school funding formula, for which the voting is restricted by the exclusion of non-schools members except for PVI representatives
- arrangements for the education of pupils with special educational needs in particular the places to be commissioned by the local authority and schools and the arrangements for paying top-up funding
- arrangements for the use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the local authority and schools and the arrangements for paying top-up funding
- arrangements for early years provision
- administrative arrangements for the allocation of central government grants paid to schools via the local authority

There's no specific definition of these consultation requirements over and above the wording in the regulations. It's a matter for the local authority to decide on the appropriate level of detail it needs to generate a sufficiently informed response from schools forum.

11. Consultation must also take place when a local authority is proposing a contract for supplies and services which is to be funded from the Schools Budget and is in excess of the EU procurement thresholds. The consultation must cover the terms of the contract at least one month prior to the issue of invitations to tender.

12. The schools forum has the responsibility of informing the governing bodies of all schools maintained by the local authority of the results of any consultations carried out by the local authority relating to the issues in paragraphs 12 and 13 above.

13. Local authorities will need to discuss with the schools forum any proposals that they intend to put to the Secretary of State to:

- vary the MFG
- use exceptional factors
- vary pupil numbers (Secretary of State approval is no longer required for increases relating to changes in admission limits or reorganisations)
- allow additional categories of, or spending on, central budgets
- amend the sparsity factor
- vary the lump sum for amalgamating schools
- vary the protection for special schools and special academies
- move up to 0.5% from the schools block, where the schools forum do not agree, or move more than 0.5% from the schools block

Proposals will then need to be considered by the Secretary of State.

Membership

14. The Schools Forums Regulations provide a framework for the appointment of members, but allow a considerable degree of discretion in order to accommodate local priorities and practice. A quick guide to the [structure of the schools forums](#) is available.

15. There is no maximum or minimum size of a schools forum. Authorities will wish to take various issues into account in deciding the actual size, including the need to have full representation for various types of school, and the local authority's policy on representation of non-schools members. However, care should be taken to keep the schools forum to a reasonable size to ensure that it does not become too unwieldy.

16. Types of member: schools forums must have 'schools members', 'academies member(s)' if there is at least one academy in the local authority's area and 'non-schools members'. Schools and academies members together must number at least two-thirds of the total membership of the schools forum and the balance between maintained primary, maintained secondary and academies members must be broadly proportionate to the pupil numbers in each category, so the structure of Forum should be regularly reviewed, we would suggest good practice is to review the membership as a standing agenda item at each meeting. Academies members must represent mainstream academies and, if there are any in the local authority area, special academies and alternative provision academies. There is no

requirement for academies members to represent specific primary and secondary phases, but it may be encouraged to ensure representation remains broadly proportionate to pupil numbers. Academy members must be separately elected and designated from maintained school representatives, please see paragraph 28.

17. Schools forum members will need the skills and competencies to manage Forum business (as detailed in [school forum powers and responsibilities](#)) and to take a strategic view across the whole education estate whilst acting as representative of the group that has elected them. Furthermore, they should be easily contactable and pro-active in raising the profile of issues and communicating decisions, and the reasons behind them, effectively. Good practice for schools forums would be to offer training to new or existing members who may benefit from this.

Term of office

18. The term of office for each schools member and academies member should be stipulated by the local authority at the time of appointment. Such stipulation should follow published rules and be applied in a consistent manner between members. They need not have identical terms – there may be a case for varied terms so that there is continuity of experience rather than there being a complete change in the membership at a single point. The term of office should not be of a length that would hinder the requirement for the structure of the schools forum to mirror the type of provision in light of the pace of academy conversions. Examples of how this may work include:

- holding vacancies until the schools forum structure is reviewed providing that this does not mean holding vacancies for an unreasonable length of time, for example, we would expect this vacancy to be filled for the following term
- increasing the size of the schools forum temporarily to appoint additional academy members, then deleting schools member posts at the end of a term of office or when a vacancy arises
- considering continuity of service; where an academy conversion affects the school of a current schools member, would academies consider appointing that person as an academies member

19. The length of term of office for non-schools members is at the discretion of the local authority. Schools and academies must be informed, within a month of the appointment of any non-schools member, of the name of the member and the name of the body that that member represents.

20. As well as the term of office coming to an end, a member ceases to be a member of the Schools Forum if he or she resigns from the schools forum or no longer occupies the office by which he or she became eligible for election, selection or appointment to the schools forum. For example;

- a secondary schools member must stand down if their school converts to an academy
- a schools member representing community primary school governors who is no longer a governor of a community primary school in the relevant local authority must cease to hold office on the schools forum even if they remain a governor of a school represented by another group or sub-group
- other situations in which membership of the schools forum ends are if a member gives notice in writing to the local authority and, in the case of a non-schools member, the member is replaced by the local authority, for example at the request of the body which the member represents

Schools members

21. Schools members represent specified phases or types of maintained schools within the local authority. As a minimum, schools forums must contain representatives of two groups of schools: primary and secondary schools, unless there are no primary or secondary schools maintained by the local authority. Middle schools and all through schools are treated according to their deemed status.

22. Where a local authority maintains one or more special schools the schools forum must have at least one schools member from that sector. The same applies to nursery schools and pupil referral units (PRUs).

23. The local authority then has discretion to divide the groups referred to in paragraph 16 and 17 into one or more of the following sub-groups:

- headteachers or headteachers' representatives in each group
- governors in each group
- headteachers or headteachers representatives and governors in each group
- representatives of a particular school category, for example, voluntary aided

24. Headteachers can be represented by other senior members of staff within their school. Governors can include interim executive members of an interim executive board. The sub-groups do not have to be of equal size; for example, there may be more representatives of headteachers of primary schools than governors of such schools, or vice versa. The membership structure of the schools forum should ensure there is sufficient representation of each type of schools member in each group to ensure that debate within the schools forum is balanced and representative. As a minimum, there must be at least one representative of headteachers and one representative of governors among the schools members.

25. Whatever the membership structure of schools members on a schools forum, the important issue is that it should reflect most effectively the profile of

education provision across the local authority to ensure that there is not an in-built bias towards any one phase or group.

Election and nomination of schools members

26. The relevant group or sub-group is probably best placed to determine how their schools members should be elected.

27. It's good practice for those who draw up the scheme to ensure that a vacancy amongst a represented group would be filled by a nominee elected according to a process that has been determined by all those represented in that group, for example, community primary school headteachers, or secondary school governors, ensuring that everyone represented has had the opportunity to stand for election and/or vote in such an election. The process must be restricted to the group in question; a headteachers phase group could only vote as a whole for headteacher members if the voting excluded academies, as academies members form a separate group.

28. It's not appropriate for a single person to be elected to represent more than one group or sub-group concurrently, for instance, if they were a governor at a primary and secondary school. They can stand for election from either group but can be appointed to represent only one of those groups.

29. The purpose of ensuring that each group or sub-group is responsible for their election process is to guarantee that there is a transparent and representative process by which members of schools forums are nominated to represent their constituents.

30. Appropriate support to each group or sub-group to manage their election processes should be offered by the clerk of a schools forum, or the committee/democratic services of a local authority. This may just include the provision of advice but may also consist of providing administrative support in actually running the elections themselves.

31. As a minimum, we would recommend that the clerk of a schools forum make a record of the process by which the relevant schools within each group and sub-group elect their nominees to the schools forum and be able to advise the Chair of the schools forum and local authority on action that needs to be taken, where necessary, to seek new nominees.

32. In determining the process by which elections should be operated it is perfectly legitimate for a local authority to devise, in consultation with their schools forum, a model scheme for the relevant schools within a group or sub-group to consider and be invited to adopt. However, such a model scheme cannot be imposed on that body of schools: adaptations and/or alternative schemes may be adopted. A single scheme need not be adopted universally.

33. Care should be taken to ensure that every eligible member of a group or sub-group has an opportunity to be involved in the determination of their group's election process, is given the opportunity to stand for election if they choose to do so, and is involved in the election of their representative(s).

34. It would not be compliant with the regulations for the steering committee or Chair of a 'parent' group simply to make a nomination to represent their group or sub-group on a schools forum. Schools members must be elected, subject to paragraph 39 below.

35. The local authority may set a date by which the election should take place and must appoint the schools member if the election has not taken place by that date. The person appointed should be a member of the relevant group.

36. We would recommend that any scheme takes into account a number of factors:

- the process for collecting names of those wishing to stand for election
- the timescale for notifying all constituents of the election and those standing
- the arrangements for dispatching and receiving ballots
- the arrangements for counting and publicising the results
- any arrangements for unusual circumstances such as only one candidate standing in an election
- whether existing members can stand for re-election

37. In the event of a tie between two or more candidates, then the local authority must appoint the schools member instead. The local authority may decide to appoint someone else rather than one of the candidates and might wish to take into account the experience or expertise of the individuals, and the balance between the different types of school represented on the schools forum.

Election and nomination of academies members

38. Academies members must be elected by the proprietor bodies of the academies in the local authority's area, and they are probably best placed to determine the process. Academies members are there to represent the proprietor bodies of academies and are, therefore, not necessarily restricted to principals, senior staff or governors. The same factors should be taken into account as for the election of schools members, set out in paragraphs 28 to 39. For the avoidance of doubt, Free Schools, University Technical Colleges and Studio Schools are classed as academies for this purpose. There is no distinction between sponsored and converter academies.

39. There are three sub-groups for academy members: mainstream academies, special academies and alternative provision academies and it is for the proprietors of academies within each of these sub-groups to elect their representatives. It is not appropriate, therefore, for headteacher phase groups to determine representation unless the academy proprietors have agreed and even then the voting would need to exclude maintained school representatives. There is no requirement for academies members to be split into primary and secondary sub-groups. However, local authorities may wish to encourage academies to consider the pupil proportions across all academies when electing their representatives.

40. Where there is only one academy in a sub-group in the local authority's area, then their proprietor body must select the person who will represent them.

41. It is possible that a single person be appointed as an academies member to more than one schools forum, for example if an academy chain is located across multiple local authorities, providing they are elected on each occasion in accordance with the agreed election process for each separate schools forum.

42. As with schools members, the local authority may set a date by which the election should take place and must appoint an academies member if the election does not take place by that date, or if an election results in a tie between two or more candidates.

Non-schools members

43. Non-schools members may number no more than a third of a schools forum's total membership (excluding observers, see paragraph 58). A representative of providers of 16-19 education must be elected from those providers. This includes those in the FE sector (FE and sixth form colleges) and other post-school institutions that specialise in special education needs (SPiS), where 20% or more of their students reside in the local authority's area. As with academies the providers are probably best placed to determine the election process.

44. The local authority must appoint at least one person to represent early years providers from the private, voluntary and independent (PVI) sector. Early years PVI settings need to be represented because funding for the free entitlement for three and four year olds and eligible two year olds comes from the Dedicated Schools Grant, and all settings are funded through the Early Years Single Funding Formula (EYSFF).

45. Before appointing additional non-schools members to the schools forum, the local authority must consider whether the Church of England and Roman Catholic dioceses situated in the local authority's area; and, where there are schools or academies in the area with a different religious character, the appropriate faith group, should be represented on the schools forum. If diocesan authorities nominate members for appointment as non-schools members they may wish to consider what type of representative would be most appropriate, schools-based such as a

headteacher or governor, or someone linked more generally with the diocese, for example a member of the education board.

46. It's also good practice for local authorities to ensure that the needs and interests of all the pupils in the local authority are adequately represented by the members of a schools forum. The interests of pupils in maintained schools can be represented by schools members. Some pupils in a local authority, however, are not in maintained schools but instead are educated in hospitals, independent special schools and non-maintained special schools. Certain types of non-schools members can play an important role in representing the interests of these groups of pupils. They can also play a role in representing the interests and views of the services that support those groups of vulnerable and at risk pupils who nevertheless are on the roll of maintained schools, such as looked after children and children with special educational needs.

47. The purpose of non-schools members is also to bring greater breadth of discussion to schools forum meetings and ensure that stakeholders and partners other than schools are represented. Organisations which typically provide non-schools members are trades unions, professional associations and representatives of youth groups. Parent groups could also be considered. However, as there are clearly limited numbers of non-schools members able to be on a schools forum, care should be taken to ensure that an appropriate representation from wider stakeholders is achieved.

Other membership issues

48. There are three restrictions placed on who can be a non-schools member of a schools forum. The local authority cannot appoint:

- an elected member of the local authority who is appointed to the executive of that local authority (a lead member/portfolio holder) ('executive members')
- the Director of Children's Services or any officer employed or engaged to work under the management of the Director of Children's Services, and who does not directly provide education to children (or manage those who do) ('relevant officer' (a) and (b))
- other officers with a specific role in management of and/or who advise on funding for schools ('relevant officer' part (c))

49. Schools forums have the power to approve a limited range of proposals from their local authority: the restrictions ensure that there is no conflict of interest between the proposing body (the local authority) and the approving body (the schools forum).

50. However, non-executive elected members and those officers who are employed in their capacity as headteachers or teachers and those who directly

manage a service which provides education to individual children and/or advice to schools on, for example, learning and behavioural matters are eligible to be members of schools forums.

51. In the case of non-executive elected members, they may be a schools member (by virtue of them being a school governor), an academies member or a non-schools member. As a non-schools member they may be well placed to fulfil the broader overview and scrutiny role they have within the local authority in general.

52. However, the inclusion of non-executive elected members and certain officers is not a requirement. Many schools forums do not have such members on them and it is for each local authority and schools forum to consider how best to ensure the right balance of school and non-school representation on the schools forum, taking into account their local circumstances and preferences.

The role of executive elected members

53. A schools forum needs to ensure that there are systems in place for executive members of the Council to be aware of its views on specific issues and, in particular, any decisions it takes in relation to the Schools Budget and individual budget shares.

54. Executive members with responsibility for education/children's services or resources of the local authority are able to participate in schools forum meetings. By doing so such elected members are able to contribute to the discussion and receive first-hand the views of the schools forum: it is clearly good practice for this to be the case and the regulations provide the right for executive members to attend and speak at schools forum meetings. However, there is no requirement for this to happen so at the very least there should be clear channels of communication between the schools forum and executive members. Communication may also be assisted if schools forum members attended relevant Cabinet meetings as members of the public, for example, when the funding formula is decided.

Recording the composition of schools forums

55. Each local authority must make a written record of the composition of its schools forum detailing the numbers of schools members and by which group or sub-group they were elected, the number of academies members and the number of non-schools members, their terms of office, how they were chosen and whom they represent. This record should also indicate the term of office for schools and academies members. It would be helpful if this were published on the schools forum website so schools and wider stakeholders can easily find who their representatives are.

Observers

56. The Regulations provide that the Secretary of State can appoint an observer to attend and speak at schools forum meetings, for example a representative from the Education and Skills Funding Agency (ESFA). This allows a conduit for national policy to be discussed at a local level and provide access for schools forum to an additional support mechanism, for example, where there are highly complex issues to resolve.

Participation of local authority officers at meetings

57. Only specific officers can speak at meetings of the schools forum. These officers are:

- Director of Children's Services or their representative
- Chief Financial Officer or their representative
- any person invited by the schools forum to provide financial or technical advice
- any person presenting a paper to the schools forum but their ability to speak is limited to the paper that they are presenting

58. In the majority of cases schools forums are supported by a specific officer. In the course of their work, however, schools forums will be required to consider a whole range of issues and they may consider it appropriate that other officers attend for specific items of business. Where this is the case, the local authority should meet the schools forum's requests as far as possible. It is best practice to record attendance at meetings as well as membership to ensure elected members are attending and contributing to discussions.

Procedures

59. Many procedural matters are not prescribed in the regulations and are at the discretion either of the local authority or the schools forum itself. However, there are requirements in the regulations relating to:

- **Quorum:** A meeting is only quorate if 40% of the total membership is present (this excludes any observers, and it is 40% of the current membership excluding vacancies). If a meeting is inquorate it can proceed but it cannot legally take decisions (election of a Chair, or a decision relating to funding conferred by the funding regulations). An inquorate meeting can respond to local authority consultation, and give views to the local authority. It would normally be good practice for the local authority to take account of such 'unofficial' views, but it's not legally obliged to do so. In practice, the arrangements for meetings should be

made to reduce the chance of a problem with the quorum. The quorum stipulation is in the regulations to help ensure the legitimacy of decisions

- **Election of a Chair:** Under the Regulations, if the position of Chair falls vacant the schools forum must decide how long the term of office of the next Chair will be. This can be for any period, but the schools forum should consider carefully whether a period exceeding two years is sensible. A long period will also cause problems if the member elected as Chair has a term of office as a member which comes to an end before their term of office as Chair ends. The schools forum must elect a Chair from amongst its own members, so it is not possible to elect an independent Chair. In addition any elected member of the local authority or officer of the local authority who is a member of a schools forum may not hold the office of Chair. Schools forums can also appoint to a position of vice Chair to provide cover if the Chair is absent or the post vacant
- **Voting procedures:** The Regulations provide that a schools forum may determine its own voting procedures save that voting on:
 - the funding formula is limited to schools members, academies members and PVI representatives
 - de-delegation is limited to the specific primary and secondary phase of maintained schools members
 - retaining funding for statutory duties relating to maintained schools only is limited to maintained primary, secondary, special and PRU members
- **The powers which schools forums:** have to take decisions on a range of funding matters increase the importance of clear procedures, for example, decisions are made on a simple majority or the threshold to be met if higher. These procedures should take account of any use of working groups by the schools forum, for example a decision might be taken by voting to accept and adopt a report by a working group (see paragraph 65). As part of any voting procedure there should be clarity in the procedures for recording the outcome of a vote, and any resolutions a schools forum makes in relation to any vote taken
- **Substitutes:** the local authority must make arrangements to enable substitutes to attend and vote (where appropriate) at schools forum meetings. This applies to schools members, academies members and non-schools members. The arrangements must be decided in consultation with schools forum members
- **Defects and vacancies:** The Regulations provide that proceedings of the schools forum are not invalidated by defects in the election or appointment of any member, or the appointment of the Chair. Nor does the existence of any vacancy on the schools forum invalidate proceedings (see paragraph 61 on quorum)
- **Timing:** schools forums must meet at least four times a year

60. Where the regulations make no provision on a procedural matter, local discretion should be exercised. It is for the local authority to decide how far it wishes to establish rules for the schools forum to follow, in the form of standing orders. While it is entitled to do so, it is of course good practice to allow the schools forum to set its own rules so far as possible.

Public access

61. Schools forums are more than just consultative bodies. They also have an important role to play in approving certain proposals from their local authority and are therefore involved in the decision making process surrounding the use of public money at local level. As a result schools forums are required to be open to the public. Furthermore papers, agendas and minutes must be publicly available well in advance of each meeting. It's good practice that notification that the schools forum is a public meeting is included on the website and papers are published at least a week in advance. Local authorities should ensure that the websites are accessible and easy to find.

62. Some schools forums already operate very much along the lines of a local authority committee. This is perfectly legitimate and will provide a consistent framework for the running of meetings that are open to the public, and the publishing of papers and agendas well in advance of the meeting and minutes published promptly as required under Regulation 8(13) of the Schools Forum Regulations 2012.

Working groups

63. It's open to a schools forum to set up working groups of members to discuss specific issues, and to produce draft advice and decisions for the schools forum itself to consider. The groups can also include wider representation, for example, an early years reference group can represent all the different types of provider to consider the detail of the early years single funding formula. The reference group would then be able to give its considered view on the local authority's proposals to the schools forum. The schools forum should not delegate actual decisions or the finalisation of advice to a working group, as this may have the effect of excluding legitimate points of view. These have proved effective for larger local authorities; examples of some working groups are for high needs and early years.

Urgent business

64. It's good practice for the local authority to agree with its schools forum an urgency procedure to be followed when there is a genuine business need for a decision or formal view to be expressed by the schools forum, before the next

scheduled meeting. The local authority may of course call an unscheduled meeting; but it may also wish to put in place alternative arrangements such as clearance by email correspondence or some other means. Such instances should be avoided so far as possible but are legitimate provided all members of the schools forum have an opportunity to participate, the logistics provide a reasonable opportunity for consideration and the local authority policy on data security is not compromised.

65. It's not legal for the Chair to take a decision on behalf of the schools forum, no matter how urgent the matter in question; but a schools forum may wish to put in place a procedure for the Chair to give the local authority a view on an urgent issue.

Resources of the schools forum

66. The costs of a schools forum fall in the Central School Services Block of the Dedicated Schools Grant (DSG).

67. It's legitimate to charge the running costs of schools forums to this budget including any agreed and reasonable expenses for members attending meetings, the costs of producing and distributing papers and costs room hire and refreshments and for clerking of meetings. Beyond these costs some schools forums have a budget of their own to use for activities such as commissioning research or other reports.

Section 2 – effective schools forums

Introduction

68. As the previous section outlined, local authorities have responsibility for establishing schools forums. They also have an ongoing responsibility to provide them with appropriate support, information and guidance in carrying out their functions and responsibilities.

69. The following outlines some aspects of what local authorities and schools forums should consider in ensuring that their schools forums are as effective as possible. The pace of academy conversions in particular means that this significant sector must be properly represented and feel that it is able to play a meaningful part in the discussions of the schools forum.

70. Central to the effectiveness or otherwise of a schools forum will be the relationship between it and its local authority. The local authority will have a significant influence on this: the support it provides; the resources it devotes and the weight it gives to the views of schools forums all contribute to the nature of the relationship. There are therefore a number of characteristics of this relationship that are particularly important:

- partnership: having a shared understanding of the priorities, issues and concerns of schools, academies and the local authority
- effective support: the business of the schools forum is supported by the local authority in an efficient and professional manner
- openness: it's important that a schools forum feels it is receiving open, honest and objective advice from its local authority
- responsiveness: local authorities should as far as possible be responsive to requests from their schools forums and their members. Schools forums themselves should also be aware of the resource implications of their requests
- strategic view: members of schools forum should consider the needs of the whole of the educational community, rather than using their position on a schools forum to advance their own sectional or specific interests
- challenge and scrutiny: schools forums may be asked to agree to proposals from their local authority that will have an effect on all schools and academies in the local area. The extent to which schools forums can scrutinise and challenge such proposals is an important aspect of their effectiveness

71. The characteristics identified above are just some of the aspects that will contribute to an effective schools forum. The following provides more detail on some of the specific issues that local authorities and schools forums may wish to consider in thinking about their own arrangements.

Induction of new members

72. When new members join the schools forum appropriate induction materials should be provided. These might include material relating to the operation of the schools forum together with background information about the local and national school funding arrangements. Typically they might comprise:

- the constitution of the schools forum
- a list of members including contact details and their terms of office
- any locally agreed terms of reference explaining the relationship between the schools forum and the local authority
- copies of minutes of previous meetings
- the programme of schools forum meetings for the year
- the local schools forum web address

73. This Operational and Good Practice Guide, suitably supplemented by local material, should also be provided to new members on their appointment.

74. Where there is sufficient turnover of schools forum members in any particular year the local authority may wish to organise a one-off induction event to brief new members. Such an event would usefully include an outline of the role of the schools forum and the national funding arrangements for schools and local authorities. It might also include an explanation of the local funding formula and any proposals for review. The opportunity could also be taken to explain the main reporting requirements for school and local authority expenditure.

Training

75. Ideally schools forum members should be able to use some of the budget set aside for schools forum running costs for accessing relevant training activities. Some training will be provided by officers of the local authority but members may wish to attend national or regional events, the costs of which, where necessary, can be supported from the schools forum budget. Local and national bodies have a key role to play in developing the competencies of forum members.

76. Training will need to be provided in response to any changes in the role of the schools forum and national developments in respect of school funding, to ensure that members can be fully effective when detailed discussions are taking place.

Agenda setting

77. The process by which the agenda for a meeting or cycle of meetings is set is in many respects one of the key determinants of the effectiveness or otherwise of a schools forum.

78. The frequency and timing of meetings of the schools forum should be agreed in advance of each financial or academic year; these should take into consideration deadlines for the local authority such as disapplication requests and the submission of the authority proforma tool (APT). It's good practice to publish the dates of meetings on the schools forum website. In drawing up this cycle of meetings, in consultation with the schools forum, the local authority should provide a clear overview of the key consultative and decision-making points in the school funding cycle. These will be drawn from a combination of national and local information and should inform the basic agenda items that each meeting needs to cover. For instance meetings will need to be scheduled at appropriate points to enable the schools forum to consider the outcomes of local consultations and national announcements.

79. Although the business of schools forums must be open and transparent, it is recognised that from time to time items of a confidential nature will need to be discussed. It's recommended that authorities apply the same principles that they apply to Council or Cabinet meetings when judging an item to be confidential and adopt similar practices for dealing with those reports in the meeting, for example placing them together at the end of the agenda.

Preparation for a schools forum meeting

80. It's vital that the schools forum is transparent, open and has clear communication lines to all of the members that are represented. This ensures the wider school family are aware of the business discussed, the impact on their setting and the reasons for the decisions.

81. The vast majority of a schools forum's business will be transacted on the basis of prepared papers. It is therefore important that these are concise, informative and produced in a timely and consistent manner. Recommendations should be clearly set out at the beginning of each report. It's also helpful if the front of the report confirms whether the report is for information or decision and who is eligible to vote where relevant.

82. It's good practice for the schools forum and local authority to agree a standard for papers. It is usual for papers to be dispatched at least one week prior to the meeting at which they will be discussed to allow members to consider them and if necessary canvass views from the group they are representing. Papers should be published on the local authority's website at this time to enable representations to be made to schools forum members.

83. Consistency in the presentation of papers also contributes to the effectiveness of meetings: it helps set the tone of meetings, facilitate the engagement of all members and signal the importance the local authority attaches to the work of the schools forum. Ideally such a standard should be agreed between the schools forum and local authority. The publishing of papers as a single pdf file is helpful as it saves time and avoids accessing multiple documents both in advance of, and during, the meeting. An Executive Summary of the reports can provide schools forum members and members of the public with an overview of the agenda and the decisions required.

84. The publishing of papers on a publicly available website well in advance of the meeting ensures that all interested parties are able to access papers. Some schools forums ensure that each represented group meets in the days immediately prior to the schools forum meeting to ensure the agenda is discussed and schools forum members are properly briefed by the group they represent. Although on occasions it's inevitable that schools forums will receive late, or tabled reports it does create some difficulty for members as they will not have been able to seek the views of those they represent.

85. Schools forums can consider adopting a flexible arrangement for time immediately prior to the meeting. For example it could be used for training of new members, or as a drop-in session for members to ask items of clarification, or for members to meet without officers to discuss the agenda.

Chairing the schools forum

86. The Chair of a schools forum plays a key role in setting the tone, pace and overall dynamic of the schools forum. They should provide an environment within which all members are able to contribute fully to discussions and guide the schools forum to making well informed decisions.

87. The relationship between the Chair and the local authority is therefore vital. The Chair should be very clear on the substance of the agenda items, understand the issues involved and the decisions and/or actions that need to be taken in respect of School Forum business. It's good practice for there to be a pre-meeting between the senior officer of the local authority supporting the schools forum and the Chair of the schools forum to ensure that all the issues are clearly understood.

88. Equally, the Chair has the responsibility of representing the views of the schools forum back to the local authority: for instance, they should, where appropriate, take the initiative to make suggestions for improvements to the way the business is conducted, and, in exceptional cases and with support of the members of the schools forum take the view that they do not have sufficient information on which to base a decision and ask that an item is deferred until further information is available. However, in doing so, the Chair and schools forum should be fully aware of the consequences of deferral.

89. The independence of the schools forum is paramount. Enhancing the role of Chair to a paid position, rather than the reimbursement of reasonable expenses, could blur the lines of independence. Similarly, if the Chair undertakes significant work for the local authority in another capacity, for example as an external consultant, they could be viewed as equivalent to an officer of the local authority.

90. Local authorities could consider if sharing contact details of the schools forum Chair with neighbouring authorities would be helpful for peer support and improving networking opportunities.

Clerking the schools forum

91. Clerking of a schools forum should be seen as more than just writing a note of the meeting. A good clerk provides an invaluable link between the members of the schools forum, the Chair and the local authority. It's a role often undertaken by an employee of the local authority though we would recommend consideration is given to the use of an independent clerk.

92. Clerks should manage the logistics of the meeting in terms of ensuring dispatch of papers and producing a note from the meeting. In considering the style of meeting notes consideration should be given to making them intelligible enough for non-attendees to get a sense of the discussion as well as clearly indicating the conclusion and action agreed in relation to each agenda item. Verbatim reports of a schools forum's discussion, however, are unlikely to be very useful. Schools forums may consider whether a simple action log should be maintained by the clerk to ensure all action points agreed are followed up.

93. Beyond this a good clerk can:

- provide the route by which schools forum members can access further information and co-ordinate communication to schools forum members outside of the formal meeting cycle
- respond to any queries about the business of the schools forum from headteachers, governors and others who are not on the schools forum themselves
- be responsible for ensuring contact details of all members are up to date
- maintain the list of members on the schools forum and advise on membership issues in general
- assist with the co-ordination of nomination or election processes run by the constituent groups
- keep the schools forum website up to date, for example by posting latest minutes and papers

- monitor, on a regular basis, the schools forum and general schools funding pages on the GOV.UK website; and arrange for the distribution of any relevant DfE information to schools forum members
- if appropriate, provide technical advice in relation to the schools forum regulations and in relation to the operation of a schools forum's local constitution
- organise, operate and record any voting activity of the schools forum in line with the provisions of its local constitution

94. Not all of these tasks may be able to be undertaken by the schools forum clerk. However, each one is important and there should be arrangements in place to ensure they are discharged adequately.

Good practice for schools forum meetings

95. Schools forums should ensure there is a clear debate of all agenda items. Whilst sub-group meetings are valuable in working through detailed issues, schools forums should consider that the level of debate held at the schools forum meeting and recorded in the minutes will be the official reflection of the level of challenge and discussion on each issue.

96. The use of nameplates for schools forum members also showing which group they are representing can be helpful to members of the public and presenters of papers. In addition the use of coloured cards or coloured nameplates can be helpful when specific members of a schools forum are eligible to vote on specific items, for example, voting on de-delegation or changes to the funding formula.

97. Consultations with the schools forum are a key responsibility of a local authority, ranging from the funding formula to the letting of contracts. Each consultation will be different and depend on the subject being consulted on, but local authorities should consider the following factors as good practice for effective consultation:

- plan and consult early
- allow reasonable timescales for response (as Forum members may need to consult the groups they represent)
- an open and honest approach
- fully inclusive
- allow for ongoing dialogue
- provide feedback

- clear communications

Meeting notes and recording of decisions

98. A vital part of the effective operation of a schools forum is to ensure that an accurate record of the meeting is taken. This must include the clear recording of votes where there are contrary views. Recommendations to, and decisions of, schools forums must be clearly set out.

99. Notes or minutes of each schools forum meeting should be produced and put on the website as soon after the meeting as possible to enable members and others to see the outcome of any discussions and decisions and, or votes. It is good practice to formally agree the accuracy of the note and minutes at a subsequent meeting but the publication of the draft minutes should not be delayed as a result and we would recommend no later than five days following the meeting for the publication of these.

100. In order to provide clarity about representation at each meeting, it is good practice for the minutes to record the group and/ or subgroup that each member represents against their name.

Communication

101. Communication to the wider educational community of the discussions and debates of, and decisions made by, the schools forum is fundamental to their effective operation. The more schools and other stakeholders know about the proceedings of the schools forum, the more their work will be an important and central part of the context of local educational funding. This is particularly important given the decision making role that the schools forum has. Local authorities should consider the operational differences between the types of stakeholders and plan their communications accordingly. For example ensuring effective communications across the PVI sector may be more difficult than with schools, which are more likely to have existing channels of communication for example, headteacher meetings.

102. Each schools forum should therefore be clear what its channels of communication are. It is fundamental that each member of schools forum represents the views of the group or sub-group that they represent and that all those with an interest in funding work together to ensure that their views are taken into account. Therefore communications directly between members and those they represent is essential; professional associations and phase groups could be suitable channels. This will ensure that schools forum members have an ongoing dialogue with the constituents of their group or sub-group and are therefore well able to represent their views at schools forum meetings. However, the schools forum should also consider additional communication processes. These could include:

- drawing schools' attention to the fact that all its agendas minutes and papers are publicly available on the local authority's website (this should include the publication of formula consultation documents)
- an annual report on the proceedings of the schools forum
- attendance by the Chair, or other schools forum member, at other relevant consultative or management groups such as any capital working group; or senior management meetings of the Children's Services Department
- a brief email to all schools, early years providers and other stakeholders after each schools forum meeting informing them of the discussions and decisions with a link to the full papers and minutes for further information
- a schools forum newsletter can be a less formal and more interesting way of communicating forum business and raising the profile of the schools forum and its members

News updates

103. Most, but not all, members of the schools forum will already be in receipt of regular information on school funding matters from the local authority and DfE. Other schools forum members should be copied into such information flows so that they can be kept abreast of developments between meetings.

104. Many local authorities have already established dedicated schools forum websites on which they post key information for schools forum members and other interested parties and updated on a regular basis.



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Schools forum powers and responsibilities

A summary of the powers and responsibilities of schools forums.

Function	Local authority	Schools forum	DfE role
Formula change (including redistributions)	Proposes and decides	Must be consulted [voting restrictions apply - see schools forum structure document] and informs the governing bodies of all consultations	Checks for compliance with regulations
Movement of up to 0.5% from the schools block to other blocks	Proposes	Decides	Adjudicates where schools forum does not agree local authority proposal
Contracts (where the local authority is entering a contract to be funded from the schools budget)	Proposes at least one month prior to invitation to tender, the terms of any proposed contract	Gives a view and informs the governing bodies of all consultations	None
Financial issues relating to:	Consults annually	Gives a view and informs	None

Function	Local authority	Schools forum	DfE role
<ul style="list-style-type: none"> • arrangements for pupils with special educational needs, in particular the places to be commissioned by the local authority and schools and the arrangements for paying top-up funding • arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the local authority and schools and the arrangements for paying top-up funding • arrangements for early years provision • administration arrangements for the allocation of central government grants 		the governing bodies of all consultations	
Minimum funding guarantee (MFG)	Proposes any exclusions from MFG for application to DfE	Gives a view	Approval to application for exclusions
Carry forward a deficit on central expenditure to the next year to be funded from the schools budget	Proposes	Decides	Adjudicates where schools forum does not agree local authority proposal

Function	Local authority	Schools forum	DfE role
Any brought forward deficit on de-delegated services which is to be met by the overall schools budget.	Proposes	Decides	Adjudicates where schools forum does not agree local authority proposal
De-delegation for mainstream maintained schools for: <ul style="list-style-type: none"> contingencies administration of free school meals insurance licences/subscriptions staff costs – supply cover support for minority ethnic pupils/underachieving groups behaviour support services library and museum services School improvement 	Proposes	Maintained primary and secondary school member representatives will decide for their phase. Middle schools are treated according to their deemed status	Will adjudicate where schools forum does not agree local authority proposal
General Duties for maintained schools <ul style="list-style-type: none"> Contribution to responsibilities that local authorities hold for maintained schools 	Proposes	Would be decided by the relevant maintained school members (primary, secondary, special and	Adjudicates where schools forum does not agree local authority proposal

Function	Local authority	Schools forum	DfE role
(please see pre 16 schools funding operational guide for more information)		PRU).	
<p>Central spend on and the criteria for allocating funding from:</p> <ul style="list-style-type: none"> • funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy • funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years 	Proposes	Decides	Adjudicates where schools forum does not agree local authority proposal
<p>Central spend on:</p> <ul style="list-style-type: none"> • early years block provision funding to enable all schools to meet the infant class size requirement • back-pay for equal pay claims • remission of boarding fees at maintained schools and academies • places in independent schools for non-SEN pupils • admissions • servicing of schools forum 	Proposes	Decides	Adjudicates where schools forum does not agree local authority proposal

Function	Local authority	Schools forum	DfE role
<ul style="list-style-type: none"> Contribution to responsibilities that local authorities hold for all schools 			
<p>Central spend on:</p> <ul style="list-style-type: none"> capital expenditure funded from revenue – projects must have been planned and decided on prior to April 2013 so no new projects can be charged contribution to combined budgets – this is where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources existing termination of employment costs (costs for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged) prudential borrowing costs – the commitment must have been approved prior to April 2013 	<p>Proposes up to the value committed in the previous financial year and where expenditure has already been committed.</p> <p>See table four page 31 to 35 for Information on historic commitments. Read establishing local authority DSG baselines for more information.</p>	Decides for each line	Adjudicates where schools forum does not agree local authority proposal
<p>Central spend on:</p> <ul style="list-style-type: none"> high needs block provision central licences negotiated by the Secretary of State 	Decides	None, but good practice to inform forum	None

Function	Local authority	Schools forum	DfE role
Scheme of financial management changes	Proposes and consults the governing body and Head of every school	Approves (schools members only)	Adjudicates where schools forum does not agree local authority proposal
Membership: length of office of members	Decides	None (but good practice would suggest that they gave a view)	None
Voting procedures	None	Determine voting procedures	None
Chair of schools forum	Facilitates	Elects (may not be an elected member of the Council or officer)	None



Education & Skills
Funding Agency

New arrangements for reporting deficits of the dedicated schools grant

Government consultation response

March 2019

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Introduction

The Department for Education (DfE) announced in July 2018 that local authorities will be required to submit a recovery plan if they have a cumulative deficit of 1% or more of their dedicated schools grant (DSG), starting at the end of the 2018 to 2019 financial year. The plan should explain in detail how the local authority intends to bring its DSG account into balance.

Summary of responses received and the government's response

On 12 November 2018, DfE directly emailed a consultation document to all local authorities with education responsibilities, outlining proposed details of the recovery plan process and asking for comments.

By the time the consultation closed, we received 92 responses from local authorities and two from representative bodies, the Local Government Association and the Society of London Treasurers.

By far the most common element in the responses was that local authorities said that the reason many of them already have a DSG deficit or are facing the imminent prospect of such a deficit, is the ever-increasing high needs pressures that they are facing.

On 17 December 2018, the Secretary of State announced an additional £125 million funding for high needs in 2018 to 2019 and a further £125 million for 2019 to 2020, together with an additional £100 million capital funding.

As regards the DSG recovery plans, 39% of the responses welcomed the new requirement of the DSG recovery plans, and some local authorities thanked DfE for acknowledging the pressures that local authorities are under and putting plans in place to increase the visibility of the deficits.

A number of local authorities asked if DfE can provide a template for the recovery plans that they can follow. We think this is a good idea and have produced a template for local authorities, which we have included in the detailed guidance that we are publishing.

There were also comments that suggested the supporting information needed to cover demand data, volume and activity (for example, numbers of EHCPs) so the template should not merely be a financial plan. We have acknowledged this and have developed the template to reflect these comments.

We noted that a number of local authorities also said that if they did find themselves in a deficit of 1% or more, a 5-year rather than 3-year plan would allow them adequate time to bring their DSG deficits into balance whilst simultaneously budgeting within the resources available to them.

Given the urgency of the situation, DfE has decided to maintain the 3-year target. Any local authority that believes its recovery plan should extend over more than 3 years must provide detailed evidence explaining why this timescale is not achievable.

Some local authorities said that they did not believe DfE was giving them enough time for the schools forum to agree to their recovery plans. Local authorities must discuss the

recovery plan with the schools forum and agree it if possible, but they do not need to obtain agreement before submitting the plan.

A few local authorities said that it would be very difficult to produce realistic recovery plans because they do not know how much DSG they will receive in future years. They stated that in order to plan to bring DSG spending in line with allocations, they needed a greater level of certainty over a longer period of future allocations.

Future allocations are subject to the Spending Review and we therefore are asking local authorities to make their own forecast of future allocations based on the information currently available, perhaps as a range, in order to inform the plan.

A small number of local authorities asked if DfE intends to publish the recovery plans. While we do not intend to publish the recovery plans, they may be subject to release under freedom of information requirements.

They should in any case be available locally as we are requiring that they should be discussed with the schools forum. Once submitted, we will be reviewing plans year to year and between annual reviews, so the reviewing process will be rolling, and we will check to make sure recovery plans are on track to bring deficits back into balance year by year. All local authorities will be expected to supply DfE with updates on any circumstances that will affect their recovery plans.

It is a requirement under the DSG conditions of grant for 2019 to 2020 that local authorities which have a cumulative deficit on DSG of more than 1% provide a recovery plan.

Failure to provide a plan by the deadline will result in escalation to the Minister, the Chief Finance Officer, and the Director of Children's services. We will study the recovery plan and provide comments back to the local authority by September 2019. If a plan is unsatisfactory, we will work with local authorities to ensure that it is improved as necessary.

Another recurring theme in the responses was for DfE to consider the time frame that we are giving local authorities to study the new guidance and produce their recovery plans.

We accept that we should publish the guidance no later than the end of March 2019. A number of local authorities suggested that the proposed deadline for submission of 30 June 2019 was too soon.

However, we do not think it appropriate to extend this deadline as we would have expected local authorities to be working on their own recovery plans as part of the budget planning process earlier in the year. If plans are to be effective it is important that they should start to be implemented as soon as possible.

Finally, a few detailed questions were raised that we would like to clarify.

The DSG deficits are separate from maintained school balances; some local authorities wondered if they could net school balances off against the deficit. This is not possible because school balances are automatically carried forward at individual school level and are therefore not available to offset deficits on centrally retained funding.

DSG and school balances are therefore classified by the Ministry of Housing, Communities & Local Government (MHCLG) as two separate ring-fenced reserves.

Finally, the 1% deficit is calculated by reference to the DSG as a whole, before academy recoupment, not just the high needs block.

Next steps

We have published guidance and a recovery plan template for local authorities. The guidance outlines the material that all local authorities with a DSG deficit of 1% or more must include in their recovery plans.

Local authorities have until 30 June 2019 to write their recovery plans and submit them to the Education and Skills Funding Agency (ESFA).

We will analyse recovery plans during July and August 2019, and in September 2019 we will give feedback to local authorities about the plans.

List of bodies that responded to the consultation

- Bexley
- Barnet
- Barnsley
- Blackpool
- Bolton
- Brent
- Bristol
- Bromley
- Camden
- Central Bedfordshire
- Cheshire East
- City of London
- Cornwall
- Croydon
- Cumbria
- Darlington
- Derbyshire
- Devon
- Dudley
- Durham
- Ealing
- East Riding
- East Sussex
- Gateshead
- Hackney
- Hammersmith and Fulham
- Haringey
- Harrow
- Hartlepool
- Herefordshire
- Hounslow
- Hull
- Islington

- Kent
- Kingston
- Knowsley
- Lambeth
- Leeds
- Leicester
- Lewisham
- Lincolnshire
- Local Government Association
- Havering
- Luton
- Manchester
- Merton
- Newcastle
- Norfolk
- North Lincolnshire
- North Somerset
- North Tyneside
- North Yorkshire
- Nottingham
- Nottinghamshire
- Oldham
- Oxfordshire
- Plymouth
- Portsmouth
- Reading
- Redcar & Cleveland
- Richmond
- Rochdale
- Rotherham
- Rutland
- Salford
- Sandwell
- Shropshire
- Society of London Treasurers

- South Gloucestershire
- Southampton
- Southend-On-Sea
- St Helens
- Stockton-on-Tees
- Stoke-on-trent
- Suffolk County Council
- Sunderland
- Surrey
- Sutton
- Torbay
- Wakefield
- Waltham Forest
- Wandsworth
- Warrington
- West Berkshire
- Westminster
- Wiltshire
- Windsor & Maidenhead
- Wirral
- Wokingham
- Worcestershire



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Education & Skills
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Dedicated schools grant (DSG) deficit recovery plans

Guidance for local authorities

March 2019

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Summary

About this guidance

This is guidance from the Education and Skills Funding Agency (ESFA). This means that recipients should have regard to it when producing recovery plans for DSG deficits. The guidance covers the necessary requirements that all local authorities with a deficit of 1% or more should fulfil when submitting their recovery plans.

Review date

This guidance will next be reviewed in January 2020.

Who is this guidance for?

This guidance is for local authorities.

Main points

All local authorities that have a cumulative DSG deficit of 1% or more at the end of a financial year are required to submit a recovery plan outlining how they will bring their deficit back into balance in a three-year time frame.

Local authorities that are required to submit a recovery plan should do so by 30 June in the following financial year.

A recovery plan template has been provided by the department that local authorities should complete.

Overview of the new requirement for DSG deficit recovery plans

As announced in July 2018, the department requires a recovery plan from all local authorities that have an overall cumulative DSG deficit of 1% or more at the end of the 2018 to 2019 financial year.

The 1% calculation will be based on the latest published total DSG allocations for 2018 to 2019, gross of recoupment, as at the end of the 2018 to 2019 financial year, and excludes maintained school balances.

In previous years we have asked authorities with a cumulative deficit of 2% or more to provide plans outlining how they will bring their deficits back into balance. The decision to move the threshold to 1% is in recognition of the increase in local authorities recording a DSG deficit over the last two years.

It is hoped that by requiring all local authorities with a cumulative deficit of 1% or more to provide a recovery plan, the department will have better visibility of deficits and will be able to work with authorities to help bring deficits back into balance.

The DSG is a ring-fenced specific grant, provided outside the local government finance settlement. It should be used in support of the schools budget for the purposes defined in the School and Early Years Finance (England) Regulations. As funding is ring-fenced, there is no requirement for local authorities to top-up the grant from general funding or from non-ring-fenced revenue reserves, but it is open to them to do so.

ESFA will require all local authorities with a cumulative overspend greater than 1% of their DSG to complete the recovery plan template provided and submit it to the department. The plans should detail the steps authorities plan to take to bring their deficits back into balance within a three-year timeframe. Recovery plans should be discussed with schools forums, and be signed off by the local authority's chief financial officer (CFO) before the plans are submitted to the department.

We recognise this new requirement may prove difficult for some local authorities. If a local authority feels that a three-year time frame is not realistic, it will be able to submit with its plan evidence that states how this may not be achievable.

We will review each recovery plan on a case by case basis and will decide if we can accept a recovery plan that leaves some or all of the deficit accumulated to date outstanding. This would result in the local authority carrying forward the agreed deficit and we would not require this to be recovered within the three-year period.

Any local authorities that propose to leave part or all of their accumulated DSG deficit outstanding will need to provide a clear explanation as to why their deficits could not be

recovered in the short term and provide thorough evidence to support their proposals. They will also need agreement from their CFO.

As we indicated in the consultation document, the Ministry of Housing, Communities & Local Government (MHCLG) has changed its guidance on the reporting of DSG reserves in its statistical returns.

DSG reserves, positive or negative, should in future be reported as a separate ring-fenced reserve in revenue outturn (RO) returns. This is a separate and additional reserve to the school balances reserve that is already specified.

Any kind of local authority revenue reserve may be either negative or positive. Since ring-fenced reserves are not taken into account in assessing local authorities' ability to set a lawful balanced budget, DSG deficits will not need to be covered for that purpose by an equivalent amount in local authorities' general reserves.

We will restate this in guidance for section 251 statements and chief finance officer DSG assurance returns.

More widely, the agreement of recovery plans will give assurance that local authorities will not be called upon to repay the DSG deficit faster than set out in the plan; and where we agree that an element of the deficit does not need to be repaid during the period of the recovery plan, that will give assurance that the local authority will not be called upon to repay any part of that element for at least three years.

Once authorities have submitted their plans by 30 June 2019, we will begin to review each plan with the intention of giving feedback to local authorities by the end of September 2019.

All plans will be reviewed by a panel and will look to discuss the viability of the plan as well as establish areas in which the department can support local authorities to bring their deficits into balance.

DSG recovery plan template

In response to feedback from local authorities, we have designed a template that should be used when submitting a recovery plan. There are two tabs on the template, **Narrative** and **Financial Summary**.

Narrative tab

The **Narrative** tab gives local authorities the opportunity to share with the department in detail reasons as to why they have a DSG deficit. As local authorities would when submitting block movement requests, they are required to answer all of the questions in the boxes provided. Please note that each box has a limit of 3,000 words.

Local authorities should provide detailed responses to each question in order for us to have a complete understanding of the pressures local authorities have faced, and the savings they intend to make. The majority of questions require local authorities to answer them in the box located directly below them.

Once local authorities begin to answer the question on row 35, they will note **Add Row** and **Delete Row** buttons. For every area in which a local authority proposes to implement savings over the next three years they should click **Add Row**. This will then automatically add a row to the **Financial Summary** tab where local authorities will be able to input their figures to the table. Local authorities should, in detail, explain how they will be making the savings in this area on the narrative page as this will directly link to the figures that have been input on the financial tab.

The same method of input will be used for the question on row 38, where local authorities should discuss the local pressures that have contributed to their deficit. As they did with the savings question on row 35, local authorities should **Add Row** for each pressure they believe has contributed to their deficit and this will automatically generate a row on the **Financial Summary** tab for them to populate with figures. Again, local authorities should explain in detail the local circumstances that have resulted in their DSG deficit. If local authorities wish to remove any rows that they have created, they should click the **Delete Row** button.

Financial Summary tab

On the **Financial Summary** tab, local authorities will be able to use the **DSG Recovery Plan** table to input figures that show the cost savings and pressures that they have already experienced, as well as ones they expect to experience in the future. Local authorities can follow the key to understand which cells will need to be populated before submitting their recovery plan.

This table is populated by adding in rows on the **Narrative** tab for the questions on rows 35 and 38. For each row on the recovery plan, local authorities should input the **Block** in column C, **Type of provision** in column D, and **Action** in column E.

Local authorities will be able to use the drop down list in column E to select their pressure and saving areas. If a local authority has a different saving or pressure, they should select **other** and ensure that their action is explained in the linked row on the narrative tab.

Local authorities should then populate the cells with financial figures that show a decrease in their DSG deficit year on year. For their saving areas, local authorities should ensure that all figures are entered as negative values. For pressures, all figures should be entered as positive values.

The table is formatted to automatically calculate **Net in year Forecast Outturn Variance**, **DSG Balance**, and **DSG Balance**, revised after local authorities have input all of their financial data. Any block underspends against allocations should also be shown in the savings section of local authorities' recovery plans.

In order for the calculations to update correctly, local authorities should enter their closing 2018 to 2019 balance into cell **F20**. Local authorities are able to select cells and view the formulae at the top of the page to ensure that the calculations are correct.

At the bottom of the page, there is a table to capture the number of pupils on Education, Health and Care Plans (EHCPs). Authorities should populate these cells with the number of plans at the end of each financial year, this will ensure consistency in reporting, enabling the department to have complete visibility when it is analysing the recovery plan.

Submitting the recovery plan

Once local authorities have completed both the **Narrative** and **Financial Summary** tabs, they should submit their recovery plans with any supporting documents to financial.management@education.gov.uk.

DSG deficit recovery plan evidence

We expect a range of evidence to support local authority recovery plans. We would expect this to have already been presented to schools forums.

We are aware that DSG deficits are usually caused by high needs pressures, and in these cases the evidence required in the recovery plans will typically include what we already look for in block movement disapplication requests.

Local authorities will however need to address whatever the main causes of overspending on the DSG have been.

Evidence requirements

Evidence should include a full breakdown of specific budget pressures on DSG funded services locally that have led to the local authority incurring a cumulative DSG deficit of over 1%.

Where this has resulted from high needs pressures, information should include the changes in demand for special provision over the last three years, how the local authority has met that demand by commissioning places in different sectors (mainstream and special schools, further education and sixth form colleges, independent specialist provision and alternative provision), and if there have been any reductions in the provision for mainstream school pupils with high needs.

Where the deficit has resulted from high needs pressures, the evidence should include an assessment and understanding of the specific local factors that have caused an increase in high needs costs to a level that has exceeded the local authority's high needs funding allocations. There should also be a plan to change the pattern of provision where this is necessary, as well as to achieve greater efficiency and better value for money in other ways, together with evidence of the extent to which the plan is supported by schools and other stakeholders.

Evidence should include a detailed recovery plan showing how the authority intends to bring its DSG reserve into balance within three years, showing clearly how expenditure will be contained within future funding levels

If the local authority judges that it cannot recover the whole of its cumulative DSG deficit within three years, it should explain the reasons for this. If the local authority wishes to defer recovery of some of the cumulative deficit, it should show in its recovery plan that it is able to at least contain its expected in year expenditure within its expected in year DSG income by the end of the three-year period.

Evidence should include details of any previous movements between blocks, what pressures those movements covered, and why those transfers have not been adequate to counter the new cost pressures. If local authorities have already submitted information to the department that they believe would support their application, they should provide the reference number and also any changes to the information that have occurred since it was submitted.

Evidence should include assumptions on assumed future transfers between blocks of the DSG, if permitted in future years, and evidence of support from the schools forum and wider school community for these.

Key deadlines

Action	Deadline
Section 251 2019 to 2020 budget statements submitted	4 March to 30 April 2019
Section 251 budget statement 2019 to 2020 checks to be completed	1 May to 26 June 2019
Deadline for submission of DSG deficit recovery plans	30 June 2019
Review of DSG deficit recovery plans	July to September 2019
Deadline for submission of CFO assurance statement on use of DSG in 2018 to 2019	Mid-September 2019

Further information

[High needs funding arrangements: 2019 to 2020](#)

[Dedicated schools grant \(DSG\): 2019 to 2020](#)

[Written ministerial statement](#)

[Letter from the Secretary of State to local authorities](#)

[Residential special schools and colleges: support for children](#)



Education & Skills
Funding Agency

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School and Early Years Finance (England) Regulations
Local Authority Dedicated Schools Grant Deficit Recovery Plan

Please complete this recovery plan template outlining how you will bring your DSG deficit back into balance within a 3 year time frame. Please complete all relevant fields and return the completed recovery plan to financial.management@education.gov.uk

You may wish to include brief supporting attachments with your request such as forum minutes (if links not available) - these can be added towards the bottom of this page. Spreadsheet calculations should be included on the **Financial Summary** tab.

Local Authority	
Local Authority number	
Does schools forum agree with this recovery plan and when was it presented to them?	
If yes, please provide link(s) to the minutes and action plans from the schools forum agreement	

What plans have you put in place to reduce the deficit in increments over the next 3 years?	

Can you specify how continuous improvement has reduced the deficit/ is going to reduce the deficit? This could include sharing best practice, new contracts, efficiency savings	Word count: 0

Please provide details of any previous movements between blocks, what current cost pressures those movements covered, and why those transfers have not been adequate to counter the new cost pressures	Word count: 0

Please provide details of contributions coming from the health and social care budgets towards the cost of high needs provision	Word count: 0

Please explain how the LA has discharged its duties under the Equality Act 2019, C&F Act 2014 and common law to consult with those affected by the changes proposed	Word count: 0

Please include a summary of the savings/and or measure you propose to implement over the next three years which will reduce the overspend.	
S1	S1 -

Please discuss the local circumstances that have contributed to your deficit. Please provide a brief summary of the pressures in the box below and transfer the forecast spend in this area on the financial summary tab via the appropriate link. Local authorities should consider providing budget pressures in the following areas: A) mainstream schools; B) state-funded special schools, C) further education and sixth form colleges, D) independent specialist provision; E) alternative provision	
P1	P1 -

Please provide any further detail here if required, including any attachments that support your recovery plan and any disapplication reference number.	

Contact Name	
Job Title	
Email address	
Date	

For Official use only

Recovery Plan number	
ID	
DfE Response to Plan	
Details of the Decision	

Name	
Date	
Type of Notification	

Further Information	
High Needs Funding Arrangements	Information for local authorities and institutions about high needs funding arrangements for 2019 to 2020.
High Needs Benchmarking Tool	Information for local authorities about strategic reviews, funding of high needs provision for children and young people with SEND and the High Needs benchmarking tool.

Apprenticeships

Using the Apprenticeship Levy for staff development

Apprenticeship Levy

- Started April 2017
- Council pays approx. £57,000 a month – Government adds 10%
 - Credited into an online Apprenticeship Service account
 - This can only be used to pay for apprenticeship training and final assessments

Public Sector Apprenticeship Target

- Public Sector challenged to be exemplar employers
- At least 2.3% of employees to start an apprenticeship annually
- Council target - 142 apprenticeship 'starts' each year until March 2021 (includes LA schools)
 - 29 in 2017-18
 - will be around 60 for 2018-19
- Cumulative target – need 479 'starts' by March 2021

What is an Apprenticeship?

- Work-based learning to meet employer needs
- Open to anyone of any age
- Equivalent levels to GCSE to Master's Degree
- Delivered by approved training providers
- Don't always lead to a qualification / registration

Types of Apprenticeships

New starter

- Newly recruited employees starting an apprenticeship
- Historically recruited to Level 2 apprenticeships eg Business Admin/Teaching Assistant
- Can recruit this way onto any 'Level' of apprenticeship

Development

- Developing existing employees to meet current and future service needs

Levels of Apprenticeships

Name	Level	Equivalent Educational Level
Intermediate	2	GCSE
Advanced	3	A Level
Higher	4, 5, 6 and 7	Foundation Degree or above
Degree	6 and 7	Bachelor's or Master's Degree

Benefits to Schools

Strategic Workforce Development

- Enables proactive succession planning
- Improves performance
 - Developing skills, knowledge and behaviours
- Employee retention / engagement

Cost effective way for a school to develop a motivated, skilled and qualified workforce

As a manager what do I need to do?

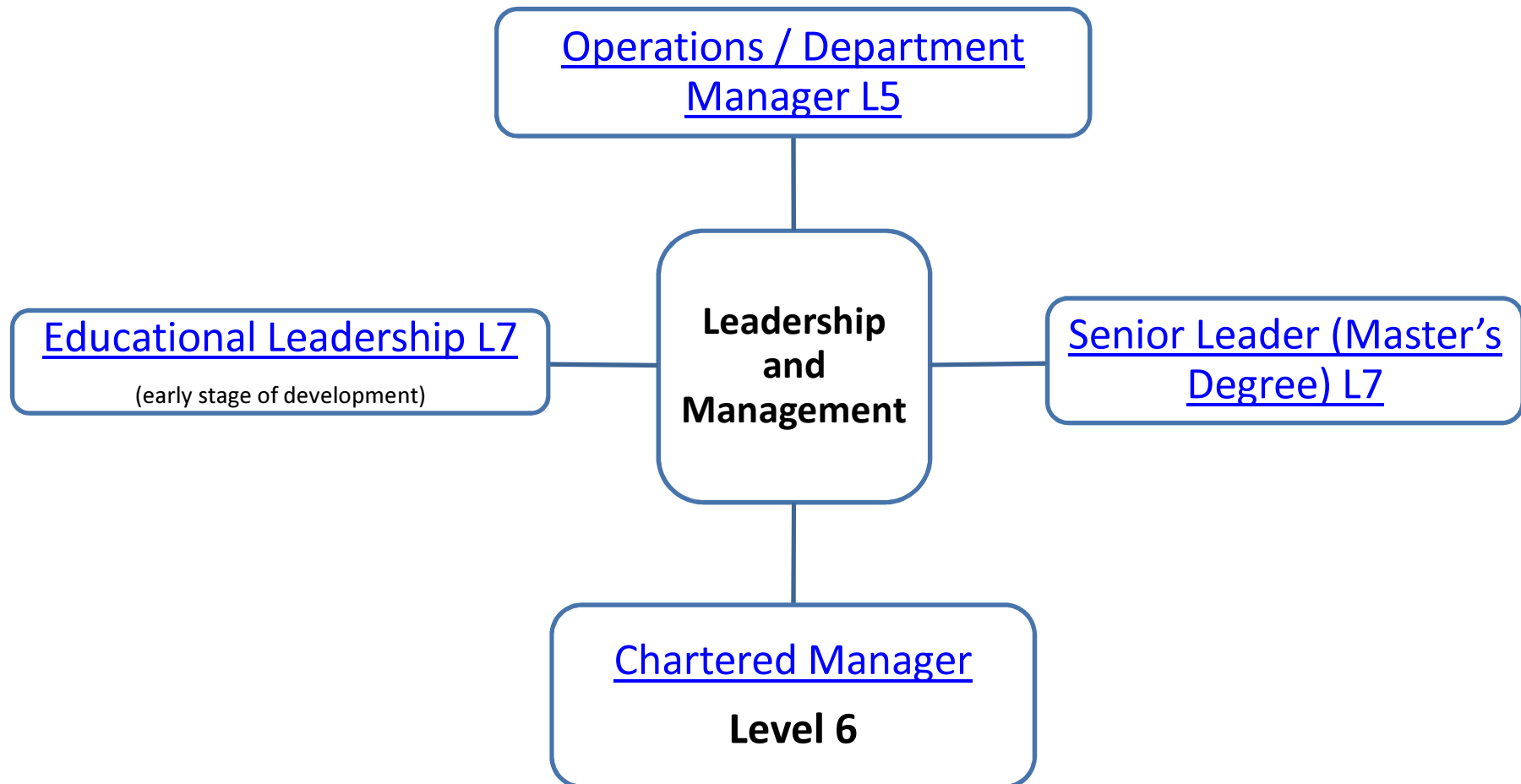
- Discuss apprenticeships and how they can benefit your school
- Consider
 - Requirement for 20% 'off the job training' - this may limit cohort numbers
 - many apprenticeships are 'in the workplace' learning
- Contact apprenticeships@rotherham.gov.uk for more information

What apprenticeships would be suitable for Rotherham Maintained Schools?

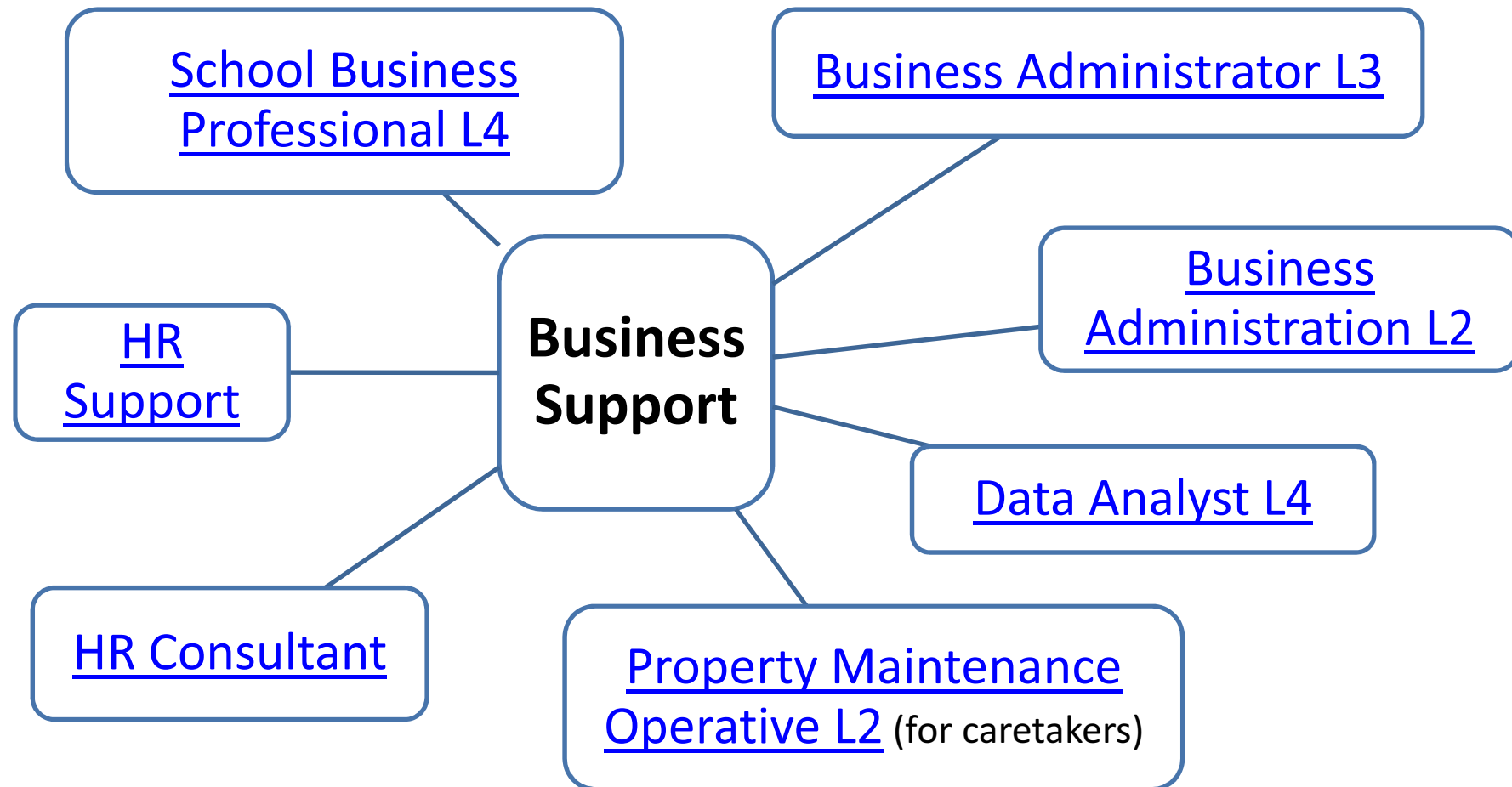
The following slides show some of the apprenticeship options that could be suitable for you and your colleagues.

The blue hyperlinks take you to further information on each apprenticeship

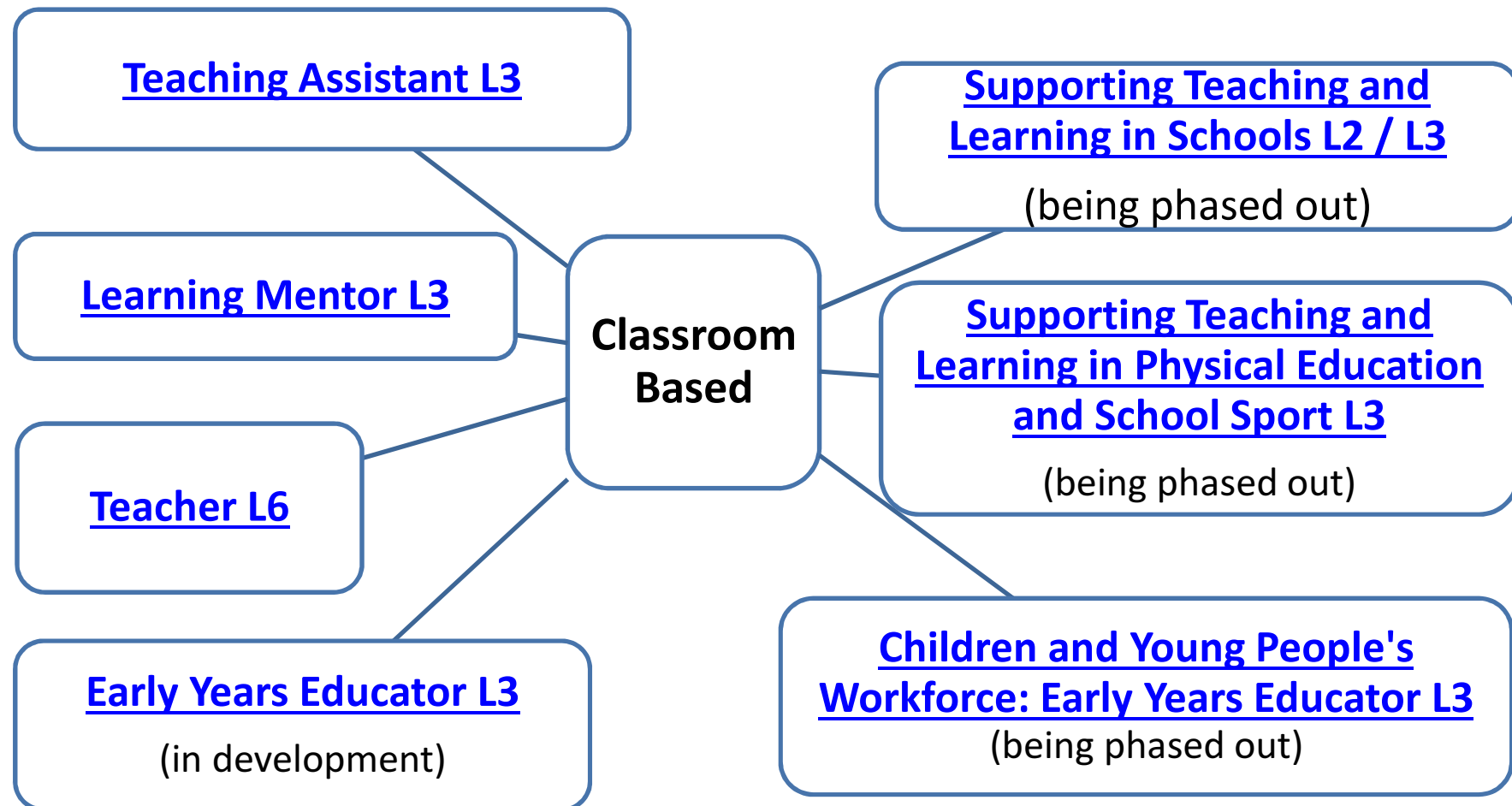
Leadership and Management Apprenticeships



Business / Support Apprenticeships



Classroom Based Apprenticeships



Application Process

Find

- Search for apprenticeships at
- <https://www.instituteforapprenticeships.org/apprenticeship-standards>

Email

- Request information / application form from
- apprenticeships@rotherham.gov.uk

Request

- Return completed form to
- apprenticeships@rotherham.gov.uk

As a manager what do I need to do?

- **Identify which apprenticeships match your service needs**
 - New apprenticeships standards added regularly – search for newly approved ones at <https://www.instituteforapprenticeships.org/apprenticeship-standards/>
- **Email apprenticeships@rotherham.gov.uk**
 - What apprenticeships you are interested in?
 - How many employees do you want to do this training?
 - When do you want these to start?
- Human Resources and Procurement services will find a training provider for you – you must **not*** do this
 - * Do **not** agree to apprenticeships if training providers contact you directly

Further Information

apprenticeships@rotherham.gov.uk

Tracey Priestley, Human Resource Officer
Tel: 01709 823715



The Rotherham Scheme for Financing Schools

**Made under Section 48 of the School Standards &
Framework Act 1998**

**Effective from 1st April 2019
(Revised April 2019)**

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SECTION 1: INTRODUCTION

1.0 The Funding Framework

This funding framework which replaces Local Management of Schools is based on the legislative provisions in sections 45-53 of the Schools Standards and Framework (SSAF) Act 1998.

Under this legislation, the Authority determines for itself the size of the schools budget and their non-schools education budget – although at a minimum a local authority must appropriate its entire Dedicated Schools Grant to their Schools Budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but between them is all expenditure, direct and indirect, on an Authority's maintained schools except for capital and certain miscellaneous items. The Authority may centrally retain funding for purposes defined in regulation made by the Secretary of State under s.46 of the Act. The amounts to be retained centrally are decided, 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 non-schools budget must be retained centrally (although earmarked allocations may be made to schools).

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

Subject to provisions of the scheme, governing bodies of schools may spend budget shares for the purposes of their school. They may also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under s.50. (Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under s.27 are treated as if they were amounts spent for the purpose of the school)

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. Paragraph 36 of the Code of Practice on LEA: School Relations provides further exemplification indicating that examples of a school not managing the delegated budget satisfactorily might include (but not be limited to) where there have been breaches of probity or a school is operating with a substantial deficit which the Governing body has no satisfactory plans to contain and eliminate. There is a right of appeal to the Secretary of State. A school's right to a delegated budget share may also be suspended for other reasons (s.17 of the SSAF Act 1998) but in that case there is no right of appeal.

Each authority is obliged to publish each year a statement setting out details of its planned schools budget and other expenditure on children's services, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget

shares, and the detailed calculation for each school. After each financial year the Authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school. Out-turn statements are subject to audit certification by the Audit Commission, and information in either type may be collated and published by the Secretary of State.

The detailed publication requirements for the financial statements and for schemes are set out in directions issued by the Secretary of State, but each school must receive a copy of the scheme and any amendment, and each year's budget and out-turn statements so far as they relate to that school or central expenditure.

1.1 The Role of the scheme

The scheme provides for the delegation of financial and managerial powers to governing bodies of schools and describes the regulations and conditions by which the governing bodies should abide, in order to remain accountable to the public and the Authority.

The scheme is based on the following principles:

- a) That the optimum level of delegation to governing bodies of financial responsibilities should be achieved.
- b) That Head teachers and governing bodies should be allowed the maximum amount of freedom in determining financial and managerial policies for their schools within the Council's framework of Financial Regulations and Standing Orders.
- c) That the scheme will be clear and understandable.

1.2 Application of the scheme to the Authority and Maintained Schools

The scheme applies in respect of all community, community special, voluntary, foundation and foundation special schools maintained by the Authority. The scheme does not apply to academies. The schools covered by the scheme as at 1st April 2019 are attached at Annex A.

1.3 Publication of the scheme

A copy of the scheme will be supplied to the head teacher and to the governing body of each school covered by the scheme, and any approved revisions will be notified to each such school.

1.4 Revision of the scheme

Any proposed revisions to the scheme will be the subject of consultation with schools and will require approval by the Secretary of State.

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

1.5 Delegation of Powers to the Head teacher

The governing body should consider the extent to which it wishes to delegate its financial powers to a Committee of the Governing Body and to the Headteacher. The extent of such delegation should be recorded in the minutes of the Governing Body and incorporated into each school's Scheme of Delegation.

The scheme does not prescribe the level of delegation to a Committee of the Governing Body and the Headteacher. It does require each school to have a Scheme of Delegation and it does require that the budget plan for each financial year is approved by the Governing Body or by a Committee of the Governing Body. Any approval/decisions of the Committee or a Governing Body should always be reported back up to the Governing Body at the first available opportunity.

Each Governing Body should review its Scheme of Delegation and its Financial Procedures Manual annually and record any revisions to them in the minutes. It is for each school to determine the precise contents of these documents although the LA has provided drafts for guidance and will continue to give advice on their content and format.

1.6 Maintenance of Schools

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

SECTION 2. FINANCIAL CONTROLS

2.1 Application of Financial Controls to Schools

All schools are required to abide in the management of their delegated budgets by the Authority's requirements on financial controls and monitoring, not only those in the scheme but also those requirements to be contained in the Council's Financial Regulations and Standing Orders and the specific sub-set of these "Financial Regulations for Schools with Delegated budgets".

In particular these conditions cover:

- a) arrangements for the management of delegated expenditure, specifically for authorising expenditure for transactions involving commitments to expenditure;
- b) the keeping and auditing of accounts and records;
- c) the provision to the Council of copies of accounts and records and any other relevant documents and information that the Council may from time to time require from the governing body.

The Strategic Director – Finance & Customer Service is responsible for the proper administration of all financial activities in this Authority under the terms of the Local Government Act 1972. These include budgets delegated to governing bodies of schools.

However should an instance arise where the Scheme and Financial Regulations are in conflict, the Scheme provisions will prevail.

2.2 Provision of Financial Information and Reports

The governing body is required to provide the Authority with details of anticipated and actual expenditure and income. This should be submitted in line with the dates specified in the Schools Finance Reporting Timetable. This statement must be submitted in a format specified by the Strategic Director – Finance & Customer Services, and must provide a forecast outturn position, which has been based upon a review of actual spending plans and commitments within the school.

Irrespective of the monitoring arrangements described above, the Governing Body must report to the Strategic Director – Finance & Customer Services as soon as it is aware that the school is likely to overspend in any financial year. In this case financial monitoring reports will be requested more frequently (specific timescales to be determined by the Authority).

2.3 Payment of Salaries; Payment of Bills

The Head teacher is responsible for providing an efficient procedure to administer the payment of salaries and invoices, as detailed in the Schools Financial Regulations.

Irrespective of which payroll provider is used by the school, the Strategic Director – Resources & Customer Services may still require certain payroll information to be provided by the school. It is advisable that these requirements are reviewed prior to a school entering any contract for the provision of payroll services.

2.4 Control of Assets

There is a requirement for each school to maintain an inventory of its moveable non-capital assets and setting out the basic authorisation procedures for disposal of such assets, as outlined in the Schools Financial Regulations. However schools are free to determine their own arrangements for keeping a register of assets worth less than £2,000, although a register in some form must be maintained. This is particularly important for moveable ICT equipment; therefore schools may wish to consider a separate register for ICT equipment. **It is recommended that schools register anything that is portable & attractive such as a camera**

2.5 Accounting Policies (Including Year-End Procedures)

School will abide by procedures issued by the Council regarding all accountancy procedures (including year-end accounts) as issued by the Head of Corporate Finance, or on his behalf by the Finance Team, Children and Young People's Service.

2.6 Writing off Debts

The Governing Body should keep under review the level and age of outstanding debts. When all reasonable steps to secure the recovery of debt have been taken, the Governing body is authorised to write off these debts. Such decisions should be minuted by the Governing body.

2.7 Basis of Accounting

The Council would request that schools adopt accruals accounting basis of reporting when providing reports and accounts to the Council. This means that such reports should reflect actual payments and receipts made by the schools and charged to the school budget, rather than committed or planned income or expenditure yet to be defrayed.

2.8 Submission of Budget Plans

The governing body is required to submit a plan to the Authority annually, by the deadline as specified the document Schools Reporting Timetable (usually the Middle of May), showing its intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. This plan must be approved by the full Governing body or Finance Sub Committee and should be minuted as such. Schools are permitted to take account of what the Council deems as the estimated balances (deficit/credit) when submitting their budget plans. Governing bodies will have to submit revised plans by the middle of October (specific date stipulated on the Schools Reporting Timetable).

The Authority will supply schools with all school income and expenditure data which it holds which is necessary for efficient planning by schools.

2.9 Multi-year Budget Forecasts

It is good practice for schools to prepare a multi-year financial forecast even where the Authority has not provided indicative budget shares, which would only occur where the government has not provided multi-year financial settlements for schools. Where schools are forecasting a

current year deficit, a 3 year plan must be completed. The estimated future years budget share must be based on reasonable assumptions, of which details should be provided.

2.10 School Resource Management

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

It is important that schools continually review current expenditure, and compare themselves to similar schools in order to think about how to make improvements.

2.11 Virement

Schools are allowed to vire freely between budget heads in the expenditure of their budget shares. This is in order to preserve the accuracy of the school's budget record on the Council's accounting system. Virement should be approved by the Governing Body and all approved virements should be approved in the termly monitoring returns.

2.12 Audit: General

Schools will operate within an audit regime determined by the Authority as regards internal audit, and the Council's external audit regime as determined by the Audit Commission.

Governing Bodies and members of staff shall provide all facilities and co-operation to both internal and external auditors, who shall be entitled to whatever information or explanations they require in order to be satisfied as to the correctness or otherwise of any matter under examination.

The Governing Body, or a delegated Sub-Committee, must consider any audit reports relating to the school, and should minute its consideration of those reports.

2.13 Separate External Audits

A governing body who wishes may spend funds from its budget share to obtain external audit certification of its accounts, separate from any Council internal or external audit process.

2.14 Audit of Voluntary and Private Funds

It is a requirement that schools provide audit certificates in respect of voluntary and private funds held by schools and of the accounts of any trading organisations controlled by the school to the Authority on an annual basis.

The Governing Body should appoint an auditor who is completely independent of the school to provide such audit certification, and should review the audited accounts

2.15 Register of Business Interests

The governing body of each school must have a register which lists for each member of the governing body and every member of staff employed at the school, any business interests they or any member of their immediate family have; to keep the register up to date with notification of changes and through annual review of entries, and to make the register available for inspection by governors, Ofsted, Council, staff and parents. This list should be reviewed at least annually by the Governing body

2.16 Purchasing, Tendering and Contracting Requirements

The governing body must abide by the Authority's Financial Regulations and Standing Orders in purchasing, tendering and contracting matters. There is a requirement for Schools to assess in advance, where relevant, the Health and Safety competence of the contractors with full regard to the Council's policies and procedures. However, schools are **not** bound by any provision of the Council's Financial Regulations and Standing Orders which would require them;

- a) to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive;
- b) to seek Council officer countersignature for any contracts for goods or services for a value above £60,000 in any one year;
- c) to select suppliers only from an approved list;

Schools must seek at least three written tenders or quotations in respect of any contract with a value exceeding £5,000. Schools may seek advice on a range of compliant deals via Buying for schools (<https://www.gov.uk/guidance/buying-for-schools>).

2.17 Application of Contract to Schools

Although Governing bodies are empowered under paragraph 3 of schedule 10 to the Schools Standards and Framework Act 1998 to enter into contracts; in most cases they do so on behalf of the Council as maintainer of the school and the owner of the funds in the budget share. However other contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations e.g. contracts made by aided or foundations schools for the employment of staff.

Governing bodies have the right to opt out of Council arranged contracts. The only exceptions are where they have lost that right for particular contracts (whenever stated) in accordance with a specified written procedure: in which case they would be bound into the contract for its length (although the contract might contain clauses allowing variance of its terms and conditions).

2.18 Central Funds and Earmarking

The Authority may make sums available to schools from central funds, in the form of allocations, which are additional to and separate from the schools' budget shares. Interest Clawback will not be made from payments of devolved grants. Such allocations will be subject to conditions setting out the purpose or purposes for which the funds may be used: and while these

conditions need not preclude virement (except, of course, where the funding is supported by a specific grant which the Council itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share. Earmarked funds must be returned to the Council if not spent within the financial year for which they were given, or within the period over which schools are allowed to use the funding if different.

It is a requirement that such earmarked funding from centrally retained funds is spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given, and is not vired into the budget share. Governing bodies will maintain an accounting system for schools to be able to demonstrate that this requirement has been complied with. The Council will not make any deduction representing interest costs to the Authority, from payments to schools of devolved, specific or special grants.

2.19 Spending for the Purposes of the School

Governing Bodies are allowed to spend budget shares for the purposes of the school, subject to the provisions of the scheme. 'Purposes of the school' is defined as being for the education of the schools pupils and the operation and management of the school.

Governing bodies may not spend and part of their budget share on activities or items which fall outside this definition.

2.20 Capital Spending from Budget Shares

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 1998.

If the premises are owned by the Council or the school has Voluntary Controlled basis then the Governing body should seek the consent of the Council to the proposed works, but such consent would be withheld on health and safety grounds only.

2.21 Schools Financial Value Standard

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

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

Maintained schools with a delegated budget must submit the form to the local authority **before the end of the financial year** and annually thereafter.

2.22. Notice of Concern

The Authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Strategic Director – Finance & Customer Services and the Director

of Children's Services, the school has failed to comply with any provisions of the Scheme, or where actions need to be taken to safeguard the financial position of the Authority or the school.

Such a notice will set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it. These may include but are not limited to:

- a) Insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- b) Insisting that an appropriately trained/qualified person chairs the finance committee of the governing body, or (if no finance committee exists) leads the governing body on finance matters;
- c) 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 authority or the setting of a lower approval level above which a transaction must be approved by the Authority;
- d) Insisting on regular financial monitoring meetings at the school attended by officers of the Authority;
- e) Requiring a governing body to buy into the Authority's financial management systems, or into other services provided by the Authority which are relevant to financial management difficulties at the school;
- f) 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.

2.23. Fraud

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

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

SECTION 3: INSTALMENTS OF THE BUDGET SHARE, BANKING ARRANGEMENTS

Although this section refers primarily to schools who wish to operate their own bank accounts, it is not exclusively so. It is open for non-bank account schools to draw on their entire budget share from the start of the year, if they so wish.

3.1 Frequency of Instalments

In respect of the Authority's schools with bank accounts the budget share will be made available to governing bodies, on a monthly basis. For non-bank account schools the Authority will place no restrictions on the school drawing on its entire delegated budget share from the outset of the financial year.

3.2 Proportion of Budget Share Payable at Each Instalment

Schools may opt for instalments of the total budget share to be made available to them by payment into a school bank account.

Schools will receive a proportion of their budget share by the 1st of each month. At the start of each financial year, a schedule of payments is sent out to schools which show the agreed proportion of the budget share to be paid each month. Payments are weighted at the beginning of the year, when higher expenditure is expected. Any amendments to the allocated budget will be reflected in an updated schedule and subsequently sent out to the school.

In the first year a school becomes a bank account school; the balance brought forward is either added to the first monthly advance made after the preceding financial year's balance has been determined with certainty.

3.3 Budget Shares for Closing Schools

In the case of schools closing in the financial year in question, budget shares will be paid on a monthly basis net of estimated pay costs.

3.4 Bank and Building Society Accounts

All maintained schools may have external bank accounts into which their budget share instalments are paid. Schools, which have such accounts, shall be allowed to retain all interest payable on the account.

New bank account arrangements may only be made with effect from the beginning of each financial year provided written notification is received and acknowledged prior to the 31st January prior to the financial year commencing. The Authority will not agree to the opening of a school bank account until any deficit balance is cleared on the school delegated budget; and any school requesting a bank account at a later date shall not be able to have one until any such deficit is cleared.

3.5 Restrictions on Accounts

Schools may have accounts for budget share purposes, which are in the name of the school. If a school has such an account, the account mandate should provide that the Council is the owner of the funds in the account; that it is entitled to receive statements; and that it can take control of the account if the school's right to delegated budget is suspended by the Council.

3.6 Borrowing by Schools

Governing bodies may not borrow money from external lenders (including the use of finance leases, credit cards and overdrafts) unless they have the express written permission of the Secretary of State to do so. A detailed set of requirements must be demonstrated in any application. Any application to the Secretary of State must be made through the Strategic Director – Finance & Customer Services, but consent is likely to be given only where the Authority is able to reduce its own credit requirement to maintain public expenditure neutrality. The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. However, where borrowing schemes are made available by the Secretary of State schools will be able to access without requiring specific approval.

3.7 Procurement Cards

All schools with a delegated budget share are encouraged to make use of procurement cards to minimise transaction costs.

Schools must not obtain or use credit cards as these constitute borrowing, which is not permitted.

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

4.1 The Right to Carry Forward Surplus Balances

At the end of the financial year any surplus that a school incurs on its delegated budget will be carried forward and added to the budget for the subsequent financial year. However, no interest will be paid by the Council on unspent balances carried forward to the next financial year. The amount of any surplus balance will be shown in the relevant outturn statement published in accordance with directions given by the Secretary of State under s.251 of the Apprenticeship, Skills, Children and learning Act 2009.

4.2 Controls on Surplus Balances

Surplus balances held by schools as permitted under this scheme are subject to the following Restrictions

- a) the Council shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;
- b) the Council 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 Council shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the Council, and which the Council is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Council. In considering whether any sums are properly assigned the Council may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.
- d. If the result of steps a-c is a sum greater than 5% of the current year's budget share for secondary schools, 8% for primary and special schools, then the Council may 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 the provisions of the 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 Council.

The total of any amounts deducted from schools' budget shares by the Council under this provision are to be applied to the Schools Budget of the Council.

4.3 Reporting on the Intended Use of Surplus Balances

The expectation is that balances will only exceed 8% in Primary and Special schools and 5% for Secondary schools in specific exceptional circumstances.

Governing Bodies are required to report to the LA on the use, which the school intends to make of surplus balances, in cases where the total balance exceeds either 5% or 8% of the annual budget share. These figures (and accompanying explanation) will need to be reported in a format and to a timescale specified by the Strategic Director – Finance & Customer Services.

The Authority will produce an annual report detailing the overall level of balances in schools and reporting on those schools where balances have exceeded 5/8%.

The LA will consider a deduction equal to the excess. In determining whether to make a deduction, schools will not be penalised for making early efficiency savings in a tighter financial climate. The focus will be where schools have built up excessive balances over a significant period.

4.4 Interest on Surplus Balances

Surplus balances generated from delegated budget shares held by the Authority on behalf of schools will not attract interest. However, where the school sets aside monies in “declared savings” accounts held by the Authority on behalf of schools, these will attract interest.

4.5 Obligation to Carry Forward Deficit Balances

Any overspending will be carried forward and deducted from the school’s budget for the next financial year.

The amount of deficit balance will be shown in the relevant outturn statement, published in accordance with directions given by the secretary of state under s.251 of the Apprenticeships, Skills, Children and Learning Act 2009.

4.6 Planning for Deficit Budgets

Schools will normally be required to plan and submit a balanced budget. However, consideration will be given to approving a deficit budget where the school can demonstrate, in writing, that there are sound educational and financial reasons to do so, e.g. that the school has a rising roll and the proposed deficit can be repaid from additional funding anticipated in future years. The expectation is that schools which identify a financial deficit can clear those deficit balances and that the budget plan will demonstrate how this can be achieved.

If this cannot be achieved, then a school must seek approval for a licenced deficit in accordance with section 4.9 of this scheme.

4.7 Writing Off of Deficits.

The Authority cannot write off the deficit balance of any school.

4.8 Balances of Closing and Replacement Schools

When a school closes or is replaced, any balance (whether surplus or deficit), reverts to the Council; it cannot be transferred as a balance to any other school. In the case of amalgamating schools, balances (whether surplus or deficit) will be amalgamated.

4.9 Licensed Deficits

The scheduling of repayments of deficits, which exist at schools, maintained by the Council will be the subject of a three-year spending plan, which incorporates a maximum repayment term of three years. The deficit will represent no more than 5% of the schools delegated budget – although in exceptional circumstances the Authority may relax this requirement and the three year maximum period.

Any Such an arrangement can only be entered into with the authorisation of the Strategic Director – Children & Young People's Services, and a representative of the Strategic Director – Finance & Customer Services.

In order to secure this authorisation the school must submit a recovery plan which provides the Authority with robust evidence of the size of the financial problem and how it will be addressed. The recovery plan needs to be submitted in a format stipulated by the Authority and unless otherwise agreed, needs to be submitted within three months of the shortfall being agreed.

Once authorised, it is important that progress against the recovery plan is monitored. Monitoring information will need to be provided to a frequency stipulated by the Authority, which may be either monthly or quarterly. The plan will be reviewed on a six-monthly basis by the Strategic Director – Finance & Customer Services. Both the non-provision of monitoring information and/or poor performance against the recovery plan could constitute grounds for the removal of financial delegation.

SECTION 5: INCOME

5.1 Income from Lettings

Governing bodies are empowered to approve the occasional use of school buildings and facilities for other purposes and may retain any income charged for this use. Governors must ensure that such uses are not subsidised by the school budget share and that adequate insurance arrangements are in place for the activities involved.

Where the school buildings are owned by the Authority then any regular use for other purposes (eg lettings) can only be agreed by the Authority as Landlord. Schools are allowed to retain income from such agreed lettings of school premises, which would otherwise accrue to the Authority, subject to alternative provisions from any joint use or Private Finance Initiative (PFI) agreements. Schools may cross subsidise lettings for community and voluntary use with income from other lettings, provided 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 education and achievement.

Income from lettings of school premises owned by the Authority must not be paid into voluntary or private funds held by the school. However where land is held by a charitable trust it will be for the school trustees to determine the use of any income generated by the land. Schools are required to have regard to the directions issued by the Authority as to the use of school premises, as permitted under of the Act for various categories of schools. Schools will be liable for any additional costs and responsible for any arrangements associated with external use of their premises, e.g. gaining an entertainment licence if appropriate.

School premises which are not owned by the Authority do not require permission from the Authority before alternative uses are agreed by the governing body; however the owner of the buildings may impose their own requirements. In all cases the budget share must not subsidise non-school use of the premises and facilities.

5.2 Income from Fees and Charges

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

5.3 Income from Fund-Raising Activities

Schools are allowed to retain income from fund-raising activities.

5.4 Income from the Sale of Assets

Schools can retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it should be for the Authority to decide whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the Authority.

Income from the sale of assets purchased from delegated funds, or school budget share, can only be spent for the purposes of the school.

5.5 Administrative Procedures for the Collection of Income

The Financial Regulations for Rotherham School's set out the procedures relating to the recording, collecting and banking of income in respect of charges that may be applied by schools.

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General Provision

The budget share of a school can be charged by the Council without the consent of the Governing body only in circumstances expressly permitted in 6.2. The Council must consult schools as to the intention to so charge, and notify schools when it has been done.

The Authority will charge salaries of school based staff to schools budget shares at actual cost including National Insurance, pension contributions and any other directly attributable costs.

6.2 Circumstances in Which Charges May Be Made

- a) Where premature retirement costs have been incurred without the prior written agreement of the Council to bear such costs (the amount chargeable being only the excess over any amount agreed by the Council);
- b) Other expenditure incurred to secure resignations where the school where there is good reason to charge this to the school;
- c) Awards by courts and industrial tribunals against the Council, or out of court settlements, arising from action or inaction by the governing body contrary to the Council's advice;
- d) Expenditure by the Council in carrying out health and safety work or capital expenditure for which the Council is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work;
- e) Expenditure by the Council incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the Council or the school has voluntary controlled status;
- f) Expenditure incurred by the Council in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the Council;
- g) Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement, and the result is that monies are owed by the school to the Council;
- h) Recovery of penalties imposed on the Council by the Board of Inland Revenue, the Contributions Agency or HM Customs and Excise, Teachers Pensions or Regulatory Authorities as a result of school negligence;
- i) Correction of Council errors in calculating charges to a budget share (e.g. Pension deductions);
- j) Additional transport costs incurred by the Council arising from decisions by the governing body on the length of the school day, and failure to notify the Council of non-pupil days resulting in unnecessary transport costs;

- k) Legal costs which are incurred by the Council because the Governing body did not accept the advice of the Council (see also Section 11);
- l) Costs of necessary health and safety training for safety staff employed by the Council, where funding for training had been delegated but the necessary training not carried out;
- m) Compensations paid to a lender where a school enters into a contract for Borrowing beyond its legal powers, and the contract is of no effect;
- n) Cost of work done in respect of teacher pension remittance and records for schools using non-Council payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations;
- o) Costs incurred by the Council in securing provision specified in a statement of SEN where the Governing body of a school fails to secure such provision despite the delegation of funds in respect of that statement;
- p) Costs incurred by the Council due to submission by the school of incorrect data;
- q) Recovery of amounts spent from specific grants on ineligible purposes;
- r) Costs incurred by the Council as a result of the governing body being in breach of the terms of a contract;
- s) Costs incurred by the LA as a consequence of a school entering into a service contract which involves LA or school staff transferring to the new service contractor. These costs would generally relate to the transfer of staff pension entitlements and include actuarial valuations of pensions and costs associated with contractors applying to be admitted into the local government pension scheme.
- t) Costs incurred by the LA or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- u) Recovery of monies and costs from a school where the Governing Body has failed to pay the LA for payment to the administering authority for credit to the South Yorkshire Pension Fund all pension contributions, payments and any other sums required to be paid by the Governing Body of the school under paragraphs (2.3.2, 2.3.3, 2.3.4) following the making of a designation by the LA under regulation 8(1)(b) of the Local Government Pension Scheme (Administration) Regulations 2008 for eligible support staff employed by the Governing Body to be members of the Local Government Pension Scheme.
- v) Recovery of monies and costs from a school where the Governing Body of a school has failed to pay to the LA for payment to the Secretary of State for credit for the Teachers Pension Scheme all pension contributions, payments and any other sums as are required to be paid under the Teacher's Pension Scheme Regulations 2010 and the Teacher's (Compensation for Redundancy and Premature Retirement) Regulations 1997 for teachers employed by the LA or Governing Body of the school

SECTION 7: TAXATION

7.1 Value Added Tax

Schools are required to follow procedures laid out in the Authority's Taxation guidance available on the RMBC intranet page. Following these procedures will enable schools to utilise the Authority's ability to reclaim VAT on expenditure relating to non-business activity. Amounts reclaimed will be passed back to the school.

7.2 CIS (Construction Industry Taxation Scheme)

Schools are required to abide by procedures issued by the Authority in connection with CIS. (again this does not apply only to schools with bank accounts). Contact the taxation section for further guidance.

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

8.1 Provision of Services from Centrally Retained Budgets

It is for the Council to determine on what basis services from centrally retained funds will be provided to schools.

The Authority is barred from discrimination in its provision of services on the basis of categories of schools, except in cases where this would be allowable under the school and early years finance regulations or the dedicated schools grant (DSG) conditions of grant.

8.2 Provision of Services Bought Back from the Council Using Delegated Budgets

The maximum period for any agreement with a school buying services or facilities from the Authority is three years from the inception of the scheme or the date of the agreement which ever is the later. Subsequent agreements relating to the same services may have a maximum period of five years. These timescales may be extended to five or seven years respectively for contracts for the supply of catering services.

Premises and liability insurances are specifically excluded from this requirement, because these limitations may be impracticable for insurance purposes.

When a service is provided for which expenditure is not retainable centrally by the Council under the Regulations made under section 46 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 cost of the service will be met by the total income, even if schools are charged differentially.

8.3 Packaging

The Authority will provide any services for which funding has been delegated, and the Council is offering the service on a buyback basis, in a way which does not unreasonably restrict schools' freedom of choice among the services available.

This provision would not prevent the Authority offering packages of services, which offer a discount for schools taking up a wider range of services.

8.4 Service Level Agreements

Service Level Agreements will be in place by the 31st January prior to the following financial year and schools will be given at least a month to consider the terms of the agreements.

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

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

Premises and liability insurances are specifically excluded from this requirement, because these limitations may be impracticable for insurance purposes.

8.5 Teachers' Pensions

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

The payroll service provided by the Authority ensures that arrangements are made for the deduction and remittance of teachers pension contributions and where applicable Additional Voluntary Contributions in respect of any teacher(s) who have not made an election against membership of the teachers pension scheme.

If governing bodies choose to enter into a contract for payroll services with any other provider they must ensure that any such arrangement or agreement requires that service provider to supply the salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required. Schools must meet any consequential costs from the budget share.

A governing body of any maintained school which directly administers its payroll must similarly supply salary, service and pensions data to the Authority in accordance with the Authority's requirements, and must meet any consequential costs from the budget share.

Irrespective of which payroll provider is used by the school, the Strategic Director – Finance & Customer Services, may still require certain payroll information to be provided by the school. It is advisable that these requirements are reviewed prior to a school entering any contract for the provision of payroll services.

SECTION 9: PFI/PPP

9.1 Applying Agreements to Governing Bodies

Where all or part of a school's facilities have been provided under a Private Finance Initiative (PFI) agreement, the governing body will be required to act in accordance with the terms of that agreement (the Project Agreement). In order that a governing body can comply with this requirement, the terms of a PFI agreement will be agreed with the governing body before the contract is entered into.

The Council has the power to charge a school's budget share amounts agreed under the PFI Agreement, subjected to the provisions of the Governors' Agreement. This includes the amount known as the PFI Service Charge. With effect from the 1st April 2013, the amount known as the PFI Factor has been delegated to PFI schools for repayment back to the Authority.

SECTION 10: INSURANCE

10.1 Insurance Cover

As funds for insurance are delegated to schools, the Authority may require the school to demonstrate that cover relevant to the Authority's insurable interests, under any policy arranged by the governing body, (either paid for from central funds or from contributions from schools' delegated budgets), is at least as good as the relevant minimum cover arranged by the Authority, either paid from central funds or from contributions from schools delegated budgets. The Council will have regard to the actual risks, which might reasonably be expected to arise at the school in question in operating such a requirement rather than applying an arbitrary minimum level of cover for all schools.

Contract works: £5,000,000
 Money: £100,000 Crossed Cheques £500,000
 Fidelity guarantee: £15,000,000
 Employers and public liability: £50,000,000
 Public Liability £50,000,000
 Governors' liability: £50,000,000
 Libel and slander: £5,000,000

N.B These categories are not exhaustive

Schools must give at least 12 months notice of their intention to seek alternative insurance to that offered by the LA.

Schools will be notified of the charges for LA arranged premises and liability insurance by 31 January preceding the financial year to which they relate. Schools will have one month to consider them and will need to notify the LA Insurance Manager in writing if they wish to opt out. All centrally arranged insurance cover will be for a full year and cannot be cancelled after commencement at the 1 April each year.

The evidence required to demonstrate the parity of cover should be reasonable and not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier. A copy of insurance cover documents should be sent to the LA Insurance Manager (and evidence of payment) within 14 days of commencement. If indemnity limits are not matched (or if documents are not provided) then the LA reserves the right to arrange its own cover with immediate effect and to charge this to the school.

Further guidance may be obtained from the Director of Audit and Governance.

SECTION 11: MISCELLANEOUS

11.1 Right of Access to Information

As well as specific requirements listed above, the Authority may require a governing body to supply all financial and other information which might reasonably be required to enable the Authority to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the Authority (e.g. earmarked funds) on the school.

11.2 Liability of Governors

As the governing body is a corporate body, and because of the terms of s.50(7) of the SSAF Act, governors of maintained schools will not incur liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

11.3 Governors Expenses

The Council may delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses. Under schedule 11 of the School Standards and Framework Act 1998, only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget share. There should be no payment of any other allowances. Schools are also barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him/her to schools under special measures.

11.4 Responsibility for Legal Costs

Legal costs incurred by the governing body, although the responsibility of the Council as part of the cost of maintaining the school unless they relate to the statutory responsibility of aided school governors for buildings, may be charged to the school's budget share unless the governing body acts in accordance with the advice of the Authority. In the rare incidents where the governing body wishes to pursue action, which is at a conflict with the Council, the governing body must fund their own advice from the schools delegated budget. This advice should be from a solicitor who is independent from the Council.

11.5 Health and Safety

The governing body must have due regard to duties placed on the Council in relation to health and safety, and the Authority's policy on health and safety matters in the management of the budget share.

11.6 Right of Attendance for Strategic Director – Finance & Customer Services

The governing body must permit the Strategic Director – Finance & Customer Services, or any officer of the Authority nominated by him/her, to attend meetings of the governing body at which agenda items are relevant to the exercise of his/her responsibilities.

11.7 Special Educational Needs Spending

Schools are required to use their best endeavours on spending the budget share, to secure the special educational needs of their pupils. In a situation serious enough to warrant it (although this is unlikely to relate to an individual pupil), this could conceivably lead to suspension of delegation.

11.8 'Whistleblowing'

Schools are required to abide by the Authority's procedure to be followed by persons working at a school or school governors who wish to complain about financial management or financial propriety at the school and as to how such complaints are to be dealt with. (See following whistleblowing policy document)

11.9 Child Protection

Schools are reminded of the need to release staff to attend child protection case conferences and other related events. The cost of cover in such cases is covered from central funds where schools buy into the Authority's short-term cover scheme, otherwise this is met from schools delegated budget funding.

11.10 School Meals

The Council does not provide schools with a policy document on school meals

11.11 Redundancy / Early Retirements Costs

Premature retirement costs and redundancy costs will no longer be funded from a centrally retained school budget but will be charged directly to the delegated school budget.

11.12 Delegation To New Schools

The LA reserves the right to delegate funding selectively and optionally to the governing bodies of new schools or to schools which have not yet received delegated budgets. A new school must receive a delegated budget in the funding period prior to the funding period within which it opens (that is to say, the funding period during which it first admits pupils), unless the LA has obtained the Secretary of State's prior approval to a postponement beyond this date.

The LA may also agree to give a delegated budget to a new school in advance of its opening date or to delegate some spending powers to the temporary governing body of a new school before it receives a delegated budget.

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

12.1 School and Council Responsibilities

For Primary, including Nursery and Special Maintained Schools the local authority delegates all funding for repairs and maintenance to all schools. Delegation to individual schools puts the responsibility for these works on the school previously identified in this document along with items such as health and safety testing and servicing of electrical wiring and emergency lighting systems, fire alarm systems and heating systems and appliances, as well as kitchen maintenance and pest control (this list is not exhaustive).

For All Maintained Schools: All costs relating to the repair and maintenance of ICT equipment must be met from the school budget share (funded from Dedicated Schools Grant), while replacements may be met from school budget share, Devolved Capital or a combination of both. Capital expenditure, met through funding streams other than the Dedicated Schools Grant (DSG) and Devolved Formula Capital is retained by the local authority and is available to all maintained schools. Allocations will be made in accordance to the local authority's asset management priorities, these priorities may include categories of work normally met in full or in part from schools' revenue budget. Expenditure may be treated as capital only if it fits the definition of capital used by the local authority for financial accounting purposes which is in line with the CIPFA Code of Practice on Local Authority Accounting.

12.2 Delegation to Schools

The Authority will delegate all funding for repairs and maintenance to schools. Only capital expenditure is to be retained by the Authority. For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the Authority for financial accounting purposes in line with the CIPFA Code of Practice on local authority accounting. The Council does not operate a de minimis limit on its definition of Capital expenditure.

12.3 Voluntary Aided Schools

The Authority undertakes to distribute funding to all it's schools in an equitable manner and not apply any discriminatory factors in arriving at the V.A. schools share.

Although the categories of work for which V.A. governors are liable, as shown in Annex A are intended to be comprehensive, they are not exhaustive. For details relating to any items not specifically covered in Annex E2, the DfES document 'Voluntary Aided and Special Agreement Schools – Determination of Financial Liability' should be consulted, although again this may be subject of future amendment pending the implementation of the current DfES proposals.

SECTION 13. COMMUNITY FACILITIES EXTENSION.

13.1 General

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. These controls will include:

- (i) Regulations made under s.28 (2), if made, which specify activities which may not be undertaken at all;
- (ii) Guidance issued by the Secretary of State on a range of issues connected with the exercise of this power;

Changes made by the Children & Families Act 2014 meant that schools no longer need to consult their Local Authority when establishing community facilities under Section 27 of the Education Act 2002. Nor do they have to have regard to advice given to them by their authority. However, as public bodies, schools are expected to act reasonably and this includes consulting those affected by decisions that school make.

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

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

The LA has the right to require a school to make a charge against its school budget or other funding that may be applied to support Community Facilities, to meet an accumulated deficit. This right will not be applied automatically where an activity shows an accumulated deficit but would be applied following consultation of individual circumstances. This right will not be exercised where the school can provide a working business plan showing that the deficit will be cleared within a two year period.

Schools are prohibited from using their delegated budgets to fund community facilities. This includes start-up costs, ongoing expenditure, or to meet deficits arising from such activities.

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

13.2 Funding Agreements – LA Powers

Details of any funding agreements with third parties for the operation of community schemes must be submitted to the LA for its comments at least six weeks prior to the scheme's commencement date.

If the school establishes a funding arrangement which is against the wishes of the LA or which has been concluded without informing the LA, which in the interests of the Authority are seriously prejudicial to the interests of the school or the Authority, the suspension of a right to a delegated budget may be imposed.

13.3 Other Prohibitions, Restrictions and Limitations

Where the LA considers a community scheme to carry significant financial risk it may require the school to arrange indemnity insurance the cost of which must be borne by the community scheme.

The LA has to safeguard its financial position, be aware of the financial risk to a school from the provision of a community facilities agreement and be able to protect pupil welfare or education. As a consequence it may need to impose provisions within individual agreements or to include further provisions in this scheme at a later date.

13.4 Supply of Financial Information

Every six months the school is required to provide the LEA with a financial statement in respect of each community scheme it operates, detailing (to nominal level) income and expenditure for the previous six months and estimated income and expenditure for the following six months. In the event that the LA has cause for concern relating to the school's management of the financial consequences of the exercise of the community facilities power, these financial statements may be requested every three months and, if the Authority sees fit, require a recovery plan for the community activity in question.

Expenditure and income relating to community schemes will be processed in accordance with the Consistent Financial Reporting (CFR) Framework.

13.5 Audit

The school must grant open access to the school's records connected with each community facility it operates in order to facilitate internal and external audit of relevant income and expenditure.

Where funding is provided by third parties, any agreement with the third party must contain adequate provision for access by the Authority to any and all records.

13.6 Treatment of Income and Surpluses

The school may retain all net income derived from each community facility except where otherwise stipulated in an agreement with a funding provider.

The school may carry forward from one financial year to the next, the balance on each community activity. The school will be responsible during the annual accounts close-down procedure for notifying the LA of the accrual(s) required to facilitate this.

13.7 Treatment of deficits

If the activity results in a deficit, this must be charged against any accumulated community facilities surplus previously generated by the school.

Where a deficit cannot be charged against any accumulated surplus the LA has the right to require a school to make a charge against other funding that may be applied to support Community Facilities, to meet the accumulated deficit.

13.8 Health and Safety Matters

The Health and Safety provisions of the Fair Funding Scheme (11.5) are extended to the community facilities power.

The governing body is responsible for securing **Disclosure Barring Service** clearance for all adults involved in community activities taking place during the school day. These costs may be passed on to a funding partner as part of an agreement with that partner.

13.9 Insurance

It is the responsibility of the governing body to ensure adequate arrangements are in place for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. The school must also seek the Authority's advice before finalising any insurance arrangement for community facilities. Insurance for community activities must not be funded from the schools delegated budget.

The LA may undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges these arrangements to be inadequate, make arrangements itself and charge the resultant cost to the account maintained in respect of the community activity in question.

13.10 Taxation

The school must seek advice from the LA and the local VAT office on any issues relating to the possible imposition of VAT on expenditure in connection with community facilities, including the use of the local authority VAT reclaim facility.

Where a member of staff employed by the school or LA in connection with community facilities at the school is paid from funds held in school's own bank account, the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules. The school is required to follow LA advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

13.11 Banking

Schools are required to maintain separate accounts (via distinct cost centres) for each community scheme.

Schools are prohibited from borrowing money to operate community facilities without the written consent of the Secretary of State.

13.12 Premature Retirement / Redundancy Costs

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and will 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:

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.

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 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.

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.

The Schools to which the Scheme applies

	DfE No. 372
Nursery Schools	
The Arnold Centre	1000
Rawmarsh Children's Centre	1001
Aughton Early Years Centre	1002
Infant Schools	
Bramley Sunnyside Infants & Nursery	2094
Brinsworth Manor Infants & Nursery	2055
Herringthorpe Infants & Nursery	2034
Rawmarsh Ryecroft Infants	2071
Sitwell Infants	2042
Thurcroft Infants & Nursery	2097
Junior Schools	
Anston Park Junior	2095
Bramley Sunnyside Junior	2052
Kiveton Park Meadows Junior	2083
Rawmarsh Rosehill Junior	2070
Primary Schools	
Anston Hillcrest Primary & Nursery	2130
Aston Fence Junior & Infant	2050
Swallownest Primary	2051
Badsley Primary	2004
Blackburn Primary	2005
Brinsworth Howarth Primary	2121
Broom Valley Community School	2006

Ferham Primary	2013
Harthill Primary	2061
Kimberworth Community Primary	2022
Maltby Craggs Primary	2063
Meadow View Primary	2023
Rawmarsh Thorogate Junior & Infant	2110
Redscope Primary	2021
St Ann's Junior & Infant	2137
Thornhill Primary & Nursery	2029
Thorpe Hesley Primary	2032
Todwick Junior & Infant	2106
Wales Primary	2081
West Melton Junior & Infant	2120

Voluntary Primary Schools

Laughton All Saints C of E Primary	3329
Rawmarsh St Joseph's Catholic Primary	3339
Our Lady & St Joseph's Catholic Primary	3337

Secondary Schools (without 6th Forms)

Saint Pius X Catholic High School	4601
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Best Value

1. This statement is intended to assist schools in considering the relevance of best value principles to the expenditure of funds from their delegated budget share. When submitting annual budget plans, schools are required to say how best value principles are being followed.

2. Best value will be a statutory duty to deliver services to clear standards, covering both cost and quality, the most effective, economic and efficient means available. Legislation is to place a duty on Local Authorities to secure best value in respect of the way in which they exercise their functions. The new duty is not intended to apply to those functions, which are exercised by the governing bodies of Children's Services Authority maintained schools. However, schools will be encouraged to adopt the best value performance management framework.

3. In relation to schools and expenditure from delegated budgets, the main features of best value can be summarised as a need for the governing body of a school to ensure:

a. The existence of a programme of performance review, which will aim for continual improvement. Existing mechanisms such as school development plans and post-OFSTED inspection plans can be developed to satisfy the requirements for review. The reviews should include:

1. Challenging how and why a service is provided (including consideration of alternative providers);
2. Comparison of performance against other schools taking into account the views of parents and pupils;
3. Mechanisms to consult stakeholders, especially parents and pupils;
4. Embracing competition as a means of securing efficient and effective services;

b. The development of a framework of performance indicators and targets which will provide a clear practical expression of a school's performance, taking national requirements into account;

c. That the following are included in school development plans -

1. A summary of objectives and strategy for the future;
2. Forward targets on an annual and longer term basis;
3. Description of the means by which performance targets will be achieved;
4. A report on current performance

d. That internal and external audit takes place ensuring that

performance information is scrutinised. Children's Services Authority oversight of school finances provides external review.

4. The independent inspection and intervention elements of the best value framework will be the responsibility of other bodies and therefore not relevant to demonstration by a governing body of adherence to best value principles.

ANNEX C

LEA CAPITAL /REVENUE SPLIT AND ITEMS WHICH ARE THE SEPARATE RESPONSIBILITY OF GOVERNORS IN VA SCHOOLS**ILLUSTRATIVE EXAMPLES IN LINE WITH DfES INTERPRETATION OF THE CIPFA CODE OF PRACTICE**

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

		and downpipes. Replacement/repair/ repainting of/ individual gutters/pipes
	Other e.g. Flashings, Rooflights on new build Replacement of all/substantially all on existing roof	Repair/ Replacement/ cleaning of individual items
<u>Pitched</u>	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace/ repair small areas of rotten/ defective joists, rafters, purlins etc. Not complete trusses
	Insulation in a new building/extension	Repair/replacement/ increasing thickness of insulation in an existing roof
	Insulation. Replacement /repair of substantially all. Improve insulation to current standards	
	Roof finish in a new building/extension, replacement of all/substantially all on existing roof	Replace missing/ damaged small parts

	Bargeboards/ Fascias in a new building/extension, replacement of all/substantially all on existing roof	Repairs/ replacement/ Repainting
	Drainage in a new building/extension	Clearing out gutters and downpipes. Replacement/repairs of individual pipes/gutters
	Drainage. Replacement of all/substantially all on existing roof	
	Other e.g. Flashings, Roof windows in a new building/extension, replacement of all/substantially all on existing roof	Repair/ Replacement /cleaning
<u>Other</u>	Provide new covered link etc. between existing buildings	Minor repairs, maintenance to existing covered link
	Rebuild or substantially repair structure of existing covered link	
	Add porch etc. to existing building	Minor repairs, maintenance to existing structure
	Rebuild or substantially repair structure of existing porch	
Floors		
<u>Ground Floor</u>	Structure and dpc in new building	Repair/replacement of small parts of an existing structure

Structure and dpc -
Replacement of all or
substantial part of an
existing structure to
prevent imminent or
correct actual major
failure of the structure

Screed and finish in
new build, replacement
of all/substantially all
on existing floor - e.g.
replacement of most
carpets/ tiles in a room

Replacement and
repair of screed and
finishes/ Replacement
of
mats/ matwells.
Maintenance e.g.
revarnishing wooden
floors.

Upper
Floor

Structure - as ground
floor

As ground floor

Screed and Finish - as
ground floor

Repairs of finishes/
Replacement - as
ground floor

Ceilings

Top/ only
storey

Suspension

Repair/ replacement
incl. From water
damage, & necessary
decoration

Membrane

Fixed

Repair/ replacement
inc. from water
damage

Access panels

Repair/ replacement

Lower
storeys

Suspension

Repair/ replacement

Membrane
Fixed

Repair/ replacement

<u>All</u>	Specialist removal/ replacement of damaged/ disturbed Asbestos based materials, planned or emergency	Inspection/ air testing Applying sealant coats to asbestos surfaces for protection
External walls		
<u>Masonry/ cladding</u>	Structure Underpinning/ propping for new build External Finish on new build	Repairs Preventive measures e.g. tree removal Repair/replacement of small parts of an existing structure. e.g. repointing/ recladding a proportion of a wall where failure has occurred.
	External Finish on existing build where needed to prevent imminent or correct actual major failure of the structure. e.g. repointing/recladding work affecting most of a building /replacement build	
<u>Windows and Doors</u>	Framing - new build	Repair/ replacement of individual frames. Repainting frames
	Framing - structural replacement programme	Repair/ replacement of individual windows. Repainting frames
	Glazing - new build	Replacing broken glass
	Glazing Upgrading existing glazing	
	Ironmongery	Repair/ replacement,

	Improved security	upgrading locks etc.
	Jointing including mastic joints	
	Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation.
<u>Masonry chimneys</u>	Structure	
	Jointing including expansion and mortar joints/ pointing/ DPC	Repair/ re-pointing
Internal walls		
<u>Solid</u>	Complete including various internal finishes, linings and decorations	Repairs and redecoration to internal plaster/ linings tiles, pin boards etc.
	Refurbishment and alterations	Minor alterations
<u>Partitions</u>	Complete structure including linings, framing, glazing, decoration etc.	Repairs and redecoration.
	Refurbishment and alterations	Minor alterations
<u>Doors & Screens</u>	Framing/ Screens/ Doors to new buildings including glazing, ironmongery, jointing and internal decorations	Internal maintenance and redecoration. Repair/ replacement of defective doors and screens

<u>All</u>	Glazing to meet statutory Health & Safety requirements	Replacement of broken glass
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Sanitary Services

<u>Lavatories</u>	In new buildings provision of all toilet fittings, waste plumbing and internal drainage.	Repair/ replacement of damaged sanitary ware, fittings, waste plumbing etc.
	Large scale toilet refurbishment	Small areas of refurbishment
	Provision of disabled facilities, and specialist facilities related to pupils with statements	Repair/ replacement of damaged fittings, waste plumbing etc.

Kitchens

Kitchens in new buildings, complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.	Maintain kitchen to requirements of LA Cleaning out drainage systems Redecoration
General refurbishment	Repairs
Large and costly items of equipment	Repairs/ replacement parts

Mechanical services

<u>Heating/ hot water</u>	Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues etc.	General maintenance of all boiler house plant including replacement of defective parts. Regular cleaning. Energy saving projects
	Safe removal of old/ damaged asbestos	Monitoring systems

	boiler and pipework insulation, where risk to Health & Safety.	Health & safety issues
	Planned replacement of old boiler/ controls systems past the end of their useful life	Replacement of defective parts
	Emergency replacement of boiler plant/ systems	
<u>Cold water</u>	Provision of cold water services, storage tanks, distribution, boosters, hose reels etc. in major projects	Maintenance and repair/ replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks.
<u>Gas</u>	Distribution on new and major refurbishment's, terminal units	Repairs, maintenance and gas safety All servicing
<u>Ventilation</u>	Mechanical ventilation/ air conditioning to major projects	Provision of local ventilation. Repair/ replacement of defective systems and units
<u>Other</u>	Swimming pool plant and its complete installation, including heat recovery systems	Repair/ replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution pipework. Simple heat recovery systems. Solar heating plant and equipment.
Electrical services		
<u>General</u>	Main switchgear and distribution in major projects.	Testing/ replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in

		temporary buildings.
	Replacement of obsolete and dangerous wiring systems, including distribution boards	All testing, earthing and bonding to meet Health & Safety. All servicing.
<u>Power</u>	Control gear, distribution, fixed equipment, protection etc.	All testing, repair and replacement of small items of equipment
<u>Lighting</u>	Provision of luminaires and emergency	Replacement of luminaires, all testing, adjustments and improvements to emergency
<u>Other</u>	Lightning protection in new build Alarm systems, CCTV, lifts/ hoists etc.,	Repair/ replacement Repair and maintenance
	New installation of communication systems, radio/ TV, call, telephone, data transmission, IT etc. and provision in new build.	Repair/ replacement/ maintenance, including all door access systems
External Works		
<u>Pavings</u>	Provision of new roads, car parks, paths, court, terraces, play pitches, steps and handrails, as part of major project, including disabled access	Maintenance and repair Car park and playground markings.
<u>Miscellaneous</u>	Provision of walls, fencing, gates and ancillary buildings as part of major project	Maintenance and repair of all perimeter/ boundary/ retaining walls, fencing and gates.
<u>Drainage</u>	Drains, soakaways, inspection chambers	Maintenance and repair of drains, gullies,

	and sewage plant as part of new projects	grease traps and manholes between buildings and main sewers. Cleaning of the above and unblocking as necessary.
<u>Open air pools</u>	Structure, Hygiene/ safety in new build	Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems.
<u>Services distribution</u>	Heating mains gas mains water mains electricity mains, renewal of any above.	Annual servicing

Notes

This illustrative list is the DCSF interpretation of the CIPFA Code of Practice.

WHISTLEBLOWING AND SERIOUS MISCONDUCT POLICY

Contents

- 1. Introduction**
- 2. Public Interest Disclosure Act**
- 3. Advice to Employees Wishing to Raise a Concern or Make a Disclosure**
- 4. How to Report an Actual or Suspected Serious Wrong Doing**
- 5. How Will the Council Respond to a Disclosure**
- 6. Confidentiality and Anonymity**
- 7. Protecting an Employee Whistleblower**
- 8. Whistleblowing by Members of the Public**
- 9. Recording and Monitoring Complaints**

ROTHERHAM METROPOLITAN BOROUGH COUNCIL**WHISTLEBLOWING AND SERIOUS MISCONDUCT POLICY****1. Introduction**

- 1.1 Rotherham Metropolitan Borough Council is committed to ensuring that it, and the people working for it, complies with the highest standards of openness, honesty and accountability.
- 1.2 The term whistleblowing has a specific legal definition, i.e. a disclosure or allegation of serious wrongdoing made by an employee, and a wider public definition, i.e. any disclosure or allegation of serious wrongdoing.
- 1.3 This policy document seeks to cover disclosures and allegations of serious wrongdoing made by employees, and to this end, where this policy makes reference to a whistleblower; it refers to an employee who is making a disclosure or allegation of serious wrongdoing.
- 1.4 Where a Rotherham Metropolitan Borough Council employee, a worker for a Council contractor (including seconded council employees) is aware of any serious wrongdoing, such as:-
 - breach of a legal obligation;
 - any criminal activity, including incitement to commit a criminal act;
 - corruption or fraud;
 - a miscarriage of justice;
 - a danger to the health or safety of any individual or damage to the environment;
 - abuse of power or authority;
 - failure to comply with professional standards, Council policies or codes of practice/conduct.
 - Modern Slavery [including slavery, servitude, and forced or compulsory labour and human trafficking]

Committed by or related to the actions of:-

- Rotherham Metropolitan Borough Council employees;
- Borough Councillors; and/or
- Contractors, agency staff, suppliers or consultants of Rotherham Metropolitan Borough Council in the course of their work for the Council;

and reports it, the Council will investigate any such allegations and, where appropriate, take action. The Council is also committed to preventing any harassment, victimisation or unfair treatment of any person arising from their whistleblowing, and where appropriate, take disciplinary action against any member of staff responsible for such harassment, victimisation or unfair treatment against a whistleblower.

- 1.5 This policy seeks to set out how the Council will handle and respond to any such allegations, made either by Council staff or members of the public.

1.6 This policy seeks to:-

- (a) encourage employees or their representatives to feel confident in raising concerns or allegations in the public interest about suspected serious wrongdoing in the Council and its services without fear of reprisals or victimisation even where the concern or allegations are not subsequently confirmed by the investigation;
- (b) give a clear message that allegations of serious wrongdoing or impropriety are taken seriously;
- (c) ensure that where the disclosure proves to be well founded, the individuals responsible for such serious wrongdoing will be held accountable for their actions;
- (d) set out what employees can expect by way of confidentiality and protection when making a whistleblowing disclosure; and
- (e) identify independent support for employees who wish to make a whistleblowing disclosure (see section 6).

1.7 This policy is not designed to be used:-

- (a) for raising or reconsideration of matters that come under existing internal Rotherham Metropolitan Borough Council procedures e.g. Grievance, Disciplinary, Capability, Dignity at Work or Rotherham Metropolitan Borough Council's general complaints procedure; or
- (b) for allegations that fall within the scope of specific procedures (for example child or vulnerable adult protection) which will normally be referred for consideration under the relevant procedure, unless the employee has good reason to believe that the procedure is not being followed or will not be followed effectively; or
- (c) as an appeal process from any complaint or grievance handled under any of the above procedures.

1.8 Where a complaint made under this policy falls outside the scope of the policy, e.g. where the complaint falls outside the scope of "serious wrongdoing", Rotherham Metropolitan Borough Council will advise the whistleblower of this and consult with the whistleblower in respect of taking the complaint further. Wherever possible, the Council will comply with the views of the whistleblower, but there are situations where the Council is legally required to pass on details of allegations, without the consent of the whistleblower, such as in safeguarding matters, or where the allegations relate to serious criminal activity undertaken by individuals outside the Council.

1.9 Likewise, if an allegation made under either of the other above complaints processes falls under the remit of a "serious wrongdoing", the Council will notify the whistleblower of this and investigate the allegation under this process.

2. The Public Interest Disclosure Act 1998 (“PIDA”)

- 2.1 PIDA is designed to encourage and enable employees (which includes Agency Staff and any other individual working for the Council) to raise any concerns about any suspected serious wrongdoing, an illegal act or a dangerous situation within the organisation.
- 2.2 This is called making a “Protected Disclosure” under the Act, and when it is made in the public interest and in accordance with this policy, an employee is legally protected from harassment or victimisation as a result of the disclosure.
- 2.3 The person making the disclosure does not have to be directly or personally affected by the serious wrongdoing, but the disclosure must be made in the public interest.
- 2.4 To be protected, the disclosure must be in the public interest and raise a concern that:-
 - (a) a criminal offence (e.g. fraud, corruption or theft) has been/is likely to be committed;
 - (b) a person has failed, is failing or is likely to fail to comply with any legal obligation to which he is subject;
 - (c) a miscarriage of justice has been/is likely to occur;
 - (d) the health or safety of any individual has been/is likely to be endangered;
 - (e) the environment has been/is likely to be damaged;
 - (f) public funds are being used in an unauthorised manner;
 - (g) Rotherham Metropolitan Borough Council’s Constitution (including Standing Orders, Financial Regulations etc.) has not been observed or is being breached by a Borough Councillor(s) and/or a Council Officer(s);
 - (h) sexual or physical abuse by any member of staff on service user is taking place;
 - (i) unlawful discrimination is occurring to any member of staff or service recipient in relation to the legally protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation (see guidance on Equality Act at <https://www.equalityhumanrights.com/en/advice-and-guidance/equality-act-guidance>
 - (j) any other form of improper action or conduct is taking place.
 - (k) information relating to any of the above is being deliberately concealed or attempts are being made to conceal the same.

- 2.5 PIDA will protect any employee or worker making a Protected Disclosure, irrespective of whether or not the disclosure relates to information gained in the course of their employment (e.g. a protected disclosure made by an employee acting as a service user would still fall under the PIDA protection).
- 2.6 If an Employee does not feel comfortable making a disclosure to the Council, he/she may be entitled to make a disclosure to other prescribed persons, as referred to at Paragraph 4.3 below.

3. Advice to Employees Wishing to Raise a Concern or Make a Disclosure

- 3.1 Employees who have major concerns arising from their employment may wish to seek advice from their union or the charity Public Concern at Work (0207 404 6609 - <http://www.pcaw.org.uk/>), to see whether the information which they wish to report would meet the definition of a 'qualifying disclosure' and whether they should be using this procedure, or some other procedure.
- 3.2 Alternatively, confidential support is also available for employees via the Human Resources Department.

4. How to Report an Actual or Suspected Serious Wrong Doing

- 4.1 A person who wishes to report any suspected serious wrongdoing ("a disclosure") to the Borough Council should contact the Borough Council either by:-

E-mail to: whistleblowing@rotherham.gov.uk

Post to:- Whistleblowing,
c/o the Assistant Director of Legal Services,
Rotherham Metropolitan Borough Council,
Riverside House,
Main Street,
ROTHERHAM. S60 1AE

Or

Telephone: 01709 255768

Setting out the following information:-

- Name: (unless they wish to be anonymous)
- Contact details (unless they wish to be anonymous)
- Who has committed the alleged serious wrong doing?
- What is the nature of the alleged serious wrong doing?

Alternatively a person wishing to report any suspected wrong doing may contact the following, providing the same information:

- Chief Executive - Telephone: 01709 822770

Or

- Head of Internal Audit - Telephone: 01709 823282

- 4.2 Council employees are also entitled to make a Protected Disclosure through their manager, if they feel confident in approaching their manager to report a concern or allegation of serious wrongdoing that falls under this policy. The manager must follow the obligation of confidentiality, but must, as soon as possible, and no later than 2 working days after receiving the Protected Disclosure, log the disclosure in accordance with 8.1 above, and then confirm to the employee concerned, in writing or email, that this matter has been recorded.
- 4.3 In the event that an employee does not feel comfortable in making a disclosure internally to Council officers, they are entitled to also make a Protected Disclosure in a number of other different ways:-
- Local Councillors - Details of how to contact them and surgery hours are on the Council's website www.rotherham.gov.uk;
 - KPMG - the Council's External Auditors. They are completely independent from the Council and can be contacted on 0113 231 3000 or by writing to them at:-

KPMG,
1 Sovereign Square,
Sovereign Street,
LEEDS. LS1 4DA
 - Relevant professional bodies;
 - Solicitors;
 - South Yorkshire Police - Telephone: 101;
 - Public Concern At Work - An independent authority which seeks to ensure that concerns about malpractice are properly raised and addressed in the workplace. Contact details are on their website at www.pcaw.org.uk.
- 4.4 Concerns about a child safeguarding issue, eg that a child may have suffered harm, neglect or abuse, can be reported to the Children's Social Care Service on 01709 336080; or in an emergency contact South Yorkshire Police direct.
- 4.5 Adult safeguarding concerns can be reported to the Adult Care Service on 01709 822330, or in an emergency contact South Yorkshire Police direct.

5. How the Council Will Respond to a Disclosure

- 5.1 The Council will acknowledge receipt of a disclosure, whether it has been made by a member of the public and/or an employee, within 2 working days.
- 5.2 The Council will then consider and decide whether the disclosure falls under the whistleblowing criteria and, if not, will, wherever possible, seek the whistleblower's consent as to how the disclosure will be investigated.
- 5.3 Where appropriate, the matters raised may:-
- be investigated by management, Internal Audit or through the disciplinary process;
 - be referred to the Police;
 - be referred to the External Auditor;
 - the establishment of an external independent inquiry

- 5.4 The Council's decision will be given to the person making the disclosure, wherever possible, as soon as possible after receipt of disclosure, and no later than 5 working days after acknowledging receipt of the disclosure.
- 5.5 The decision letter should state who will be handling the disclosure, how that person can be contacted, what action is likely to be taken and when the employee or worker might expect to hear the outcome of the disclosure. A further letter, summarising progress to date, should be sent within another ten working days, and if the matter has not been resolved at that time the letter should include an estimate of how long it is likely to be before a full response can be provided.
- 5.6 However, there are situations where the Council is legally required to investigate, under separate procedures, without the consent of the whistleblower, such as investigating allegations of ill-treatment or abuse of children or vulnerable adults (safeguarding). In these circumstances, the Council will, wherever possible, advise the whistleblower that the disclosure will be investigated under another process, but there may be situations where it is not appropriate to disclose the existence of these investigations.
- 5.7 When the disclosure is considered to come under the whistleblowing policy, and the Council has assigned an investigator, he/she will contact the whistleblower, within a further 10 working days, to advise them of the following:-
 - (a) the arrangements for confidentiality;
 - (b) how the person making the disclosure will be expected to contribute to the investigation;
 - (c) the outcome of any discussions which may have taken place over anonymity;
 - (d) an estimate of how long the investigation is likely to take;
 - (e) the name of the investigator appointed to undertake the investigation;
 - (f) the right of an employee to representation by a recognised trade union or work colleague at any meeting; and
 - (g) the right of any non-employee to seek support and representation at any meeting.
- 5.8 Rotherham Metropolitan Borough Council, wherever possible, will seek to advise the whistleblower of the outcome of the investigation. However, the Council is bound by the Data Protection Act and the Human Rights Act in respect of allegations relating to individuals, and may not be able to disclose information where legal proceedings are pending.
- 5.9 The use of this whistleblowing process does not automatically amount to acceptance by the Borough Council that the information provided is necessarily a qualifying disclosure.
- 5.10 For monitoring purposes the Borough Council keeps a list of communications received from people using this whistleblowing process. This information is used for monitoring purposes and to detect if there are areas where there is a high incidence of alleged serious wrongdoing.

6. Confidentiality and Anonymity

- 6.1 Although the PIDA does not refer to the confidentiality of concerns raised in a qualifying disclosure, there is a widespread assumption that such a disclosure will be treated in confidence as a means of preventing victimisation. Rotherham Metropolitan Borough Council will seek to avoid disclosing information identifying any whistleblower, even if the Council considers that the disclosure, by the Whistleblower, falls outside the scope of a qualifying disclosure. However, there are situations where, due to the circumstances of the alleged serious wrongdoing, it is impossible to avoid disclosing information identifying any whistleblower. In these circumstances, Rotherham Metropolitan Borough Council will consult with the whistleblower prior to the disclosure taking place and offer support.
- 6.2 There may also be situations where the Council may be obliged to disclose information, such as where there are legal proceedings following on from the investigation of the whistleblowing investigation. This may require the disclosure of witness statements or correspondence, and there is even the possibility that the whistleblower may be expected to give evidence at any hearing. In these circumstances, the Council should discuss the implications for the whistleblower if he or she proceeds with the disclosure, and where appropriate, discuss appropriate support arrangements.
- 6.3 Rotherham Metropolitan Borough Council may also be required to disclose the identity of the whistleblower to third parties, where necessary for the purposes of undertaking investigations e.g. where the allegations relate to serious criminal offences where the Council considers that the Police should investigate.
- 6.4 Anonymous complaints will be considered but, depending on the information given and the credibility of the evidence, there may not be enough information for a proper investigation without the investigator being able to contact the whistleblower for further information and, in these circumstances, there may not be sufficient evidence to pursue an investigation. Therefore the Council would always encourage a whistleblower to provide their name in order to make an investigation easier and more effective, and enable feedback about the investigation to be provided. However anonymous allegations are preferred to silence about serious wrongdoing.
- 6.5 Rotherham Metropolitan Borough Council, as a public authority, is subject to the Freedom of Information Act. This means that there is a presumption that Rotherham Metropolitan Borough Council discloses any information it holds, unless that information falls under one or more exemptions and, in most cases, that the application of that exemption is in the public interest.
- 6.6 The Freedom of Information Act contains exemptions that may be applicable to permit the withholding of information identifying the whistleblower, including:-
- S40 Personal Data.
 - S41 Information which, if disclosed, would give rise to an actionable breach of confidence.

- 6.7 If Rotherham Metropolitan Borough Council receives a request for information identifying a whistleblower, it will contact the whistleblower to seek their views in respect of the disclosure or withholding of the information requested and, wherever possible, it will seek to comply with those views.
- 6.8 The Council is mindful, in reconciling the legal obligation to disclose information it holds under the Freedom of Information Act 2000, of its legal obligations under:-
- (a) The Public Interest Disclosure Act 1998 to avoid the discrimination or victimisation of employees; and
 - (b) The Health and Safety at Work etc. Act 1974, to protect the health and safety (including mental health) of employees.

7. Protecting an Employee Whistleblower

- 7.1 Employees are protected if:-
- they honestly think what they report is true;
 - they think they are telling the right person; and
 - they believe that their disclosure is in the public interest.
- 7.2 Any employee who makes a 'qualifying disclosure' which meets the definition in the Public Interest Disclosure Act is legally protected against victimisation for whistleblowing. The Borough Council has adopted this procedure in order to encourage early internal whistleblowing and demonstrate its commitment to preventing victimisation. If an employee claims that, despite that commitment, he or she has been victimised because of blowing the whistle, he or she should make a further complaint under this whistleblowing procedure directly to the Director of Legal Services.
- 7.3 An employee has the right to complain of victimisation as a result of any whistleblowing to an employment tribunal.
- 7.4 Any employee who victimises a whistleblower could:-
- be subject to an internal council investigation and potential disciplinary action, including potential dismissal;
 - face a civil claim personally, as the affected whistleblower could be entitled to directly issue a legal claim against the culprit

8. Whistleblowing by Members of the Public

- 8.1 Unlike disclosures by employees, PIDA(Public Interest Disclosure Act 1998) does not offer legal protection for disclosures made by members of the public. However, the Council will take reasonable and appropriate action to protect members of the public when they make a disclosure.
- 8.2 The Council considers that any disclosure made by members of the public in respect of serious misconduct should be handled in the same way as disclosures made by employees.

- 8.3 Once a disclosure from a member of the public has been received by the Council, it will be handled in the same way as a disclosure made by an employee under PIDA and the provisions of section 5 shall apply.

9. Recording and Monitoring Complaints

- 9.1 Rotherham Metropolitan Borough Council maintains a list of concerns raised by employees made under the Public Interest Disclosure Act. Inclusion in this list does not amount to acceptance that the communication amounts to a Protected Disclosure and any subsequent decision that the matter falls outside the Act will be added to the record on the list.
- 9.2 For the purposes of investigating whether or not there are any systemic issues that need to be addressed, and to monitor the performance of any investigation, an anonymised summary of all disclosures of serious wrongdoing, made by employees will be sent on a quarterly basis to:-
- (a) the Director for the area to which the complaint relates; and
 - (b) the Standards Committee of Rotherham Metropolitan Borough Council.
- 9.3 The Council will record details of all complaints made under this policy, anonymising the identity of the whistleblower and use this information for the purposes of identifying areas of concern, which may indicate further action is required, and where appropriate, share this information with other appropriate regulatory bodies.
- 9.4 Both lists are maintained in accordance with the Data Protection Act 1998.
- 9.5 A report on the number of concerns will be published annually. This report will not include any information identifying any whistleblower.

School Voluntary Fund Policy

updated **March 2019**

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1. Introduction

- A School Voluntary Fund is to be created wherever money is collected from pupils, or other sources, to be spent for the **general benefit of the pupils or the school as a whole**.
- A School Voluntary Fund, which is a private account is run by the Governors of the school and is held alongside a school's public funds. The responsibility for a school's unofficial fund lies ultimately with the school's Governing Body, although, in practice operational responsibility will typically be delegated to the Headteacher. The Headteacher is responsible for ensuring that these funds are operated in accordance with the regulations, which are designed to assist and protect those involved in the operation of School Voluntary Fund activities and also to ensure that all monies are properly accounted for.
- Each School Voluntary Fund should have a Governing Document "Constitution" (See **Appendix 1** for an example) which includes the following:
 - Purpose of the Fund
 - Examples of use
 - Administration
 - Audit arrangements
- School Voluntary Funds often provide schools with a substantial source of funding and, although the money is not classed as 'public', parents and other benefactors are entitled to the same standards of stewardship in their administration. Rotherham Council has a responsibility to ensure that School Governors run a safe and efficient system for the custody and control of their School Voluntary Fund. Governors must ensure that procedures are in place which protect the interests of the beneficiaries of the School Voluntary Fund (the children in the school) and safeguard the position of those running it.
- A list containing examples of the types of activities which can and cannot be included under the scope of the School Voluntary Fund are shown in the table below. In general, the fund should benefit the pupils or the school as a whole, not members of staff. The School Voluntary Fund must not be used to pay for goods or services that ordinarily would be funded from the school's delegated budget.

ACTIVITIES WITHIN THE SCOPE OF THE FUND	ACTIVITIES NOT WITHIN THE SCOPE OF THE FUND
School Trips, Tours, Outdoor Pursuit Courses etc.	Staff Functions and Activities e.g. Christmas Meals, Tea Funds
Fetes, Bazaars, Sale of Work	Leaving gifts / presents e.g. flowers. However it is recognised that there are occasions where it is felt appropriate for pupils to make a gift of appreciation and a limit of £15 is suggested. This activity should not be a right of all employees and is only appropriate where the beneficiaries of the fund wish a gift to be made. This activity and the agreed limit should form part of the Constitution. Please note gifts must not include alcohol
Concerts, Discos, Dances	Payments to staff for work undertaken e.g. SIP Income, SSAT Income
Raffles, Prize Draws, 100 Clubs, Sponsored Events, Charity Collections	Loans, Cheques should not be made payable to cash (unless to reimburse the School Voluntary Fund Petty Cash; not all School Voluntary Funds will operate a petty cash system)
Travelling Expenses incurred in either the banking of School Fund income or approved by the Headteacher in relation to undertaking School Fund activities (Council employees must claim these travelling expenses by submitting an expenses claim through the Council's payroll system. The delegated budget will be reimbursed by a contribution from the School Voluntary Fund)	Travelling Expenses, (other than those incurred in either the banking of School Fund income or approved by the Headteacher in relation to undertaking School Fund activities)
Sale of School Clothing, Christmas cards etc.	Reimbursement for theft of or damage to Property
Tuck Shops, Vending Machines, Breakfast Clubs	Course registration / examination fees
Donations	Grant Income e.g. Big Lottery Fund
Insurance relating to School Fund Monies (additional cover)	Insurance (other than that expended for the School Fund)

	<ul style="list-style-type: none"> The Rotherham Scheme for Financing Schools requires that a school fund year of account is either the academic year or financial year. It should be noted that it is advisable that the School Voluntary Fund's year of account is the academic year (1st September to 31st August) and not the financial year as it provides a more manageable cut off point as it normally falls within the school holidays.
	<p>In summary School Voluntary Fund requirements and problems to avoid are as follows:</p> <p>All School Voluntary Funds should be administered to the same standard as public funds. They should be audited by a suitably qualified/experienced and independent person.</p> <p>The Governing Body should ensure that there is a safe and efficient system for the control of School Voluntary Funds.</p> <p>This should include ensuring that the following controls are in place:</p> <ul style="list-style-type: none"> a process for the formal appointment of a Treasurer cheques drawn bear two authorised signatures and the reason for the expenditure validated by both signatories the establishment of adequate insurance arrangements separation of the School Voluntary Fund and related records from official School Funds the proper separation of duties of those administering the funds detailed procedures for the change of Headteacher or Treasurer VAT and other Tax regulations are understood and complied with an annual audit of the accounts in accordance with this policy by an appropriately qualified and independent auditor the annual submission to the Governing Body of audited accounts with a brief report of the year's activities the immediate reporting of any suspected irregularities to the Governing Body , Head of Finance (CYPS) and the Council's Internal Audit

The following are examples of questionable or improper practices in the management of School Voluntary Funds:

- the failure to issue proper receipts using a sequentially numbered receipts book
- the failure to fully support payments
- the signatories for a payment not being independent of each other or one being the payee.
- the failure to prepare adequate financial records
- the failure to have the annual accounts audited
- the failure to present the audited annual accounts to the governing body and Rotherham Council's Children & Young People Finance Team.
- official public funds being paid into the School's Voluntary Fund which should have been paid into the main school account e.g. other grant income such as Big Lottery Fund
- School Voluntary Fund money being handled through a personal bank account or mixed with personal money

2. Responsibilities

2.1

Governing Body

The governors are responsible for ensuring:

- a Treasurer is appointed to be responsible for administering the School Voluntary Fund
- that proper procedures, records and security arrangements are maintained to account for all School Voluntary Fund transactions
- that the Treasurer has a copy of these procedures and is operating in accordance with them
- that others handling Voluntary Fund money are aware of the requirements of these procedures and that they are also operating in accordance with them
- that all bank accounts must be in the School's Voluntary Fund name
- that there is only one current account, where there are surplus funds an interest bearing account can be used
- that at least three people are authorised to sign cheques, with two signatures required at any one time. Any change of signatory is approved by them
- that bank statements and bank reconciliations for all bank accounts are examined monthly and signed as correct by the Headteacher or by another independent responsible officer who is suitably skilled /experienced. This is to ensure that reconciliations are properly prepared and that bank accounts are not overdrawn
- that if there is a debit card attached to the School Voluntary Fund bank account (to enable on-line purchases to be made) **it does not** have a cash withdrawal facility and that all transactions made using the debit card are countersigned by an independent person.
- that policies are established regarding the levels of income held, the petty cash float and the maximum value for a pettycash purchase
- that a Summary of Accounts Statement and other end of accounting year statements are correctly prepared covering all School Voluntary Fund transactions (See **Section 4** for further details and **Appendix 9** for an example of a best practice **Summary Statement of Accounts**)
- that all accounting records, documentation and year-end statements are available for audit promptly
- that when required a Headteacher/Treasurer Handover Form is properly

	completed
2.2	<p>Head Teacher</p> <p>The Head teacher is responsible for:</p> <ul style="list-style-type: none"> the administration of all School Voluntary Fund monies and for notifying the Council when a school fund is set up (this should be done via email to schoolsfinhelpdesk@rotherham.gov.uk using the form in Appendix 2) ensuring that all members of staff are aware of, and follow, the appropriate administrative procedures and that all appropriate transactions are channelled through the school fund account arranging the division of delegation of duties to staff, including the appointment of a treasurer, approval of expenditure and arrangements for the preparation of final accounts for audit at the close of the school voluntary fund financial year the auditor of the School Voluntary Fund should be known by the Headteacher and his/her signature and status should be recorded on the bottom of the final accounts (and on the Audit Certificate – provided in Appendix 8). A set of accounts is not formally considered to be audited unless it bears the auditor's signature and statement checking the school voluntary fund bank statements to ensure that regular monthly reconciliations are taking place. At the year-end confirm the balances held and ensure that they correctly reflect the level of balances suggested by the interim accounts. reporting the financial position/status of the fund at intervals determined by the Governing Body ensuring that the accounts from the previous financial/academic year are audited in time for presentation to the Governing Body in the first half of the Autumn term following the reporting procedures laid out in the Whistle Blowing Policy adopted by the School for any serious irregularities that they become aware of. For a Headteacher this would normally involve approaching the Chair of Governors. Advice can be obtained from the Council's Internal Audit Team or from one of the independent external sources listed in the Policy. informing Internal Audit and the Head of Finance (CYPS) of any serious irregularities that they become aware of providing a signed copy of the Audit Certificate to the Schools Finance Team by 31st October for the previous financial year or academic year.

2.3**Treasurer**

The treasurer is responsible for:

- accounting for the financial transactions of the School Voluntary Fund in accordance with the procedures laid down by the Governing Body and this Policy
- checking that sound procedures are used in classes for collecting and recording money received
- ensuring that all money collected in class is passed promptly to the office and checked immediately.
- issuing receipts for all money received
- ensuring that prior to banking, all money should be held securely in a safe (please refer to the LA's insurance section to ascertain the level of cash the school is insured to hold) or lockable fireproof cabinet. This must be separate from official school money.
- ensuring that all monies received are banked promptly in line with the cash balance levels below:
 - up to £150 a minimum of once a quarter
 - £150 to £500 once a month
 - £500 and above immediately
 - or if any school fund cash balance would breach the insurance limit for their specific safe
- ensuring that all income & expenditure is fully recorded. When recording income received, this should not be 'netted off' by expenditure.
- ensuring the safe keeping of stock in a locked cupboard and maintaining detailed stock records
- ensuring that safe and store cupboard keys are held by a named member of staff and are not left unattended or on the premises overnight
- making payments which are properly authorised and adequately supported (detailed invoices, signed staff expense claims or staff mileage claims {paid through delegated budget via Council's payroll system and reimbursed by the School Voluntary Fund} with supporting receipts) on behalf of the School Voluntary Fund, by cheque wherever possible
- ensuring that if a School Fund petty cash account is maintained that all transactions are properly recorded, signed for by the recipient and supported by receipts

	<ul style="list-style-type: none"> • arranging that the bank sends statements on a monthly basis • producing monthly and accurate bank reconciliation statements • ensuring that the current list of signatories held by the bank is always up to date • promptly completing the annual accounts and arranging their audit and submission to the Governing Body
2.4	<p>Rotherham Council</p> <p>In the context of School Voluntary Funds, the Council is required to protect the interest of the beneficiaries and to safeguard the various employees concerned; it must therefore seek to ensure that:</p> <ul style="list-style-type: none"> • It knows of the existence of all such school funds • Proper accounting records are maintained • Such funds are subject to an annual audit • Audited final accounts are presented to the school Governing Body and then the signed Audit Checklist sent to Rotherham Council's Schools Finance Team • Advice on best practice is provided.

3. Administration

3.1	Day to Day Procedures
3.1.1	It is important that full accounting records are maintained and the procedures detailed below are followed.
3.1.2	School Voluntary Fund accounts will be kept on a receipts and payments basis unless the fund is a registered charity (see section 5 Charitable Status), then it is required to be accounted for on an accruals basis. If this is the case it is expected that all the basis principals in this procedure would be follows and that the only exception would be the need for year end accruals i.e. debtors, creditors and prepayments.
3.2	Bank Accounts
3.2.1	A School voluntary fund can utilise a community current account with debit card facilities (see section 2.1 for further guidance on debit cards) with any bank or building society. A current account will normally be used for day to day transactions, however dependant on the amount of money held in the current account it may be appropriate to open an interest bearing deposit account. All School Voluntary Fund monies must be administered within these accounts rather than operating different bank accounts for individual activities or trips. Financial statements for individual activities can be provided from analysis of the cash book.
3.2.2	Any bank account should be in the name “.....School Fund” with no reference to the Council.
3.2.3	It is recommended that there should be at least three signatories and that cheques drawn in the name of the School Voluntary Fund require the signature of the treasurer and one other person, who should be from the senior management of the school.
3.3	Record Keeping
3.3.1	Income/receipts
	<ul style="list-style-type: none"> • All receipts must be acknowledged using an official receipt or in the case of small amounts received from pupils in a class Collections Daily Record • The receipts cash book/income schedule can be thought of in two parts: <ul style="list-style-type: none"> ○ the money paid in and; ○ the income analysis • The opening balance from the previous year must be entered in the receipts cash book/income schedule • All receipts must be entered promptly recording: <ul style="list-style-type: none"> ○ date ○ receipt number ○ amount under the appropriate analysis column

	<ul style="list-style-type: none"> • All receipts must be banked in line with the cash balance levels in section 2.3 using a paying in slip • All monies collected should be receipted intact; in the rare instances where monies are used to reimburse the school fund imprest prior to banking then there should be a clear receipt/record of the full amount of income received and subsequent details of what has been transferred to the imprest prior to banking. This will enable income to be reconciled to the amount banked. • When the banking is done the paying in slip number must be recorded against each income entry. • Closed collections where money is collected in sealed envelopes or collecting boxes on behalf of a third party e.g. book club need to obtain a written statement that clearly relieves the school from any liability in the event of loss of money. Any collection for any such commercial organisation remains their responsibility and should not be put through the School Voluntary Fund Accounts.
3.3.2	<p>Expenditure/payments</p> <ul style="list-style-type: none"> • The payments cash book/expenditure schedule can be thought of in two parts: <ul style="list-style-type: none"> ○ the payment details and; ○ the payment analysis • All payments must be entered promptly recording the following: <ul style="list-style-type: none"> ○ Date ○ Payee ○ Invoice number ○ Total amount of the payment ○ Payment entered in appropriate analysis column • If the payment is petty cash reimbursement or direct debit payment the cheque number column should read PC or DD and the Invoice number column should read the appropriate reference number. • If a cheque is spoiled the cheque number should be entered in the cash book, with CANCELLED recorded next to it to maintain sequential numbering. However if a cheque has been issued but not received by the payee, the cheque must be cancelled by informing the bank in writing. In the cash book, the cancellation should be recorded as a bank lodgement, and a new cheque issued as normal. • Cheques that have remained uncashed for more than six months are no longer valid for presentation to the bank. The amount of the expired cheque should be recorded in the cash book as a bank lodgement, and the cheque removed from the uncashed section of the next bank reconciliation.

	<ul style="list-style-type: none"> An authorisation policy should be implemented whereby expenditure within certain limits cannot be paid unless authorised by the relevant person. These limits should be agreed and recorded by the Governing Body.
3.3.3	<p>Petty Cash</p> <ul style="list-style-type: none"> Petty cash payments should be kept to a minimum and for expenditure items less than £50. Any cash payments should be made from the petty cash float. Personal cheques must not be cashed. A petty cash voucher must be completed for every payment of petty cash. The person incurring the expenditure should complete the voucher and obtain authorisation. Vouchers should be cross referenced to the appropriate account entry and filed in numerical order. The cash received must be signed for and a receipt provided. A receipt for any cash advances must be obtained and held. Such vouchers would then count as part of the petty cash balance in hand. The amount of petty cash held should be reconciled on a regular basis by an independent person (Appendix 3 provides a Petty Cash Float Reconciliation).
3.3.4	<p>Types of Account operated within a School Voluntary Fund</p> <p>A school funds can cover a number of different activity types. Different activities may need to be treated in different ways for accounting purposes. The main types of account operated are listed below:</p> <p>Trading Account</p> <ul style="list-style-type: none"> This is where items are bought and re-sold as a service to pupils/parents. Examples are sale of uniform, book bags, tuck shop etc. A separate trading account should be set up for each trading activity so that the resulting surplus/deficit can be demonstrated in the accounts. A summary of the trading account transactions should be produced as part of the final accounts for the year end. A stock record should be maintained for each trading activity (Appendix 4 provides a Stock Control Sheet). It should be updated promptly for all purchases and sales to provide a current stock balance. An independent physical stock take should be carried out at least annually and the person undertaking the examination should sign and date the record as evidence that the check was undertaken. Stock should be kept secure and the key to the store cupboard held by an authorised person.

	<p>Holding Account</p> <ul style="list-style-type: none"> This type of account is used for monies collected and paid out for a specific purpose e.g. school trips. Balances on these accounts can be carried forward at the end of the school fund year if the activity in question has not yet taken place. If at the end there is a surplus a decision needs to be taken as to whether to return it or to treat the total monies collected as income (see sections 3.3.5 and 5.2.1 for the appropriate procedures to be followed in respect of school trips in order that the surplus may be treated as a donation rather than the total trip income collected having to be taken into account when calculating whether the School Voluntary Fund has exceeded the VAT registration threshold). (Appendix 5 provides a School Trip Example Holding Account Statement.) <p>Nominal Account</p> <ul style="list-style-type: none"> This type of account is the “norm”. It should be used for all other income and expenses relating to the school fund e.g. donations. It is normal practice to use separate nominal accounts (analysis headings) for each main type of income. It is not helpful to amalgamate these into one nominal account “general” or “misc”.
3.3.5	<p>School Trips</p> <ul style="list-style-type: none"> Members of staff running a school trip are required to draw up and provide the Treasurer with a formal statement of account (see example Statement of Account in Appendix 5). This statement details all receipts and payments relating to the trip and should be reconciled to the cash book. <p>Staff operating trips should adhere to the following points:</p> <ul style="list-style-type: none"> A record should be maintained of all monies received. This should include the name of the pupils and the amounts received, together with the date the money was collected and the date it was deposited with the Treasurer. Where income is received outside of the Finance Officer this record must be a permanent and legible record i.e. receipts book, exercise book, savings card etc. As with other School Voluntary Fund expenditure, all payments must be supported by a receipt / invoice voucher etc., but where in exceptional circumstances this is not possible, a statement of how the money has been spent should be compiled and signed by the person(s) spending the money. Any cash advances should be accounted for by receipts, with any unspent cash being handed to the Treasurer without delay. Any school trip subsidies should be authorised by the Head teacher and reported to the Governing Body in the periodic financial report Trips should not be operated as profit making ventures. However, where a trip has been operated and makes a surplus, e.g. as a result of

	<p>the over-calculation of the trip price or interest earned on these monies, the balance should either:-</p> <ul style="list-style-type: none"> ○ be divided equally and paid back to each paying pupil, or; ○ with the written consent of the parents, the surplus is retained by the fund as a donation. <p>A more practical approach is that a request should be made in the initial trip letter asking permission from the parents/guardians to allow any surplus generated to be considered as a donation to fund future school fund activities. In addition a per pupil limit could be determined in the School Fund Constitution at which point a refund would be automatically made.</p>
3.3.6	<p>Other Fund Raising Events</p> <p>Where other fund raising activities are organised e.g. fetes, concerts a statement similar to that referred to in 3.3.4 should be completed by the teacher organising the event. The statement should show details of all receipts and payments relating to the event, and should be passed to the Treasurer to reconcile to the cash book.</p>
3.3.7	<p>Schools closing / Amalgamating</p> <ul style="list-style-type: none"> • Where a school is closing and becoming part of a newly amalgamated school, then the 'closing' school should ensure that all transactions have been accounted for and provide a final set of accounts for the auditors as soon as possible after the end of the school year. The bank account(s) relating to that fund should be closed and any balance transferred to the account of the newly amalgamated school. The balance should be treated as income and accounted for accordingly. • A copy of the bank statement showing the sum transferred to the newly amalgamated school should be provided to the auditors as evidence that the account has been closed and the balance transferred accordingly. • A closing school should consider what to do with any funds remaining in the School Voluntary Fund. The school may make donations to those schools to which the pupils will be transferring or spend the money prior to closure, for the benefit of the pupils. Although the school is closing, the accounts must still be audited in accordance with the guidance.
3.3.8	<p>Schools converting to Academy Status</p> <ul style="list-style-type: none"> • Where a school is converting to Academy status it will need to provide a final set of accounts for the auditors as soon as possible after the conversion has taken place. • A copy of the signed audit certificate should be submitted to Rotherham Council's Children & Young People Finance Team within 4 months of the date of conversion. • The bank account(s) relating to that fund should be closed and any balance transferred to the account of the new academy. The balance should be treated as income and accounted for accordingly.

	<ul style="list-style-type: none">• A copy of the bank statement showing the sum transferred to the newly converted academy should be provided to the auditors as evidence that the account has been closed and the balance transferred accordingly.
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4. Audit Arrangements

4.1	School External Audit Arrangements
4.1.1	<p>It is a requirement that year-end accounts are prepared on an annual basis and that these accounts are independently audited. The accounts and the Audit Certificate (Appendix 8 provides an Audit Certificate) must be presented to the Governors at the next full Governing Body meeting. The presentation of these accounts and the following discussions should be formally minuted.</p>
4.1.2	<p>The fund auditor should also complete an Auditor's checklist which is to be returned with the Audit certificate (Appendix 7 provides an Audit Checklist).</p> <p>This checklist should also be used to note areas where the School Voluntary Fund Policy has not been followed. If there are a significant number of issues arising the auditor should draft an audit letter addressed to the Headteacher setting out the issues arising in more detail and provide a recommended action.</p> <p>A copy of the checklist and audit letter (if applicable) should also be presented with the Audit Certificate to the Governing Body. The Governing Body should then ensure that all areas of non-compliance drawn to their attention in the audit checklist/audit letter are addressed appropriately.</p>
4.1.3	<p>The annual accounts may be audited by your School Finance Support Officer or other suitably qualified Auditor* appointed by the Governing Body. Please note it is not appropriate for the audit to be carried out by either:</p> <ul style="list-style-type: none"> • a governor, as it is the governing body who is ultimately responsible for the school fund or • a member of the school staff as not considered to be sufficiently independent. <p>Auditors will be required to ensure that the particular requirements of the Council as contained in this Policy are considered when providing their opinion.</p> <p>*Where the gross income of the school fund is in excess of £50,000, it is recommended that consideration be given to the appointment of a professionally qualified auditor on a voluntary or paid basis.</p>
4.1.4	<p>The auditor has a duty to provide independent assurance to Governors that:</p> <ul style="list-style-type: none"> • the fund is being correctly operated in accordance with the School Voluntary Fund Constitution and

	<ul style="list-style-type: none"> the financial statements are correctly stated and in accordance with the Guidance for School Voluntary Fund Auditors provided in Appendix 6 and the Audit Checklist provided in Appendix 7. <p>If the fund has not been operated in accordance with the School Voluntary Fund Policy the Audit Certificate should be amended accordingly to reflect this using the narrative shown in red on the Audit Certificate provided in Appendix 8.</p>
4.2	The Council's Internal Audit Services
4.2.1	<p>The Council's Internal Audit arrangements are as follows:</p> <ul style="list-style-type: none"> The Council has the right to require any employee holding school funds to account for them, and to require the production of cash books, bank statements, cheque books and all other supporting vouchers The Council's Internal Audit Team do not undertake the general annual audit of school funds, but as part of the normal audit review of school finances, they may inspect school fund records and supporting documentation The Council's Internal Audit Team will investigate suspected irregularities

5 Taxation

5.1	Income Tax
5.1.1	School funds do not count as Council funds and are not therefore covered by any concessions that the Council enjoys. In principle, income, interest and profits earned by the school fund could be subject to a tax assessment. Such an assessment, if made by the Inland Revenue would be the responsibility of the school.
5.1.2	<p>However a ruling could be obtained from HM Revenue & Customs which would confirm, that provided school funds are clearly established solely for the purpose of generating income which would be used for education purposes only, then the school fund (usually referred to as Amenity Fund for tax purposes) can be treated as having quasi-charitable status. The benefits of this are :</p> <ul style="list-style-type: none"> • Firstly, completion of a simple application form available from their bank/building society means the School Voluntary Fund can receive interest gross without having tax deducted at source. • Secondly, there is no question of any profit earned on sales being taxable.
5.2	Value Added Tax (VAT)
5.2.1	<p>The Council's registration does not cover school voluntary funds. School voluntary funds are treated as separate bodies for VAT purposes and those funds which have or are approaching a taxable turnover (gross relevant income) in the previous twelve months in excess of the VAT threshold (currently £85,000 as at March 2019) must register with HM Revenue & Customs. To determine the gross relevant income, follow these steps:</p> <ul style="list-style-type: none"> • Ensure that trips are treated as suspense/holding accounts (see Section 3.3.4) • Ensure that items bought for resale are dealt with as trading accounts (see Section 3.3.4) • The relevant turnover figure for VAT purposes will then be the total income (or expenditure if greater) recorded in the summary revenue account less any sums in respect of: <ul style="list-style-type: none"> ○ interest ○ donations ○ charitable collections/payments where the full amount collected has been paid over to a charity

	<p>If the summary revenue account includes any profit/surplus which has resulted from the running of a school trip for which permission has not been obtained to treat any surplus generated as a donation (see section 3.3.5), then to arrive at the correct relevant turnover figure for VAT purposes, the surplus included within the summary revenue account must be replaced by a figure representing the total income in respect of that trip.</p> <p>If it is felt that the fund may approach this limit or for any other VAT guidance please contact the Council's Taxation Manager on 01709 822020.</p>
5.2.2	<p>Registering for VAT will entail the maintenance of detailed accounting records in a form acceptable to HM Revenue & Customs. Turnover can often be kept below the VAT registration threshold by treating certain expenditures and income items as official school delegated budget monies (see Sections 5.2.4 & 5.2.5).</p>
5.2.3	<p>Whilst the school voluntary fund remains unregistered for VAT purposes, purchases made are subject to VAT in the same way purchases by any other consumer. VAT is not, however, due on income received from their resale.</p>
5.2.4	<p>Schools voluntary funds typically raise money for equipment such as computers, camcorders, play equipment, etc. They often additionally raise money for end of year 'educational' treats for the children such as school trips to a pantomime. It is quite in order for the School Voluntary Fund to donate the net cost of the supply to the school and for the school to purchase the service through its official funds and recover VAT, providing the following points are observed:</p> <ul style="list-style-type: none"> • The supply or activity must be of a type which the Local Authority would itself provide if funds were available. • Donate the net cost of the goods from your school voluntary funds to your official funds (school formula budget). • The goods or service must be ordered by the means of an official order, invoiced and paid through the school delegated budget (there can be no relief from VAT once an invoice has been paid through the school fund). • Receive the supply. • Your school must retain title of the goods and only use them for school purposes. The goods must become the property of, or services clearly rendered to, the Local Authority and equipment purchased in this way must be for the school's use • Keep records that will enable you to easily identify the purchase and purpose for which it is made.

5.2.5	<p>H M Revenue and Customs consider that the following “business activities” must be run through School Voluntary Funds rather than through official funds (school formula budget):</p> <ul style="list-style-type: none"> • Goods purchased for resale, e.g. badges, uniforms, tea towels, ties, mugs etc. • Sale of sports clothing • Income from privately run tuck shops, drink sales etc. • Entrance to plays, discos, fireworks etc. • Social Events
5.3	VAT Treatment of School Trips
5.3.1	<p>VAT incurred on the expenditure relating to a school trip can be recovered provided that the invoices are paid through the school’s delegated budget.</p> <p>In the past VAT treatment of school visits used to be particularly complicated and in some cases involved the application of ‘The Tour Operators Margin Scheme’ (‘TOMS’), one of the most complex pieces of VAT legislation in existence. Whilst schools may not have seen themselves as tour operators in the same way as well known holiday companies the scheme unfortunately caught many unsuspecting organisations.</p> <p>However, following representations to HMRC on the matter the position is now a lot more straightforward. HMRC now accept that organised school visits can be treated as non-business activities for local authorities being part of and incidental to the education supplied in class. This applies whether or not the visits are subsidised and irrespective of the nature of the trip. The only criteria for non-business treatment is that the trip must in some way be related to the school curriculum. HMRC have said unofficially that they believe that virtually all school trips will be able to meet this requirement and they are likely to see all school trips as non-business activities.</p> <p>The result of this is that the school need not require a subsidy from the local authority, need not account for output VAT on any charges made to pupils or parents, can recover all the VAT on costs incurred in providing the trips and can forget about TOMS!</p>
5.3.2	<p>Provided that any trip does not make a profit/surplus, the transaction can be excluded from the calculation of relevant turnover for a school fund for VAT purposes.</p> <p>However, if a trip does make a surplus/profit unless this surplus is either:</p> <ul style="list-style-type: none"> a) Refunded to parents, or b) Previously agreed by parents that any surplus can be treated as a donation to the fund.

	Then all, or a proportion of the income in respect of the trip must be counted when calculating the relevant turnover for VAT purpose. Under these circumstances please contact the Council's Taxation Manager on 01709 822020.
5.4	VAT treatment of School Photographs
5.4.1	<p>School photographs can be sold to parents of pupils using the school as an agent or principal. The difference between the two methods is as follows:-</p> <p>Acting as Agent</p> <p>The photographer makes the supply of photographs to parents. The school merely collects the monies on behalf of the photographer and no supply is made by or to the school. Therefore, the school does not have to account for VAT on the sale of the photographs.</p> <p>Acting as Principal</p> <p>The supply of photographs is made, in the first instance, to the school. The school then makes a supply to the parents. The VAT treatment will depend on whether the supply is from the LA devolved budget or the School Voluntary Fund.</p> <p>Where the school pays the photographers' invoice direct from its delegated budget, VAT will be included on this invoice (providing the photographer is VAT registered), which can be recovered in the normal way. However, when the photographs are then sold to parents by the school, VAT must be added to the sale price, irrespective of whether the photographer is registered or not. The VAT on the income must be treated in the same way as other output tax received by the school.</p> <p>If the transactions are carried out through the School Voluntary Fund VAT should not be charged to parents unless the Voluntary Fund is registered for VAT.</p> <p>The difference between the two processes is that input tax (where incurred) can be recovered using the LA devolved budget but cannot be recovered using an unregistered School Voluntary Fund.</p>

6 Charitable Status

6.1	Charitable Status
6.1.1	<ul style="list-style-type: none"> • If a School Voluntary Fund is operated by the Governors of the school and is used exclusively for a charitable purpose the school fund will be an exempt charity under schedule 2(w) of the Charities Act 1993. This is because the school governors are an exempt charity under the education Acts and any charity operated by them for one or more purposes of the school will be caught by the exemption at sub-paragraph (w) of the Charities Act. Exempt charities do not register with the Charities Commission. • Exempt charities are entitled to exactly the same financial benefits as registered charities. They are entitled to claim relief from income tax, corporation tax and capital gains tax. • If the school voluntary fund is used for providing benefits not otherwise provided by the Council it may be charitable. If it is used to hold parents' money before payment of, say, a school trip or uniform costs it is probably not charitable (however any surplus passed over to the school with the donors consent could be paid into a school fund as a charitable donation). The Charity Commission (http://www.charity-commission.gov.uk) can only advise on the charitable status of a School Voluntary Fund on an individual basis by review of the Fund's Governing Document which sets out how the Fund is operated and what the income can be used for. • Trustees are defined as "the persons having general control & management of the administration of a charity". In terms of the School Voluntary Fund this would be the Head Teacher and the Board of Governors. • Further information is available from the Charity Commission's website via the attached link (http://www.charity-commission.gov.uk)

7 Insurance

- | | |
|-----|--|
| 7.1 | <ul style="list-style-type: none">• If the School has taken out the insurance offered by the Council, equipment purchased using school funds has the same insurance cover as equipment purchased using the school's devolved budget. To facilitate insurance claims, any equipment purchased using school funds should be entered into the school's register of assets.• Head teachers should recognise the risks involved in holding school fund income overnight in school and wherever possible, monies should be banked on the day they are received. |
|-----|--|

Appendix 1 Example School Voluntary Fund Constitution

Note: This example is intended to show what types of information needs to be included in a School Voluntary Fund constitution; schools may choose to add any other details they feel may be appropriate

(On School's headed paper)

XYZ SCHOOL FUND CONSTITUTION

Purpose of the Fund

The (Name of School) School Voluntary Fund will be constituted to advance the education provided by the school.

The school fund exists to provide additional materials, books and equipment and to finance opportunities to enhance the learning experiences of children. The fund is used to provide items over and above those provided for through the school's delegated budget.

Examples of Uses

Expenditure may be used for the following purposes:

- Subsidy of school educational visits
- Refreshments for children's parties
- Fund raising activities (e.g. raffles)
- Classroom materials and equipment
- Lunchtime games/toys, children's disco and entertainment
- Sale of sweatshirts
- School tuck shop

Administration

The official title of the school fund is

The fund is administered by, who holds the position of [*School Business Manager/Finance Officer*] at the school.

The day to day management of the fund is the responsibility of the Head teacher although overall responsibility for the fund lies with the Governing body.

A Fund Committee exists as part of the responsibilities of the Finance/Resources Committee, comprising the Headteacher, senior staff and a Governor, to decide on spending priorities and fund raising needs. This Committee meets on a termly basis.

For expenditure under £X, the agreement of the Headteacher is sufficient. For purchases over £X but below £Y, the approval of the Fund Committee must be obtained whereas for purchases over £Y, the approval of the Governing Body must be obtained.

The school fund is banked in a [Enter *Name of Bank*] Bank Current Account. Cheque signatories are the Headteacher, Deputy and School Business Manager/Finance Officer, two from three

Audit

The fund has a financial year end of *dd/mm/year*. Annually, a summary of income and expenditure, and a statement of balances, is prepared by the [Enter *Position*].

The financial statements are audited by [Enter *Name/Position of Person*], who is an independent person with a financial background. She/He is considered to be a suitable person to audit the fund, having regard to the nature and complexity of it.

Audited accounts are presented to the Governing Body each year for formal approval, in accordance with the Rotherham Scheme for Financing Schools.

Prepared [dd/mm/year] by.....Headteacher

Approved by the Governing Body

Chair of Governors.....

Date

BANK ACCOUNT NOTIFICATION FORM 31/3/YY

SCHOOL NAME:	
SCHOOL DfE NUMBER:	
SCHOOL FUND NAME:	
PURPOSE OF THE FUND:	
YEAR END:	
BANK NAME:	
BANK ACCOUNT NAME:	
SORT CODE:	
ACCOUNT NUMBER:	
ACCOUNT SIGNATORIES:	
TREASURER/ADMINISTRATOR:	
AUDITOR DETAILS:	

Print Name:

Print Name: _____

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<p align="center">XYZ SCHOOL VOLUNTARY FUND</p> <p align="center">PETTY CASH FLOAT RECONCILIATION</p> <p>FROM:..... TO.....</p>		
		£
	CASH IN HAND (Balance b/f as at: dd/mm/yy)	p
ADD	CHEQUES DRAWN FOR CASH (Cheque Numbers:)	
LESS	EXPENDITURE (Voucher Numbers to)	
	N.B. ALL VOUCHERS TO BE ATTACHED	
	TOTAL CASH IN HAND (Date: dd/mm/yy)	
<div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div> <p>Signed: (Administrator) Print Name:</p> <p>Certified Correct: (Headteacher) Print Name:</p> </div> <div> <p>Date:</p> <p>Date:</p> </div> </div>		

STOCK CONTROL SHEET

SIGNED

[illegible]

Appendix 5 School Trip Example Holding Account Statement

SKI TRIP - April 201X

STATEMENT OF ACCOUNT

INCOME	£	EXPENDITURE	£
Pupil Contributions 14,00.00 (20 x £700.00)		Receipt No:	
		1. XYZ Travel (Minibus Hire)	500.00
		2. ABC Travel (Tour Operator)	10,000.00
		3. Lift Passes (20 x £150.00)	3,000.00
		4-8. Tolls / Fuel	180.00
		9-11 Miscellaneous (Meals / Drinks)	120.00
		Balance Repaid to Pupils* (20 x £10.00)	200.00
TOTAL	14,000.00	TOTAL	14,000.00

(* or Donated to School Fund with Parent's written permission)

I certify that the above statement is a true and accurate record and attach financial documentation relating to each item of income and expenditure included in the statement.

SIGNED: DATE:

(TRIP ORGANISER)

PRINT NAME.....

Appendix 6 Guidance Notes for School Voluntary Fund Auditors

EACH AUDITOR SHOULD HAVE A COPY OF THE SCHOOL VOLUNTARY FUND GUIDANCE AND UNDERSTAND THEM.

If you require any further advice, please contact the Children & Young People's Schools Finance Team who may involve the Council's Internal Audit Section if necessary.

The following points are designed to assist Auditors in their duties:-

1. Your primary function is to account for all School Voluntary Fund money. This involves checking all monies collected have been properly brought into the account and all payments made are for the purposes of the School Voluntary Fund.
2. You should obtain from the Treasurer a copy of the School Fund Constitution, the cash book / ledger (or printed versions thereof), bank statements, cheque book, paying-in book, receipt book and all other supporting documentation, e.g. receipts, invoices, vouchers etc.
3. Reconcile and verify the balances shown on the cash book / ledger and on the bank statement and cash-in-hand balances at the end of the year.
4. Examine each individual entry and ensure that they are in accordance with the allowable activities as stated in the School Fund Constitution. Where any payment is made, ensure that this is supported by an appropriate invoice, receipt or some other supporting documentation. If there is no supporting documentation, make enquiries as to why this is not the case and try to obtain this information. This matter should be brought to the attention of the Treasurer.
5. The dates, description and amounts of any invoices, receipts, etc. should be examined to verify their authenticity and reasonableness. Any queries should be raised with the Treasurer.
6. When you have examined this documentation, e.g. invoices, receipts, etc. you should mark them "paid" or "cancelled" and initial them, to ensure that the documentation is not represented at a later date. A similar procedure should also be adopted when examining cheque stubs (N.B. you should clearly mark them as having been examined).
7. If you are aware of any activity which does not appear in the accounts, ask the Treasurer why this is. Any interest should be brought into the accounts.
8. Where a school trip has taken place, you should ensure that a financial statement has been drawn up which incorporates all the financial activities of the trip. This should be checked to the accounts and any variations drawn to the attention of the Treasurer.

9. Auditors should ensure that they distinctively mark or tick any entries which they

check. All the columns in the cash book should be checked arithmetically and verified as correct.

10. A check should be made to ensure that the balance is brought forward from the previous year's accounts and that where money has been spent, e.g. raffle tickets for a school fete that a corresponding entry is made for income from the sale of tickets at the fete.

11. It is important that the auditors should ensure that there is no delay in banking (delays can result in a loss of interest for the fund) and that there are adequate security arrangements made for any unbanked fund monies.

12. Where the School Voluntary Fund has a deposit account, check that any debits made from this account are only transfers into the current account. Any current account debits should be supported by a cheque stub and invoice.

13. If you are in doubt about any purchase made from the fund, ask to see it.

14. Check that all income is being receipted, either using a daily record of income or by issuing proper carbon-type receipts. Particular attention should be paid to any entries that have been altered / amended, particularly with the use of correction fluid.

15. The Treasurer will have prepared a summary of accounts statement. Check that this reflects the entries in the cash book and the balance shown is correct.

16. Where a school is closing and becoming part of a newly amalgamated school, then the 'closing' school should ensure that all transactions have been accounted for and provide a final set of accounts for the auditors as soon as possible after the end of the school year. The bank account(s) relating to that fund should be closed and any balance transferred to the account of the newly amalgamated school. The balance should be treated as income and accounted for accordingly. You should then audit the closed account. Same procedure for a school converting to academy status.

17. Auditors of newly amalgamated schools should check a copy of the bank statement showing the sum transferred to the newly amalgamated school as evidence that the account of the previous school has closed and the balance transferred accordingly.

18. When you have undertaken the above checks and are satisfied that everything is in order, sign the cash book and the summary of accounts statement. Complete the Certificate which the Headteacher will provide you with. If you feel unable to do this for any reason, please do not hesitate in contacting the Children & Young People Schools Finance Team or Internal Audit.

18. Auditors should satisfy themselves that all expenditure is reasonable and has been spent legitimately within the scope of the scheme. To assist you in your duties and to assist the Treasurer in ensuring that the required records are maintained, you should complete an Audit Checklist during the course of the audit and attach it to the Auditors' Certificate. You should also provide a copy to the Chair of Governors.

Appendix 7 Audit Checklist

Completed by:
(Please complete and attach to the auditors' certificate)

School..... Dfe No:
Period of Examination from to

	Question	Yes	No	N/a	Comments
1.	Has the Treasurer provided you with the following :- Cash book /ledger? Daily record of income / receipt book? Cheque book(s) /Cheque book stubs? Bank paying in book? Bank current account statements? Vouchers/ invoices to support expenditure? Bank deposit account statements, if held? Statement of account for individual trips and money raising activities?				
2.	Is the cash book /ledger arithmetically correct?				
3.	Have balances been correctly brought forward from the previous year: <ul style="list-style-type: none"> • "old" accounts have been properly closed? • balances from closed accounts have been correctly brought forward? • confirmation of the balance brought forward has been evidenced? 				
4.	Has the cash balance in the cash book / ledger been reconciled to the balance on the bank statement?				
5.	Are all items of expenditure supported by original receipts and contain no personal items of expenditure? If not, has the record of expenditure made without receipts been completed and signed by the Treasurer and witnessed by a second person?				
6.	Has income been recorded on a Daily Record of Income or similar receipt book?				
7.	Has all income received been banked promptly?				
8.	Has all income received been banked intact? (i.e. all money received is banked without any deductions being made for expenses).				
9.	Have statements of account been prepared for individual trips and fund raising activities?				
10.	Are these statements in accordance with entries in the cash book?				
11.	Has the School Fund been used only for activities				

	which are within the scope of the School Fund?(See Section 1)				
12.	Checking that where applicable, VAT registration has been sought and the appropriate forms completed				
13.	Does the School Fund hold any stocks of items in respect of Fund raising activities? (e.g. Tuck shops, school clothing etc.) If yes, are stock control sheets maintained? (See Appendix 4 Stock Control Sheet) Can stock movements be reconciled to payments and receipts in the Fund's cash book /ledger? Has the Treasurer provided you with evidence that a stock check has been carried out?				

Appendix 8 Audit Certificate/ Auditor's Certificate

Rotherham Council School Voluntary Fund **ANNUAL AUDIT CERTIFICATE**

Part I:

Name of School

DfE No

Name of Fund

Name of Bank

Account Number

Administered by:

I have read the School Voluntary Fund Policy dated March 2019
(Print name & sign)

Treasurer

Other

Other

Date at which Accounts & Audit Certificate presented to the Governing Body

I certify that the above is correct and in accordance with the policy governing School Voluntary Funds

Signed: Date:
(Headteacher)

Signed: Date:
(Chair of Governing Body)

Part II:**AUDITORS' CERTIFICATE**

I have read the Rotherham Council's School Voluntary Fund Policy, including the notes for Guidance for Auditors, published March 2019.

I / We certify that I / we have examined the books and records relating to the School Fund for the period from to and the attached Summary of Accounts as at I / We have checked the Receipts and Payments and confirm that the attached Summary of Accounts is in accordance with the books and vouchers and explanations given to me / us. The fund has **(not)** been operated in accordance with the School Voluntary Fund Policy **(as detailed in the attached checklist and/or audit letter dated dd/mm/yy – delete items in red if not applicable).**

I / We attach a copy of the School Voluntary Funds Summary Accounts and an Auditors' checklist

Signed: Position:

Print Name Contact Details (e-mail/tel.):

Date:

(If you are unable to sign this certificate, please contact the Children & Young People Schools Finance Team, Riverside House, Main Street, Rotherham, S60 1AE, 01709 382121).

Appendix 9 Example Summary Statement of Accounts

XYZ SCHOOL ACCOUNTS FOR THE YEAR ENDING 31 AUGUST 201x

RECEIPTS								PAYMENTS							
(1) Date 201x	(2) Details	(3) Receipt No.	(4) Total £	(5) Tuck £	(6) Ski- Trip £	(7) Class Visits £	(8) Sundry Income (see Note1) £	(9) Date	(10) Cheque No.	(11) Payee / Detail	(12) Total £	(13) Tuck shop £	(14) Ski- Trip £	(15) Class Visits £	(16) Sundry (see Note1) £
1.9.1X	Balance B/F		1,000.00		950.00		50.00	1.9.1X	1001	A ANOTHER -Tuck Shop Supplies	15.00	15.00			
3.10.1X	A ANOTHER – Tuck Shop Sales	001	5.00	5.00				14.9.1X	1002	A ANOTHER – Sports Day Prizes	40.00				40.00
6.11.1X	A ANOTHER – Tuck Shop Sales	002	9.20	9.20				6.12.1X	1003	Asda – Pupils Christmas Party Food	25.00				25.00
9.12.1X	A SMITH - Pantomime	003	20.00			29.500		9.12.1X	1004	Pantomime - Tickets	50.00			50.00	
14.2.1X	A JONES – Museum trip	004	30.00			30.00		26.2.1X	1005	Chocolate Co. - Tuck Shop Supplies	7.50	7.50			
19.3.1X	A ANOTHER – Tuck Shop Sales	005	9.00	9.00				3.3.1X	1006	ABC Travel - Ski Trip	200.00		200.00		
13.7.1X	Deposit A/C Interest	-	50.00				50.00	20.7.1X	1007	ABC UNIFORM – Purchase of school ties	20.00				20.00
14.8.1X	A ANOTHER – Uniform Sales	006	26.00				26.00								
	Total Receipts		158.70	23.20	0.00	59.50	76.00			Total Payments	357.50	22.50	200.00	50.00	85.00
	Add Balance B/F		1,000.00		950.00		50.00								
			1,158.70	23.20	950.00	59.50	126.00								
	Less Total Payments		357.50	22.50	200.00	50.00	85.00								
	Balance C/F		801.20	0.70	750.00	9.50	41.00								

Appendix 9 Example Summary Statement of Accounts continued

XYZ SCHOOL

SUMMARY OF ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 201X

ACTIVITY	RECEIPTS £	PAYMENTS £
Tuck shop	23.20	22.50
Ski Trip	0.00	200.00
Class Visits	59.50	50.00
Sundry	76.00	85.00
TOTAL	158.70	357.50

SUMMARY

	£
Balance in Hand 1 September 201X	1,000.00
ADD: Receipts during Year	158.70
	<u>1,158.70</u>
LESS: Payments during Year	357.50
	<u>801.20</u>
Balance in Hand 31 August 201X	801.20

<u>Hon. Treasurer</u>	<u>Hon Auditor</u>	<u>Hon Auditor</u>
<u>Date</u>	<u>Date</u>	<u>Date</u>

NOTE:

Using "Sundry" as an analysis heading should be avoided wherever possible by analysing all income/expenditure as far as possible. Other commonly used headings would be:

- Fund raising events e.g. summer fete, raffles, book fairs
- School Photographs
- Residential visits, theatre visits, concerts, pupil Christmas parties
- Vending machines
- Petty Cash (if use a petty cash system would require this analysis column and the Balance in Hand B/Fwd and C/Fwd would have to be analysed between Cash at Bank and Petty Cash)

REPORT FOR SCHOOLS FORUM

1.	Date of meeting:	5th April 2019
2.	Title:	Information on 2019/20 non-DSG grant funding streams
3.	Directorate:	Finance and Customer Services

1. PURPOSE OF REPORT

To provide an update to Schools Forum members as to the 2019/20 non-dedicated schools grant funding streams.

2. RECOMMENDATION (S)

That members note the information included within this report.

3. REASON FOR RECOMMENDATION (S)

To ensure members are aware of the latest 2018/19 funding information as set out by the Department for Education.

4. BACKGROUND INFORMATION

On the 17th December 2018 the Department for Education announced the initial allocations to local authorities in respect of Dedicated Schools Grant funding.

At the same time, the Department for Education issued information updates in respect of the other major grant funding streams that are allocated to schools and academies. These updates are detailed below:

Teachers pay grant

When this grant was first announced, the government confirmed that it would be for 2018/19 (part-year) and 2019/20 (full year). For 2019/20 this grant will be based on the following per-pupil rates:

Primary	£28.29
Secondary	£45.56
Special & AP	£113.46

Guidance on the detail of this grant can be found on the link shown below.

<https://www.gov.uk/government/publications/teachers-pay-grant-methodology/teachers-pay-grant-methodology>

Universal Infant Free Schools Meals

It has been confirmed that the meal rate will remain at £2.30 for the 2019/20 academic year.

Further details will be released in 2019.

Free School Meals Supplementary Grant

The FSM supplementary grant provides funding for schools to help them meet the costs of providing extra free school meals, due to the roll out of universal credit, before the lagged funding system catches up.

Further details are available on the link shown below:

<https://www.gov.uk/government/publications/free-school-meals-supplementary-grant-2018-to-2019>

Pupil Premium

The per pupil funding rates remain unchanged.

Disadvantaged pupils	Pupil premium per pupil
Pupils in year groups reception to year 6 recorded as Ever 6 FSM	£1,320
Pupils in years 7 to 11 recorded as Ever 6 FSM	£935
Looked-after children (LAC) defined in the Children Act 1989 as one who is in the care of, or provided with accommodation by, an English local authority	£2,300
Children who have ceased to be looked after by a local authority in England and Wales because of adoption, a special guardianship order, a child arrangements order or a residence order	£2,300
Pupils in year groups reception to year 11 recorded as Ever 6 Service Child or in receipt of a child pension from the Ministry of Defence	£300

The grant conditions are available at the link shown below:

<https://www.gov.uk/government/publications/pupil-premium-allocations-and-conditions-of-grant-2019-to-2020/pupil-premium-conditions-of-grant-2019-to-2020>

The ESFA have confirmed that the year 7 catch-up premium will continue into the 2019/20 financial year but the rate has not yet been confirmed. Further details are to be announced in 2019.

Further updates on 2019/20 funding rates will be circulated to Schools Forum as announced by the Department for Education/ESFA.

5. Names and contact details

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