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**Schools Forum
17 September 2014**

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Agenda

Schools Forum

Wednesday 17th September 2014 at 6.00–8.00 pm

Venue: Queens Park Community School

(Refreshments from 5.30 p.m.)

AGENDA

Items:

- 1 Apologies for Absence
Welcome to new members – Changes in Membership
- 2 Minutes of the Meeting of 18th June 2014
- 3 Low Carbon Schools Program Update
- 4 Funding Arrangements for 2015-16
- 5 Scheme for Financing Schools & Schools Finance Regulations
- 6 AOB

Future Forums:

Date	Venue
Wednesday 22nd October 2014	The Village School
Wednesday 10th December 2014	The Village School
Wednesday 14th January 2015	Queens Park Community School
Wednesday 25th February 2015	The Village School

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Brent Schools Forum

Minutes of the Schools Forum held on Wednesday 18 June 2014 at The Village School

Attended by Members of the Forum:

Governors: Mike Heiser - Chair (MH)
Martin Beard (MB)
Titilola McDowell (TMcD)
Herman Martyn (HM)
Helga Gladbaum (HG)
Cllr Lesley Jones (Cllr LJ)
Sue Knowler (SK)
Umesh Raichada (UR)

Head Teachers: Sylvie Libson – Vice Chair (SL)
Lesley Benson (LB)
Matthew Lantos (ML)
Rose Ashton (RA)
Kay Johnson (KJ)

PRU: Terry Hoad (TH)

PVI Sector:

Trade Unions: Lesley Gouldbourne (LG)

14-19 Partnership: Marc Jordan (MJ)

Others:

Lead Member (C&F):

Officers: Gail Tolley (GT)
Sara Williams (SW)
Ravinder Jassar (RJ)
Norwena Thomas (NT)
Devbai Patel (DP)

Circulation to all present plus: Terry Molloy, Maxine Henderson, Rabbi Yitzchak Freeman, Andy Prindiville, Cllr Ketan Sheth, Gill Bal, Paul Russell, Richard Martyn and Cllr Ruth Moher



ITEM	DISCUSSION	ACTION
	MH opened the Schools Forum at 6.05pm.	
1.0	<u>Apologies</u>	
1.1	Terry Molloy Ribbi Yitzchak Freeman Andy Prindiville Cllr Ketan Sheth Cllr Ruth Moher	
1.2	Changes in Membership	
1.3	MH thanked the leaving members who were Alan Carter, Janice Alexander and Maggie Bart. He welcomed Cllr Ketan Sheth as a Special Academy Governor and Marc Jordan as 14-19 Partnership. Sue Knowler changes her representation from Primary School Advisor to Primary Governor.	
1.4	He welcomed the Strategic Director of Children & Young People, Gail Tolley. GT said she was delighted to be present at her first Schools Forum. She said that she was observing at the first meeting to see how it works in Brent. MH mentioned presumably GT will be comparing with other Authorities' Forums from her past experience. GT said she was leaving the responsibility of the Schools Forum with Sara Williams, Operational Director - Early Help and Education.	
1.5	MH congratulated HM who has been awarded an MBE and everyone applauded to that.	
2.0.	Minutes of the meeting held on 26 th February 2014 and Matters Arising	
2.1	<u>Accuracy</u>	
2.1.1	UR was present at the last Forum.	
2.1.2	The above correction was noted and the minutes were agreed as accurate record.	
2.2	Matters Arising	
2.2.1	<u>Actions Item 1, Benchmarking of End to End process and cost per pupil in processing admission application</u> - SW reported that there are changes in this area of work so the matter was deferred to next meeting.	SW
2.2.2	<u>Actions Item 2, Update on Schools Forum membership vacancies</u> – DP reported that we only have two vacancies which	



were the Nursery School Governor and Primary School Headteacher. DP said a nomination has finally been received for Maintained Secondary School Governor, Richard Herman. He was only appointed on the day and was not able to attend has noted future forum dates in his diary.

- 2.2.3 Action Item 3, Update on the 3% increase to EYSFF on 2013-14 base rate – This is covered under Agenda Item 3.
- 2.2.4 Action Item 4, Distribution of Balance of the Education Action Zone balances – This is covered under Agenda Item 5.
- 2.2.5 Action Item 5, Consultation of Scheme for Delegation - approval of required amendments to the Scheme – This is to be brought to the September's Forum.
- 2.2.6 Action item 6, Low Carbon Schools Programme Update Report – This is to be brought to the September's Forum.
- 2.2.7 Action item 7, Provide details of what service is covered by DSG allocation at GBOEC – This is to be presented to the September's Forum.

3.0 Schools Budget 2013-14 Outturn and DSG Update

- 3.1 NT Presented this report. She referred to Table 2.1 and explained the movement from 2012-13 which was additional £3m. This excludes schools that have converted prior to 31st March 2014 for fair comparison. ML said that AP has asked him to query that St Gregory's School's balance was different to what was actually shown in the report. NT said this school and along with others in italics were estimated as these schools' Year End accounts were not finalised in time and officers were under pressure to meet the deadline to close year end.
- 3.2 NT said that there were seven schools in deficit. Six schools continue to remain in deficit from 2012-13. Lyon Park Junior School is now out of deficit but Michael Sobell Sinai School has come into deficit. Their issue has been highlighted previously partly due to the new funding arrangements.
- 3.3 NT continued reporting on the paper and referred to Section 3 of the report. The surplus of £2.7m is ahead of the programme in meeting the Deficit Recovery Plan. This should mean that DSG comes into surplus in 2014-15. Due to the DSG deficit being ahead of the plan, it was confirmed that the 3% increase to the Early Years 2013-14 will be backdated to all 3 and 4 year old providers. DP
- 3.4 Table 4.1 details 2014-15 DSG after academy recoupment. This is subject to change throughout the year due to further conversions.



The known conversions are Woodfield from 1st April, Gladstone Park from 1st June, Copland from 1st September and North West London Jewish Day School aiming for 1st August. There are further potential conversions which members will be kept updated during the course of the year.

- 3.5 MH asked when Copland converts what will the position to their deficit. SW said that unfortunately the deficit reverts to the LA. He added presumably this will be top-sliced from DSG? This then impacts on the Deficit Recovery Plan and it was confirmed as yes.
- 3.6 MB asked what safeguards are in place to prevent schools going into deficits. SW said officers have put in a number of policies in place which are covered in the next agenda item. She said Copland is a historical issue and LA has worked very closely with Copland to minimise their deficit and many redundancies have been made to prevent the deficit growing further. It was confirmed that if a school converts to academy and then requires making redundancies, the cost of redundancies would be billed to their respective Local Authority. .
- 3.7 MH asked HM if they are pursuing Sinai's position further. HM said they will be losing 6% every year over the next 3 years. They have written to Michael Gove and are continuing to follow it up. SW said that officers had checked and double checked but no errors were identified. SL said the school also made a representation at the Schools Funding Formula Sub Group and no alternative options allowed the school to financially benefit. MH said there isn't anything that Brent can do but it is a government issue. HM said they have had an initial response to say that no school should lose anymore than 1.5% which they are not satisfied with.
- 3.8 HM said they would like to raise an issue that affects voluntary aided schools in that they are not eligible to reclaim VAT on the Governors liability of the capital works, whereas academies are able to re-claim. MH said officers should draft a letter to the EFA to NT/DP raise this concern.
- 3.9 Appendix A shows maintained schools balances. SL said that she has a huge carry forward and this is due to a major planned capital project. MH said that only maintained schools balances are presented as they are bounded by the Financial Regulations. This Schools Forum is represented by all types of schools and therefore all balances should be presented as they are in the public domain anyway. ML said it would be for information only and it was confirmed as yes. MH asked everyone if they agreed to this and general census was that all agreed. ML said only if we set a caveat



that there will not be long discussions about how fair or unfair it is for academies with high carry forward balances. This was accepted.

- 3.10 The following recommendations were noted and approved:
- a. Note the schools delegated revenue balances for 2013/14;
 - b. Note that a 3% increase in the hourly rate for early years' settings will now be backdated to April 2013;
 - c. Note the outturn for central expenditure elements of the schools budget for 2013/14;
 - d. Note the provisional DSG settlement figures for 2014/15.

4.0 Update on School Policies

- 4.1 NT presented this report. The report summarises the three policies that have been put in place from 2014-15. These are Licensed Deficit – Revised Policy, Redundancy Funding and Cash Advance – New Policies. She asked to note that there will be other policies being brought to Schools Forum in due course. She said these are already sent out to schools but being brought to Schools Forum retrospectively for comments and any changes that may be applicable.
- 4.2 **The Licensed Deficit policy** requests schools to come back into balanced budget within 3 years where as previously it was 5 years. The schools will not be permitted to incur further expenditure and will require approval from the LA in order to fill any vacant and new posts. The report requests suggestions for the increase challenge to schools in deficits. This could be that they make a presentation at the Schools Forum. ML disagreed with this and said it was completely inappropriate. He disagreed that this should be imposed on schools. SL agreed with ML.
- 4.3 GT said she is familiar with an authority that follows this process. She said there are usually a small number of schools with concerns and it gives them opportunity to explain their deficits. She said it is custom practice in a number of Local Authorities for transparency and is something that should be considered.
- 4.4 SL said she took on a school with £400k deficit and wouldn't have liked it if she had to come to Schools Forum to explain the deficit. She would have had problems persuading the governors. She thought they need to look at the school before asking them to present their deficit to Schools Forum.
- 4.5 SK said Schools Finance Service should make a report to the



Schools Forum to inform of the actions that they are taking as it has known that the Deficit Recovery Plan has not worked in the past.

RA said that two models should be in place. If the Head is new to the school, they will not know the financial position of the school and cannot be expected to explain to Schools Forum but if the school has an existing head and the school falls into deficit, the Headteacher and the governors should be answerable to this.

- 4.6 TH referred to paragraph 2.7 of the report which suggests that schools in deficit being required to attend Schools Forums to explain their plans and actions in rectifying their deficit. He thought this was over the top. Every time a school has a deficit it has to present a report to Schools Forum. This should only be considered if the deficit continues and is not being managed well.
- 4.7 LB suggested that the Schools Finance Team needs to be watching to be on it as there is a danger of not wanting to be continuing to be challenging colleagues. She recalled after OFSTED the schools were required to attend Town Hall and stand up to be either criticised or congratulated. She agreed that the budget should be balanced but schools doing good or bad, the Forum is not the right place for it
- 4.8 HM said that the Schools Finance Team should be flagging schools where schools are not reducing deficits or are not taking the necessary steps to reduce the deficit. In these cases when Schools Finance Team is not satisfied, bring those to Schools Forum's attention. ML said that schools can be invited if they voluntary wish to attend.
- 4.9 MH concluded the item that Schools Finance Team need to challenge the schools with deficits and report to Schools Forum with updates noting the comments raised by members (as above)..
- 4.10 **Redundancy Policy** is a new policy which is being implemented due to funding changes. It clarifies the position for maintained schools and mirrors the Local Authority's approval process. She referred to the list in item 3.2 where LA will refuse to pay school redundancies and item 3.3 where funding could be considered. No premature retirements will be funded by the LA. Initial approval of the redundancy fund will be from the Operational Director followed by the Chief Finance Officer and Director of Human Resources.
- 4.11 LG made a reference to item 3.3 and said that it should reflect the need to recognise Trade Union's engagement. SW said this is implicit in the redundancy policy where schools are asked to abide by the council change policy. LG said that it would be nice if Trade Union was mentioned specifically. MH asked officers to note the



- comments made by LG and consider it where appropriate.
- 4.12 LB acknowledged the policy and was concerned that there is no advice available freely from LA's HR. The school may have to their knowledge followed the policy but not necessarily compliant with the LA's policy. There needed to be a communication strategy in place. SW said that LA models the Managing Changes policy and gives greater clarity about the gatekeeping. LB said her school prefers to follow the Council policy which is not accessible to schools without a charge and is an issue for schools. There are policies that require schools to comply and schools want to comply with but cannot access it. SW said that she will check on the accessibility and provide an update on this. SW/Sanmi Akinlabi
- 4.13 TH referred to paragraph 3.7 which makes a reference to the type of redundancies that will be funded. Is this a legitimate process as the expectations seem to indicate that the schools will meet the cost. SW said that if schools paid redundancy it would end up in a spiral debt. LG asked what LA's redeployment policy means to schools. LB said that the council can redeploy staff whereas schools cannot. SW said for Council staff there is a policy on redeployment and it is implicit rather than explicit but she will check how this applies to schools. SW/Sanmi Akinlabi
- 4.14 ML said that with the external HR service providers, they have an indemnity agreement and schools are assuming that they are following Brent's policies.
- 4.15 UR asked if Brent Partnership can find a broker that can assist schools with this. KJ responded saying that they have looked at this but currently they are focusing on development of school improvements. They are not against it. It has been investigated.
- 4.16 SK said that it's likely that schools would fall foul of going ahead and not consulting and asked if Brent sends out the Gold Book? LB said they have not seen a settlement policy to which NT said she will follow up with Legal. MH invited comments to which there were no further comments. NT
- 4.17 **Cash Advance** This is another new policy which is being put in place as a safeguard in protecting DSG in the event that a school with deficit converts to academy. This is when a school requests cash advance totaling more than £100k which becomes a formal loan. Officers do not consider cash advance requests and only consider it when absolutely necessary.
- 5.0 Distribution of Balance of the Education Action Zone (EAZ)**
- 5.1 SW presented this report. This report requests a decision on



allocating the remaining funds from the Education Action Zone. The EAZ commenced in 2001 and closed in 2011. There were seven schools included in this scheme. The amount remaining is £112,480. The view of the members was sought in allocating the balance.

- 5.2 SL suggested it went back into the general pot for reallocation. ML said only on the basis that it is added to Schools Causing Concern pot. It should not be used to top-up other debts. RA felt that it should be distributed to the remaining maintained schools. She felt that the Crests already had their fair share by paying redundancy cost of the person running the EAZ as the Head of that school had the authority to spend. She felt that her school needs it for the additional cost of their building project which she has to defer and retender.
- 5.3 SN thought that the money should be used to support schools causing concern to help schools in position where Chalkhill was previously. HG was of the same opinion that it should be used towards these schools. SK agreed with ML and said it should be used for the purpose it was set up for, schools causing concern.
- 5.4 LB said if distributed to the schools that were part of the scheme, it should not be a straight split. Should be allocated on per pupil basis.
- 5.5 MH invited members to vote for adding the EAZ remaining funds to Schools Causing Concerns pot:
In favour – 11
Against – 3
Abstained – 0

It was therefore agreed to add this funding to Schools Causing Concerns.

6.0 Universal Infants Free School Meals (UIFSM) – Revenue Update

- 6.1 This report provides an update following the release of DfE's Condition of Grant and calculator in May 2014. The first two terms' payments (7/12th) will be indicative estimated on 87% total take up of Infants minus pupils eligible for FSM. The final payment will be adjusted using the average number of pupils taking a meal in October 14 and January 15 Censuses. The 87% take up is an estimate of expected take up. The meals will be funded at £2.30 for 190 school days.
- 6.2 It should be noted that this grant is not ring-fenced for school meals. The allocation is higher than what the schools would pay



- the contractors. The difference is aimed at funding additional supervision staff and equipment.
- 6.3 SL said that she has written to her new Reception parents asking them to apply for free school meals. Most schools will have no idea how many Reception children will receive Pupil Premium. She thought that LA should be writing to schools informing them to do the same. SW thought that leaflets should be launched which explains the funding mechanism.
- 6.4 NT mentioned that schools should consider encouraging 100% uptake on census day as this would be the basis for funding.
- 6.5 The Free School Meals and Pupil Premium leaflets could not be opened by some members and it was requested that this was e-mailed to all as attachments. DP
- 6.6 MH said that £2.30 per meal is not sufficient for kosher meal and asked for it to be raised with the DfE. SW said this has been raised already with DfE but they have not acknowledged this additional cost nor have they said they will consider it. KJ said that they (Special Schools) have to use two meals for pureed meals which means they are absorbing 100% cost of every meal pureed.
- 6.7 SW updated the Forum on the capital funding for UIFSM. The audit process was carried out by the Capital Team and the team is now procuring the equipment orders to have it in by September 2014. SW SW will obtain update and convey it to schools.

7.0 Any Other Business

- 7.1 There were no AOB items to report.
- 7.2 The Forum ended at 7.40pm.



Action Log

No	Action	Completion Date	Owner
1	3% increase on base rate to be paid to all 3 and 4 Year old 2013-14 providers	September 2014	DP
2	Free School Meals and Pupil Premium leaflets to be emailed as attachments	September 2014	DP
3	Benchmarking of End to End process and cost per pupil in processing admissions application	September 2014	SW
4	Update on capital spend on UIFSM	September 2014	SW
5	Follow up with Legal on Gold Book	September 2014	NT
6	Access to Redundancy policy for schools	September 2014	SW/Sanmi Akinlabi
7	Redeployment policy for schools	September 2014	SW/Sanmi Akinlabi
8	Low Carbon Schools Programme Update Report	September 2014	Emily Ashton
9	Scheme for Financing Schools & Schools Finance Regulations	September 2014	NT
10	Provide details of what service is covered by DSG allocation at GBOEC	September 2014 (report is ready but it's been deferred to the next meeting)	Angela Chiswell

 Brent	SCHOOLS FORUM 19 September 2014 Policy and Performance (Environment and Neighbourhoods) & Property and Asset Management (Regeneration & Major Projects)
For Information	WARDS affected: ALL
Year Two: Low Carbon Schools Programme Monitoring Report	

1.0 SUMMARY

- 1.1 This report sets out a two year review of the success of the Low Carbon Schools programme against the three specific energy reduction targets for the project group's tiers, which was agreed by the Schools Forum in February 2012.

2.0 BACKGROUND

- 2.1 The project's primary goal was to encourage schools to manage their energy usage effectively in order to reduce energy bills and the liability arising from the CRC energy efficiency scheme (carbon tax). In 2011/12 Schools accounted for 76% of the council's CRC liability. On this premise both the Council and Schools Forum agreed in February 2012 that a project should be put in place to reduce ever increasing energy costs and mitigate against future rises in CRC costs. Based on research carried out through a Brent Council and Carbon Trust pilot project (the Collaborative Low Carbon Schools Programme), the Forum agreed to fund the project by top slicing from the Schools' Budget for one year. The money allowed for the creation of two full time posts during 2012/13, one as a "Schools' Energy Advisor - Technical Specialist" and a second as an "Energy Advisor – Behaviour Change and Curriculum".

A project closing report was brought to the Schools Forum in September 2013, outlining the successes of the project ([appendix A](#)). The Forum agreed that due to the time it takes to implement this kind of multi-faceted project in a school, monitoring and evaluation should be measured over a two year period as a minimum to allow time for technology to bed in and behaviour change programmes to become established. This report was requested at that time.

From April 1st 2014 schools no longer participate in the statutory CRC Energy Efficiency Scheme and therefore do not pay the associated tax, although the motivation to reduce energy bills should still be driven forward as the cost of energy continues to rise year on year.

3.0 DETAIL

3.1 The Brent Low Carbon Schools Project commenced in April 2012. All schools were eligible to receive support and advice from the project team however at varying different levels due to resource constraints. The support packages were delineated into three distinct tiers, 'New Intake', 'Existing partners' and 'Entry level'.

3.2 The support packages had the following targets;

Low Carbon Schools groups	2012/13 Target - kWh % reduction per annum
New Intake (full programme - technical and behaviour change)	14%
Existing partners (Light touch approach)	3%
Entry level (Pre service support)	2%

3.3 '**New intake**' – These were thirteen schools identified to receive the full level of support available. The Schools were selected on highest CO₂ emitters per square meter of floor space as requested by the Schools Forum. Schools were able to draw extensively upon the expertise and experience of the two officers responsible for project delivery (regular one to one support). As well as support, schools had access to Salix finance as a priority and specific areas of the Low Carbon Schools website.

3.4 '**Existing partner**' - Ten schools, which had previously taken part in the Collaborative Low Carbon Schools (CLCSS) pilot were provided with a comprehensive support service to help consolidate their previous efforts. These schools also had access to a bespoke, password protected '**Existing partner**' schools areas on the Low Carbon Schools webpage and could contact the Schools' Behaviour Change Officer and Schools' Technical Officer with queries. The 'Existing partner' schools also had access to Salix finance and a visit from the Technical Officer if requested, however the thirteen 'New Intake' schools were prioritised.

3.5 All other borough schools were classed as '**Entry level**' and were able to access open areas of the Low Carbon Schools website. However, use of the project team's more extensive range of services, such as detailed notes which accompany one to one support, was restricted.

4.0 Results

4.1 Using data gathered for the 2013/14 CRC Energy Efficiency Scheme, it has been possible to monitor the success of the project over a two year period. Table 1, outlines the progress of New Intake and Existing Partner Schools over the last two years against the 2011/12 baseline.

Table 1 - **New Intake and Existing Partner Schools**

	2013/14 kWh (DD adjusted)	2013/14 CO₂ (DD adjusted)	2012/13 % cost saving % (DD adjusted)	2012/13 £ Cost saving** (DD adjusted)
New Intake and Existing Partner Schools (23 schools in total*)	-13%	-7%	-7 %	-£86,799

*2011/12 baseline

**based on averaged kWh prices across schools of 3p/kWh gas and 10p/kWh electric

4.2 The table highlights that the New Intake and Existing Partner schools have collectively, reduced their energy use by 13% and their energy bills and CO2 emissions by 7%, saving almost £87k over the two year period.

4.3 Table 2 outlines the progress each level of support achieved against the targets set in 2012.

Table 2 - Results against targets

Low Carbon Schools groups	2012/13 Target - kWh % reduction per annum	2013/14 Actual kWh % reduction per annum	2012/13 Actual kWh % reduction per annum (New suggested combined results for New Intake and Existing partner schools)
New Intake (full programme - technical and behaviour change)	-14%	-13%	- 13%
Existing partners (Light touch approach)	- 3%	-12%	
Entry level (Pre service support)	-2%	-7%	

4.4 New intake schools narrowly missed its 14% energy reduction target over the two year period, achieving a reduction of 13% instead. Existing partner schools exceed their 3% target over the two year period, achieving a 12% reduction. Overall New Intake and Existing partner schools who received one to one support achieved an overall reduction of 13% in energy. Entry level schools also performed well exceeding their 2% target by achieving 7% over the two year period.

- 4.5 If we consider all participating schools (including 'entry level' schools) in 2013/14, they collectively **reduced their energy consumption by 9%, their CO₂ emissions by 5.3%, and** achieved a larger overall saving of £172K over two years for a £90K upfront (1 year programme) investment.
- 4.6 CRC data illustrates that collectively Brent Schools reduced their tax bill by 5% between 2012/13 and 2013/14, which equates to £12,303 on top of the savings on bills.

5.0 The future of the Low Carbon Schools programme

- 5.1 Due to a change of rule by Central Government, Local Authorities are unable to top slice and hold funds from the schools' budget, making it difficult to collectively fund the Low Carbon School project. .
- 5.2 If schools require support in delivering future energy efficiency savings from a technical and/or behaviour change perspective, it has been agreed with the Children and Families department that it would be more practical for schools to do this on a school by school basis, through a paid for traded service. This would allow schools to tailor the service to their specific needs and build in aspects which are not funded under Salix finance, for example, training for onsite staff on how to best use Building Management Systems and setting boilers correctly. Schools would still have access to the Council's Salix finance to implement technical projects, however, may decide to use their own funding methods.
- 5.3 Similar to the Low Carbon Schools Programme, there will be two aspects to the traded service offered to schools – one technical and the other behaviour change. Both services will be offered to schools through an external party with the council acting as a point of contact for any support required. The traded service contract will be between the schools and the external organisation offering the service. Appendix B outlines the draft detail of the technical traded service offered by EIE Sustainability Consulting. Schools should contact Anis Robinson, Council Energy Manager for further details. For schools seeking behaviour change support a minimum number of schools is required in order for the programme to be viable for the external partner to deliver. Please contact Emily Ashton between September 2014 and December 2014 if you would like to register your interest and the viability of the programme will be considered.

7.0 RECOMMENDATIONS

- 7.1 Close the project in its current form and ask schools to approach the Council directly if they would like any further tailor made support, either technical, behavioural change or both, on a traded service basis.
- 7.2 If a programme similar to the Low Carbon Schools Programme is to be rolled out to Brent schools again, the areas within the **Low Carbon Schools Programme Closing Report – September 2013** (appendix A) will need to be addressed and full school support given to the project.

- 7.3 Continue to host the Brent Council Low Carbon Schools webpage for all schools to have access to the entry level service.

8.0 SUMMARY

- 8.1 The project's overall achievement can be demonstrated despite the **New Intake** schools narrowly missing their 14% reduction target, **achieving a 13% reduction** in energy use instead. **Existing Partner** schools have continued to make savings, achieving a **12% overall reduction**, well above its 3% target. **Collectively New Intake and Existing Partner schools have reduced their energy use by 13%.** **Entry level schools** have also exceeded their target, by **achieving a 7% reduction** on its 2% target.
- 8.2 Collectively all schools have reduced their energy by **9% which equates to £172k of energy savings** for an upfront collective cost of £90k, which is a significant achievement.
- 8.3 During previous years, it has been difficult to draw a direct comparison between schools CRC data due to changes in reporting. However, reporting has remained the same during 2012/13 and 2013/14, which has allowed one year's worth of saving to be reported on. Within the scope of the CRC, **schools have collectively reduced their tax bill by over £12k, a reduction of 5%.**
- 8.4 Through communications over Salix finance and the new RE:FIT retrofit programme, schools have demonstrated that they still have an interest in saving energy and reducing CO₂ emissions in order to save money.
- 8.5 Schools who have not been selected to be part of the RE:FIT programme and require additional support beyond Salix finance will be able to seek advice from an independent Traded Service. Technical support will be delivered by EIE Sustainability Consultants. If a school requires behaviour change support, please contact the Environmental Projects and Policy team. In order to deliver an independent behaviour change service a minimum number of schools will need to sign up in order to make the traded service viable.

9.0 CONTACT OFFICERS

Sara Williams

Operational Director, Education and Early Help, Children and Young People

Emily Ashton

Sustainability Officer – Carbon (Environmental Projects and Policy – Environment and Neighbourhood services)

Anis Robinson

Energy Manager (Property and Projects - Regeneration & Growth)

Appendix A



Appendix A Low
Carbon Schools Progr

Appendix B – To follow or tabled

 Brent	SCHOOLS FORUM 18 September 2013 Policy and Performance (Environment and Neighbourhoods) & Property and Asset Management (Regeneration & Major Projects)
For Information	WARDS affected: ALL
Low Carbon Schools Programme Closing Report	

1.0 SUMMARY

- 1.1 This report sets out for the Schools' Forum, the success of the Low Carbon Schools programme against the three specific energy reduction targets for the project group's tiers agreed by the schools' forum in February 2012.
- 1.2 The report also includes an outline of project delivery, barriers to action, lessons learnt and future school support.

2.0 BACKGROUND

- 2.1 The project's primary goal was to encourage schools to manage their energy usage effectively in order to reduce energy bills and the liability arising from the CRC energy efficiency scheme. In 2011/12 Schools account for 76% of the council's CRC reporting. On this premise both the Council and School Forum agreed in February 2012 that a project should be put in place to reduce ever increasing energy costs and mitigate against future rises in CRC costs. Based on research carried out through a Brent Council and Carbon Trust pilot project, the Forum agreed to top slice top from the Schools' Budget for one year. The money allowed for the creation of two full time posts, one as a Schools' Energy Advisor - Technical Specialist and a second as an Energy Advisor – Behaviour Change and Curriculum.

3.0 DETAIL

- 3.1 The Brent Low Carbon Schools Project commenced in April 2012. All schools were eligible to receive support and advice from the project team however at varying different levels due to resource constraints. The support packages are delineated into three distinct tiers, 'New Intake', 'Existing partners' and 'Entry level'.

3.2 The support packages had the following targets;

Low Carbon Schools groups	2012/13 Target - kWh % reduction per annum
New Intake (full programme -technical and behaviour change)	14%
Existing partners (Light touch approach)	3%
Entry level (Pre service support)	2%

3.3 ‘**New intake**’ schools are thirteen schools identified to receive the full level of support available. These thirteen schools were selected on highest CO₂ emitters per metre squared as requested by the Schools’ Forum.

3.3.1 These schools were able to draw extensively upon the expertise and experience of the two officers responsible for project delivery, the Schools’ Behaviour Change Officer who started on the project in April 2012 and the Schools’ Technical Officer who started in September 2012.

3.3.2 To increase awareness and participation in energy saving opportunities amongst the thirteen schools and across the school community, stakeholders were engaged through a wide variety of channels. This involved working with student and staff energy teams to develop cross-school strategies and plans that deliver carbon reductions though addressing occupants’ relationship with energy and encouraging them to make small changes to their behaviour.

3.3.3 Teaching staff were encouraged to explore opportunities to integrate related topics including climate change into lesson plans and schemes of work through curriculum support offered by members of the project team. A workshop was held for staff to explore this in detail and learn from examples of best practice. In addition themed, interactive assemblies and auditing workshops directed at pupils are available to each participating school, delivered by the Schools’ Behavioural Change Officer. All schools were offered Energy Spy case which contains energy auditing equipment for staff and pupils to use to monitor energy usage and/or as an educational aid.

3.3.4 A new Low Carbon Schools website was launched in September 2012 which hosts downloadable resources and a comments blog for teachers and school administrators. An additional function enables manual meter readings to be uploaded by schools to aid the monitoring of their consumption rates. This website was available to all of the borough’s schools though the schools extranet, however the thirteen schools who receive bespoke advice had password protected areas.

3.3.5 The Technical Officer conducted regular visits to ‘New intake’ participating schools to identify potential system or structural upgrades that will generate energy savings. The officer also sought to advise upon the provision of building services that matches need and occupancy patterns in each building. When eligible, Salix interest-free loans (available to schools through the council to target energy efficiency projects and paid back through savings from energy bills) have been offered to enable improvements to be financed. Some schools however, have opted to use their own finances and the Technical Officer has visited individual school boards to outline the invest-to-save case. In early October the Technical Officer ran a training workshop for caretakers, addressing the programming and management of HVAC (heating, ventilation & air conditioning) plant and the reviewing of maintenance contracts. Eight of the thirteen schools attended along with other schools the Technical Officer had also been in contact with.

3.3.6 For further information on individual schools progress, refer to **appendix A** for a summary.

3.4 ‘**Existing partner**’ schools were the ten schools, which had previously taken part in the CLCSS and were provided with a comprehensive support service to help consolidate their previous efforts. These schools also had access to a bespoke, password protected ‘**Existing partner**’ schools areas on the Low Carbon Schools webpage and could contact the Schools’ Behaviour Change Officer and Schools’ Technical Officer with queries. The ‘Existing partner’ schools also had access to Salix finance and a visit from the Technical Officer if they request, however the thirteen ‘New Intake’ schools are being prioritised for Salix finance as ‘Existing partner’ schools had priority access to the fund during the pilot.

3.4.1 Staff from these existing partner schools were used to support the New Intake schools through providing information at workshops and contributing to the initial Low Carbon Schools film which can be found on the schools’ website.

3.5 All other borough schools were classed as ‘**Entry level**’ and were able to access open areas of the Low Carbon Schools website. However use of the project team’s more extensive range of services such as detailed notes which accompany one to one support was restricted. One school that was not in the ‘New intake’ or ‘Exiting schools’ categories approached the Schools’ Behaviour Change Officer having seen details on the Low Carbon Schools website. If an ‘entry level’ school approaches the Technical Officer for Salix finance, the school was not refused. Towards the end of the project left over Salix finance was offered to all schools that had yet to take advantage of the finance.

4.0 Results

4.1 At the end of the 2012/13 ‘**New intake**’ schools results from meter reading information provided by individual schools were analyses. These results demonstrated hat the programme was on target to meet it 14% energy reduction and CO₂ and cost equivalents. However before this data could be published additional check were needed to ensure the results correlated with annual data collected as part of the CRC data collection process.

4.1.2 There was a significant discrepancy between meter reading data provided by the school and overall annual data collected for CRC reporting through supplier statements. Further analysis between the two sets of data highlighted a problem with data collected by the schools through meter readings. It was concluded that the accuracy of the meter read data was unreliable and therefore the data provided through CRC reporting should be taken in determining the project's success against its energy targets. The CRC data set demonstrated a 5% reduction in energy for the 'LCS new intake' schools, a 0.3% reduction in CO₂ and a 1% reduction in energy bills (is due to 3% increase in all three fuel prices over the course of the project i.e. 2011/12 to 2012/13).

4.2 At the end of 2012/13 '**Existing partner**' schools results from CRC supplier statement data were analysed and showed that the programme met it's of a 3% energy reduction and CO₂ and cost equivalent targets. In fact, '**Existing partner**' schools beat the target and reduced their energy (kWhs) by a massive 17%, which equates to an 11% reduction in CO₂ and a theoretical energy bill cost reduction of almost £62k (11.5%) on the previous year. This significant reduction during 2012/13 indicates that '**Existing partner**' schools only felt the impact of the pilot behaviour change and technical programme in year following full implementation. This observation would be logical as schools who installed energy saving technologies would have only done so mid way through or at the end of the pilot so energy reductions and financial saving from them would not have been felt until the following year. The same could be said about embedding a 'whole schools approach' to energy saving behaviour.

4.3 With new evidence from the '**Existing partner**' schools to when optimum savings are achieved, it is felt that the data presented for 2012/13 '**New intake**' is an unfair representation of the progress within the schools. For this reason additional analysis has been done on savings achieved from both '**New intake**' and '**Existing partner**' during 2012/13 based on previous years data and is presented below.

4.3.1 'New intake' and 'Existing partner' during 2012/13

	2012/13 kWh (DD adjusted)	2012/13 CO₂ (DD adjusted)	2012/13 Theoretical Cost in % (DD adjusted)	2012/13 Theoretical Cost in £ (DD adjusted)
New Intake and Existing Partner Schools (23 schools in total*)	-10%	-5%	-6%	-£67,988

*2011/12 baseline

4.4 At the end of 2012/13 '**Entry level**' Low Carbon Schools programme results from CRC supplier statement data were analysed and showed that the programme was on target and met its 2% energy reduction and its CO₂ and cost equivalent

targets. In fact the entry level schools reduced their energy consumption by 10% on the previous year which equates to a 6% reduction in CO₂ and a £112k (5.5%) reduction in energy bills.

4.5 Results against targets

Low Carbon Schools groups	2012/13 Target - kWh % reduction per annum	2012/13 Actual kWh % reduction per annum	2012/13 Actual kWh % reduction per annum (New suggested combined results for New Intake and Existing partner schools)
New Intake (full programme -technical and behaviour change)	-14%	-0.3%	-10%
Existing partners (Light touch approach)	- 3%	-17%	
Entry level (Pre service support)	-2%	-10%	

4.6 Overall during 2012/13 all borough schools have collectively reduced their energy by 10%, their CO₂ emissions by 5.5% and saved approximately £180k (5.5% reduction) on their energy bills compared with the previous year.

4.7 Due to changes in the reporting of the CRC a direct comparison between 2011/12 and 2012/13 tax cannot made.

5.0 The future of the Low Carbon Schools programme

5.1 Due to a change of rule by Central Government, Local Authorities will no longer be able to top slice and hold funds from the schools' budget making it difficult to collectively fund the Low Carbon School project in future years.

5.2 If funding could be found to continue the project, the Council currently does not have the capacity to manage and monitor such a project on this scale at this present time. There may be capacity to provide bespoke ad hoc behaviour change and technical support; however this would require the school paying for a traded service. Schools would also have to demonstrate full commitment to implementing any projects.

5.3 Due to the time it takes to implement the project in a school, in particular the technical aspect, any future programme success should be measured over a two year period as a minimum.

6.0 Barriers to Action

6.1 In some cases there was a lack of commitment on the part of the schools to fully implement a 'Whole School Approach' to energy reduction among all members of the schools community. While initial support may have been offered by some members of a school's community, often the school's senior management, it usually falls upon others to ensure it is implemented. Problems arose when individual members of staff who were implementing the projects did not have the necessary support from senior management to drive change. Despite Council

officers efforts to address this issue, senior management often had more pressing priorities which lead to school staff implementing the project becoming despondent.

6.2 Schools were asked to submit regular, monthly readings; however a proportion of schools did not adequately meet this obligation, resulting in infrequent or unreliable data being submitted. Reasons for this include;

- Accessibility of meters – meters often located in hard to reach or restricted areas
- Motivation or support affecting accuracy and/or frequency – the schools project coordinator often delegated this task to caretakers and facilities managers who were not fully bought into the programme.
- Lack of Accountability - When meter readings have not been taken as requested there appears to be little holding to account of the person whose responsibility this oversight has been.
- Poor internal communication – in some schools it was unclear who has 'ownership' of the task to accumulate manual meter reads.
- Complicated meters and lack of training – there are a verity of new types meters and most caretakers and facilities managers are largely unaware of which types of meters were installed. It is understandable for them to be reluctant to approach these complicated meters and a fear of "mucking them up by pressing the wrong button" was frequently expressed to project officers despite support from council officers.

6.3 Due to internal matters there was a delay in employing the Schools' Technical Officer, which means the post was vacant for the first five months of the project. The schools forum agreed in December 2012 to allow for this underspend to continue beyond the project Closer until August 2013.

7.0 RECOMMENDATIONS

- 7.1 Close the project in its current form and ask schools to approach the Council if they would like any further tailor made support, either behavioural change technical or both, on a traded service basis.
- 7.2 If a programme similar to the Low Carbon Schools Programme is to be rolled out to Brent schools again, the above areas will need to be addressed and full school support given to the project.
- 7.3 In a one years' time revisit all schools energy and CO₂ reduction progress, in particular the progress of the 'New Intake' schools.
- 7.4 If the Schools Forum raises concerns with schools energy and CO₂ reduction progress after one year, the forum will consider corrective action such as ways of funding schools support.

- 7.5 Continue to host the Brent Council Low Carbon Schools webpage for all schools to have access to the entry level service.
- 7.6 Offer a Caretaker training service/workshop on an individual school payment basis.

8.0 SUMMARY

- 8.1 The project overall achievement can be demonstrated despite varying levels of success in meeting specific group targets. The fact that during 2012/13 the 'New intake' and 'Existing partner' achieved a 10% reduction in energy, a 5% reduction in CO₂ a theoretical 6% reduction in cost should be seen as the significant achievement.
- 8.2 The Low Carbon Schools project, at all levels has received positive feedback from the majority of schools that participated. Schools have an interest in saving energy and reducing CO₂ emissions in order to save money. The project has also allowed schools to set an example to their staff and pupils by drawing upon saving energy and climate change mitigation best practice identified.
- 8.3 The extensive support offered by the Council has been invaluable to these schools who, constrained by resource and time pressures, would ordinarily be unable to prioritise this issue fully. However in the future for the benefits of the project to be fully achieved, a total 'whole schools' approach in all participating schools is needed.

9.0 CONTACT OFFICERS

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Appendix A

Summary of progress within individual schools

This section provides a brief overview of every school that formally participated in the Low Carbon Schools programme. The most important actions taken by each school to reduce their energy consumption and engage their school community are outlined.

1. School: Sudbury Primary School

Number of students: 820 pupils

A very large primary Academy school taking students aged 3-11 years old. The original school is a two story solid-brick building that has undergone a number of extensions since the school was founded. It is installed with a gas-fired central heating system. The school has added a major two story extension in 2011 containing sustainable features including grass roofing, photovoltaic panels, a sun catcher which converts solar thermal energy into electricity and a wind catcher to provide natural ventilation.

Engagement Activities

The school has

- Nominated an eco-coordinator and sent them to the LCS' Energy Matters workshop
- Established a monitoring program called the 'e team' in which two students from each class, around 50 students in total, check recycling, energy usage and temperatures of classrooms at lunch time and report back. Teachers from underperforming classrooms were initially named and shamed at staff meetings. As a result noticeable improvements have been observed such as a significant reduction in the number of lights left on during lunch and break times.
- Received and used an Energy Spy toolkit
- The 'e team' in the future will make wider use of digital thermometers to reduce the levels of overheating occurring in classrooms.
- Delivered a school topic called 'Being Green'. Subjects such as climate change and energy conservation have been explored in a number of ways across the school.
- A further sustainability measure inspired by the school's participation in the LCS programme has been the establishment of a kitchen garden and nature area to encourage biodiversity.

Technical Assistance & Improvements

The school has

- Sent a site manager to a training day provided by the LCS programme.

- Received a site visit, conducted by the council's technical officer who made adjustments to HVAC programming.
- Received a report highlighting recommended capital investment opportunities for the original, less efficient buildings.

2. School: **Brentfield**

Number of Students: 535 pupils

This is a larger than average inner city primary school, serving a culturally diverse community, taking students aged 3-11 years old.

The original single story building is 50-60 years old, undertaking periodic expansions up until the present day and is heated by a gas-fired system. Recently a 2 storey extension has been built onto the existing school incorporating new classrooms, toilets, storage rooms, school hall, kitchen and associated plant, and some roof-mounted photovoltaic panels.

Engagement Activities

The school has:

- Nominated an eco-coordinator, who has taken a very active role in the LCS initiative.
- Appointed eight students as eco-warriors to ensure energy efficiency measures are implemented. Students had to undergo a formal interview process to apply for the role. Eco Warriors monitor the school at break times and after school to make sure energy waste is avoided. Eco Warriors featured in a video for the Low Carbon School programme which has been used extensively to promote understanding of the service.
- Achieved recognition of their efforts through receipt of a Silver Eco Schools Award in January 2013. This was partially through the encouragement and advice from LCS Officers.
- Received and used an Energy Spy toolkit
- Held a special assembly delivered by the Council's Behavioural Change Energy Officer.

Technical Assistance & Improvements

The school has

- Received a site visit, conducted by the council's technical officer who made adjustments to HVAC programming.
- Agreed to pilot an innovative TSB passive cooling system which will be installed in the summer of 2013. This will be fitted into three classrooms and is funded with Central Government money that will also pay for additional measures such as natural ventilation grills, lighting upgrades and valve wraps.
- The school is in the process of replacing its current air-conditioning system in its IT suite and is being assisted in identifying an appropriate energy efficient upgrade.

- Explored the possibility of installing solar film to existing windows and light sensor controls.
- Has reviewed its current maintenance contracts to ensure that it is getting the best value for money combined with a guaranteed quality of service. It is hoped that this will ensure the longevity and efficiency of existing HVAC systems.
- Sent its site manager to attend a training day provided by the LCS programme.

3&4. School: Mount Stewart Infant and Junior Schools

Number of Students: **643 pupils**

The site at Carlisle Gardens, Kenton contains two separately managed schools - an Infants and a Juniors. The schools share many of their building services; in particular gas and electricity supplies for which both schools share a meter for each.

The two schools were treated as different entities by project officers who worked with different points of contact within each school when supporting behavioural change initiatives and offering technical support. However the shared meters prevented separate monitoring of each schools' energy consumption. Observed changes to consumption patterns were therefore attributed to both schools collectively.

Engagement Activities

Both schools have:

- Nominated staff eco-coordinators, who have taken a active role in the LCS initiative.
- Received and used an Energy Spy toolkit

Mount Stewart Infants has:

- Set up a team of Eco Warriors who check twice a week that lights and heating in every room are switched off after school finishes. They also check for leaking taps and that that the doors to the outside are closed in order to retain heat. 'Thumbs down' cards are left in underperforming classes and are 'named-and-shamed' in assembly.
- Received a visit from the Schools Behavioural Change Officer who went into classrooms to talk to students about the importance of energy conservation.
- Rewards the best performing class with a certificate each month.
- Looked beyond energy conservation to other sustainability issues; initiating paper recycling and composting of fruit waste for which each class is responsible for.
- Efforts have also been made to integrate energy efficiency and conservation into the Year 2 Electricity topic.

Mount Stewart Juniors has:

- Set up a team of student champions to check shutdowns are completed and wasteful behaviour is reduced.
- Sent its eco-coordinator to the LCS' Energy Matters workshop

- Conducted a review of the school curriculum; identifying opportunities for integration of related themes into classroom content.
- Run design competitions for awareness posters and for the LCS Service's new logo.
- held a special assembly run by the Schools Behavioural Change Officer

Technical Assistance & Improvements

The schools have:

- Sent site managers to attend a training day provided by the LCS programme
- Not engaged closely with the School Technical Energy Officer and a comprehensive site review has not been conducted, preventing the compilation of a report with specific recommendations.

5. School: Byron Court

Number of Students: 592 pupils

This is a larger than average primary school, serving a culturally diverse community, taking students aged 3-11 years old. The main school building was built in 1932 in the Arts and Crafts style. The building has since improved the thermal properties of the building by adding features such as a draft lobby in reception and double glazing throughout, however the building has not undergone significant modification since construction.

Engagement Activities

The school has:

- Nominated a staff eco-coordinator, who has taken an active role in the LCS initiative.
- Received and used an Energy Spy toolkit
- Sent its eco-coordinator to the LCS' Energy Matters workshop
- Set up of an Eco council which holds regular meetings for thirty eco warriors picked from across the two key stages. Eco warriors are responsible for saving energy across the school and reducing waste by recycling. Eco warriors are required to remind staff to switch off lights and interactive whiteboards across the school.
- Run a design competition for an eco code poster to raise greater awareness among pupils and staff.
- Taken part in Switch off Fortnight in November 2012.
- Sought to integrate energy and climate change issues more fully into the school curriculum through PSHE topics.
- Held a week, celebrating Byron Court Eco School. This involved assemblies and other activities with a sustainability theme.

- Held an assembly delivered to the school by the School Behavioural Change Officer.
- Plans to repeat many of the actions it has taken this year in order to maintain interest and active participation in energy savings in the future. Assemblies on energy issues will be held for all year groups and the poster competition will be repeated. The school is also keen to hold its own Eco Week event again and to participate in Switch off Fortnight 2013.

Technical Assistance & Improvements

The school has:

- Applied for £25,000 of Salix funding to fund report recommendations including upgrades to LED lighting, installation of valve insulation, and other energy saving measures. These measures were identified by the council's technical officer.
- Agreed to have new boilers installed through funding from the Council's Property & Asset Management capital projects budget.
- Sent a site manager to attend a training day provided by the LCS programme

6. School: Furness Primary School

Number of Students: 557 pupils

This is a larger than average inner city primary school, serving a culturally diverse community, taking students aged 3-11 years old.

Engagement Activities

This school has:

- Nominated a staff eco-coordinator, who has taken an active role in the LCS initiative.
- Received and used an Energy Spy toolkit
- Sent its eco-coordinator to the LCS' Energy Matters workshop
- Set up of an Eco council.
- Held an assembly delivered to the school by the School Behavioural Change Officer.
- Appointed two eco-warriors in every class to ensure energy efficiency measures are implemented. The top year group also has five Eco Spies who adjudicate in a monthly competition awarded to the class displaying the most eco-friendly behaviour. Each winning class is awarded a certificate to display and a box of chocolates. Staff have been encouraged to support students' efforts and to actively participate in the monthly competition themselves –encouraging a friendly rivalry between teachers.

- Involved students in an energy saving themed colouring-in competition and in designing awareness-raising posters.
- Planned to participate in a school-wide celebration of Earth Day with every year group participating in cross curricular activities focusing on energy saving and climate change.
- Plans to hold a sustainability-themed trip for the eco warriors and spies to reward them for their involvement and to encourage their interests further.

Technical Assistance & Improvements

The school has:

- Received a site visit, conducted by the council's technical officer who made adjustments to HVAC programming.
- Received a report highlighting capital investment opportunities to improve building performance. Lighting upgrades, more efficient boiler controls & valve insulation, building insulation were identified as measures that would be eligible for Salix funding. To date the school has not yet committed to implementing any of these projects.
- The school site manager attended a training day provided by the LCS programme.

7. School: Wykeham Primary School

Number of Students: 524 pupils

A larger than average inner city primary school, serving a culturally diverse community, taking students aged 3-11 years old. The school largely remains contained within the original solid brick, two story building it has occupied since 1930. A heated, indoor pool is located onsite and is used regularly by students and community groups.

Engagement Activities

The school has:

- Had been initially slow to engage in the programme due lack of enthusiastic staff
- Held two workshops for Year 3 students run by the programme's behavioural change officer. These workshops focussed upon energy efficiency and the use of the Energy Spy toolkits to identify opportunities within the classroom.
- Has tried to raise awareness of energy conservation through the use of poster, stickers and discussions in staff briefings and assemblies.

Technical Assistance & Improvements

The school has:

- Received a site visit, conducted by the council's technical officer who made adjustments to HVAC programming.
- Received a report highlighting capital investment opportunities to improve building performance. Lighting upgrades, more efficient boiler controls & valve insulation, building insulation were identified as measures that would be eligible for Salix funding. To date the school has not yet committed to implementing any of these projects.
- Received help in review maintenance contracts. A new contractor providing a higher guaranteed quality of service is being sought - extending the longevity and efficiency of existing HVAC systems.

8. School: North West London Jewish Day School

Number of students: **279 pupils**

A voluntary-aided state primary school taking Jewish students aged 3-11 years old. The school occupies a late-1950s solid brick building; with heating throughout provided via a gas-fired boiler system. Large volumes of electric air-conditioning have recently been installed across the site – substantially adding to fuel consumption. A heated, indoor pool is located onsite and is used regularly by students and community groups.

Engagement Activities

The school has:

- Been slow to engage in the programme as a whole. Some office-based champions have raised awareness amongst staff in teacher briefings as to the importance of saving energy and suggested actions for implementation.
- Put up posters and stickers across the school
- Done little to engage students; there has been no uptake of the services offered by the behavioural change officer.

Technical Assistance & Improvements

The school has:

- Received a site visit, conducted by the council's technical officer who made adjustments to HVAC programming.
- Received a report highlighting capital investment opportunities to improve building performance. Measures were identified that would be eligible for Salix funding due to the short payback periods. These include installation of a swimming pool cover, insulation, lighting upgrades and installation of more efficient burner controls to existing heating systems.

- Expressed some interest in replacing older, inefficient air-conditioning systems and installing photovoltaic panels.
- Yet to commit to implementing any of these projects.

9. School name: **Islamia**

Number of students: **389 pupils**

A voluntary-aided state primary school taking Muslim students aged 3-11 years old. The school occupies a late-Victorian solid brick building; with heating throughout provided via a gas-fired boiler system. The school site is shared with the privately-run Islamia Girls Secondary School. The two schools share most of their build services and are jointly metered for gas and electricity. Both schools currently wish to expand their admissions, but are constrained by the size of the site and planning restrictions. The primary school is in the process of identifying new premises offsite.

Engagement Activities

The school has:

- Held a special assembly attended by every student and member of staff in which the behavioural change officer officially launched the school's involvement in the programme.
- Office-based champions who raise awareness amongst staff in teacher briefings as to the importance of saving energy and suggested actions for implementation.
- Put up posters and stickers across the school to reinforce the energy saving message.
- Appointed student energy monitors to ensure that lighting and ICT is switched off in rooms that are left unoccupied during lunches and breaks.

Technical Assistance & Improvements

The school has:

- Received a site visit, conducted by the council's technical officer who made adjustments to HVAC programming.
- Received a report highlighting capital investment opportunities to improve building performance. Due to uncertainty concerning the future use of the school site, implementation of any of these measures by the primary school is unlikely at present.
- Sent its school site manager to a training day provided by the LCS programme.

10. School name: **Kingsbury Green Primary**

Number of students: **634 pupils**

A larger than average primary school serving a culturally diverse community, taking students aged 3-11 years old. The school consists of a range of buildings dating back since the early twentieth century until the present day; with heating throughout provided via a gas-fired boiler system.

Engagement Activities

The school has:

- Been slow to engage with the behavioural change officer; there has been no uptake of the services offered to them. It is unclear whether staff have implemented any measures to promote awareness of energy efficiency and conservation.

Technical Assistance & Improvements

The school has:

- Received a site visit, conducted by the council's technical officer who made adjustments to HVAC programming.
- Applied for £35,000 of Salix funding to fund report recommendations including upgrades to LED lighting, installation of valve insulation, and other energy saving measures.
- Begun exploring the possibility of installing solar PV panels on its roof which it would finance itself.
- Sent a site manager to attend a training day provided by the LCS programme

11. School name: Newman Catholic College

Number of students: **517 pupils**

A smaller than average boys-only secondary school built in the late 1950s which has undergone several additional phases of development up until present day. The school is one of the last remaining schools to use oil as its primary heating fuel.

Engagement Activities

The school has:

- Been quick to engage in the programme; building upon a pre-existing system of student eco champions and staff environment committee.
- Invited the behavioural change officer to attend a number of the committee's twice monthly meetings and meet with student representatives.
- Introduced a system of eco champions who check to ensure that lighting and ICT is switched off in rooms that are left unoccupied during lunches and breaks.

Technical Assistance & Improvements

The school has:

- Initially engaged well with the schools technical officer. A site visit was constructed by the council's technical officer who made adjustments to HVAC programming and compiled a report highlighting recommended capital investment opportunities.
- Received a report outlining options that included converting the existing oil-burning heating system to gas, retrofitting more efficient boiler controls, valve insulation, and installation of more efficient lighting.
- Yet to commit to implementing any of these projects.

12. School name: Queens Park Community School

Number of students: 1202 pupils

An average-sized mixed secondary school built in the 1980s which has also undergone several additional phases of development since then. In recent years the school has made heating and lighting upgrades funded through the Salix fund. The school started the LCS programme as a Community School under the auspices of the local education authority, however converted to Academy Status in September 2012.

Engagement Activities

The school has:

- Been unable to engage fully in the programme; most likely due to the additional complications and pressures experienced as the school makes the transition towards Academy Status.
- Initiated a 9pm automated power down of computers.
- Replaced existing inefficient projectors with LED projectors
- A manual switch off check in each room is conducted daily by facilities manager.

Technical Assistance & Improvements

The school has:

- Had a site visit from the council's technical officer and a report of recommendations were submitted however the school has been unable to engage fully in the programme; most likely due to the additional complications and pressures experienced as the school makes the transition towards Academy Status.

13. School name: Copland

Number of students: 1704 pupils

A Specialist Science College is a large urban secondary and tertiary school. The original building (approx. 1950s) is in a poor state of repair and is likely to be very inefficient at retaining heat due to deficiencies in glazing and the building fabric. The school has used Salix funding in the past to implement some improvements including upgrading its gas-fired heating plant and lighting. The school has a large volume of ageing external portakabin classrooms using inefficient electric heating.

Engagement Activities

The school has:

- Failed to engage in the programme; despite the efforts of an enthusiastic member of staff and the School Behavioural Change Officer

Technical Assistance & Improvements

The school has:

- Had a brief meeting with the council's technical officer but has failed to engage beyond that.



Schools Forum 17 September 2014

**Report from the Strategic Director of
Children and Young People**

For Information

Schools Funding Arrangements 2015-16

1.0 Background

- 1.1 The past two years have seen major reform of the schools' funding system. This has been the result of the government's commitment to simplifying the funding system and to working towards the introduction of a national school fair funding formula with local discretion. The premise behind a national fair funding formula is that no matter where a child attends school in the country they should attract similar levels of funding and have the same opportunities to excel without financial constraints.

2.0 Fairer Schools Funding 2015-16

- 2.1 The DfE has announced an additional £390m of revenue funding to be distributed to the least fairly funded local authorities for 2015-16. This is therefore a further step towards a national formula but avoids the difficult issues associated with a redistribution of funding that is inevitable as a result of a national formula.
- 2.2 The result of this is that funding will be allocated to local authorities based on the actual characteristics of their pupils and schools rather than their historic levels of spending.
- 2.3 This is achieved by the DfE setting minimum levels of funding that each local authority should attract for its pupils within the five pupil characteristics which were identified as those that matter most to the attainment of pupils. These are:
- A basic per pupil amount (AWPU);
 - Pupils from deprived backgrounds;
 - Pupils that have been looked after;
 - Pupils with low attainment;
 - Pupils who speak English as an additional language.

In addition, the DfE has also set minimum levels for lump sums and sparsity factors.

- 2.4 The agreed levels are shown in Annex A of the Appendix A.
- 2.5 For clarity, the minimum funding levels represent an amount of funding that each local authority will attract for its pupils and schools. Schools should not expect to receive each minimum funding level directly – it remains for the local authority to set a local funding formula that reflects local circumstances.
- 2.6 As a result of these changes, Brent will gain an additional £11m in the schools funding block which the DfE expects to be passed on to schools. Officers will be working on modelling scenarios for distribution of this funding to schools to be discussed shortly with the Schools Funding Formula sub-group.

3.0 Other Reforms

3.1 High Needs

- 3.1.1 There are no plans for substantial changes to High Needs for 2015-16 but there is a longer term plan to review this block of funding and possibly move towards a more formulaic method of distribution for these funds. The DfE are currently undertaking research into this area and will in due course consult on any changes identified, to be implemented beyond 2015-16.
- 3.1.2 As in 2014-15, there will again be additional funding distributed for High Needs in 2015-16. The DfE will first allocate funds for additional places and then distribute any remainder to local authorities in a similar manner to 2014-15.
- 3.1.3 Confirmation of the 2015-16 High Needs allocation for local authorities should be reflected in the DSG Allocations announcement in December 2014.
- 3.1.4 The DfE are currently consulting on regulations to increase the base funding for alternative provision places (Pupil Referral Units) from £8,000 to £10,000 per place from September 2015. If implemented, the expectation is that there would be a resulting decrease in the top-up rates and therefore there should be no cost implications for Brent.
- 3.1.5 There will also be some changes relating to the inclusion of independent special schools and new special Post-16 schools into the High Needs system. However there are currently no such institutions within Brent.

3.2 Early Years

- 3.2.1 The DfE is still committed to introducing a national early years' funding formula, but as with the High Needs more research and understanding needs to apply before this can be achieved.

3.2.2 The DfE has just consulted in relation to Early Years which incorporated consultation on the introduction of an Early Years Pupil Premium (discussed further in 6.2 below) and the move to participation funding in 2015-16 for 2 year olds in early years. If the latter is implemented, this would mean that instead of the local authority being funded on the estimated number of children who are eligible for a free place, the funding would be based on the actual number of 2 year old places that are funded locally. This is already used to fund 3 and 4 year old places. The outcome of the consultation is due to be published shortly.

4.0 Academies & Free Schools

- 4.1 The majority of academies within Brent are classified as recoupment academies which means that they are included within the local authority's dedicated schools grant (DSG) and are then recouped by the EFA to be paid directly to those academies. However there are two academies within Brent which are not currently included within our DSG and are therefore not part of Brent's schools funding submissions. These are Ark and Capital City Academies.
- 4.2 Free schools are currently treated in the same manner as non-recoupment academies, in that funding for these are not included within the local authority's DSG and are therefore not included within the local authority's schools' funding submissions. There is one free school due to open in Brent in September 2014, Michaela Free School, with a further 3 expected to open in September 2015.
- 4.3 In an effort to simplify the school funding system the DfE has decided that it is necessary to convert non-recoupment academies to recoupment academies and to apply the same change for free schools except in the 1st year of opening. This means that both Capital City and Ark Academies and Michaela Free School will be included within our formula calculations for 2015-16.
- 4.4 The implications for this is that the local authority will have to apply for a variation in pupil numbers for these growing schools, in order to receive additional funding for the new pupils. E.g. Where a (formerly recoupment) academy is expanding by 1 form, in the first year the local authority will have to enter a 7/12ths variation of pupil numbers for the September intake to account for the time period before the new financial year. Currently this is normally funded by a contingency for an expanding school. However for a previously non-recoupment academy there would have been no contingency within the local authority's DSG to account for this. By applying for a variation of pupil numbers this would ensure funding for those pupils and alleviate any impact from these changes. The same applies for the opening of new free schools, but for the first year the EFA will fund these directly and the local authority would only need to apply this from their second year.
- 4.5 It may also be necessary to review membership of the Schools Forum in light of these changes.

5.0 Educational Services Grant (ESG)

- 5.1 The DfE has just confirmed that the ESG will be reduced by £200m in 2015-16. This does not affect DSG and is therefore for information only. ESG is paid to local authorities and academies on a per pupil basis and is an unringfenced grant. The reduction in ESG may require local authorities and academies to make different decision, in relation to how services are delivered.

6.0 Pupil Premium

- 6.1 There is not likely to be any announcement regarding the Pupil Premium until closer to the beginning of the financial year. However the premium is not expected to increase further, except possibly in line with inflation, having received huge increases in recent year. The current funding levels for 2014-15 are:

Type of PPG	All	Primary	Secondary
Ever 6 FSM		£1,300	£935
Ever 4 Service	£300		
Pupil Premium Plus: LAC Adopted from Care Special Guardianship/Residence Orders	£1,900		

6.2 Early Years

- 6.2.1 The DfE recently consulted on the introduction of an Early Years Pupil Premium and is due to publish the outcome shortly. The introduction of an Early Years Pupil Premium would build on the current pupil premium that is available for pupils from reception and above.
- 6.2.2 The rationale behind the introduction of this is that gaps between disadvantaged children and their peers are also apparent in the early years and tackling this earlier is fundamental to ensure that all children get the best start in life and go on to succeed at school.
- 6.2.3 The disadvantaged eligibility for attracting this premium would be the same as for the existing pupil premium:
- Children from low income families (eligible for free school meals);
 - Children looked after for at least one day;
 - Children adopted from care;
 - Children that have left care through special guardianship;
 - Children subject to a child arrangement order (formerly known as residence orders).
- 6.2.4 This will attract an additional £300 per year for each eligible child that takes up to the full 570 hours with the early years' provider. The funding will follow the child, and go to providers that are delivering the funded early education entitlement.

7.0 Timetable and Changes

- 7.1 The summary of the 2015-16 timetable for schools revenue funding is shown below. The full timetable is shown within Appendix B.

Date	LA
30 September 2014	LA: Deadline for submitting requests exclusions and variations.
Mid-October 2014	LA: Schools Forum consultation for provisional schools funding 2015-16
31 October 2014	LA: Deadline for submission of provisional APT to EFA
w/c 15 December 2014	EFA: Publication of DSG Schools Block allocations for 2015-16
Mid-January 2015	LA: Schools Forum consultation/ Executive approval for final schools funding 2015-16
20 January 2015	LA: Deadline for submission of final APT to EFA
27 February 2015	LA: Deadline for confirmation of schools budget shares to maintained schools

8.0 Recommendations and Consultation points

- 8.1 The Schools Forum is requested to:
- Note the schools' revenue arrangements for 2015-16.

Appendices

- Fairer Schools Funding: Arrangements for 2015 to 2016 (July 2014)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/332652/Fairer_schools_funding_arrangements_for_2015_to_2016.pdf
- Schools Revenue Funding 2015 to 2016: Operational Guidance (v1: July 2014)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/331368/Schools_revenue_funding_2015_to_2016_operational_guide.pdf
- The Education Services Grant: Statement of Final Arrangements for 2015 to 2016 (July 2014)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/335711/ESG_FINAL_FORMATTED.pdf

Background Papers

1. Early Years Pupil Premium and Funding for 2-year olds Consultation:
<https://www.gov.uk/government/consultations/early-years-pupil-premium-and-funding-for-2-year-olds>
2. Consultation on Simplifying the Administration of Academy Funding: Governing Response (July 2014)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/331573/Simplifying_the_administration_of_academy_funding_government_response.pdf

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Department
for Education

Fairer schools funding

Arrangements for 2015 to 2016

July 2014

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Introduction

There is widespread recognition that the current schools funding system is unfair and out of date. We are committed to addressing this so that, across the country, schools have a fair funding allocation that equips them to provide a world-class education.

Over the past three years, we have introduced a number of important changes to how local authorities distribute funding to schools. These changes have led to a more transparent funding system with more money being allocated based on the needs of pupils. For 2014-15, local authorities are allocating around 90% of schools funding based on the needs of pupils, compared with 71% in 2012-13.

While we have introduced these changes, we have protected schools from unmanageable changes to their budgets through the minimum funding guarantee (MFG). We will continue to provide this protection in 2015-16 and as we confirmed in March, we will retain the MFG, which has been in place over several years and which dictates that for the vast majority of schools, funding per pupil cannot drop by more than 1.5% per year¹.

This document sets out a number of further reforms that we will make to the schools funding system for 2015-16.

In March, we consulted on a proposal to provide additional funding to the least fairly funded authorities in 2015-16. Our proposal was first to ensure that all local authorities will be funded at least at the same cash level per pupil as in 2014-15; then to allocate an additional £350m for 2015-16 to fund schools in the least fairly funded authorities.

We have listened carefully to the full range of views expressed during the consultation period, and are now confirming how we will allocate additional funding for 2015-16.

This is a big step towards fully fair funding. The approach set out in this document will mean that, for the first time in a decade, funding is allocated to local areas on the basis of the actual characteristics of their pupils and schools rather than simply their historic levels of spending.

Through the additional funding we are making available, every local area's allocation of funding will reflect a minimum basic per pupil amount and minimum amounts reflecting other pupil and school characteristics. In every local area, this will mean for example that the most deprived pupils in primary schools will attract at least £4,454; in key stage 3 at

¹ Some funding is excluded from the calculation of the minimum funding guarantee. Details of this are in [Schools revenue funding 2015 to 2016: operational guide](#).

least £5,820; and key stage 4 at least £6,372, and this will continue to be supplemented by further direct funding through the pupil premium.²

In chapter one of this document, we confirm how we will provide additional funding to the least fairly funded local authorities in England by ensuring that every local authority attracts a minimum funding level for the pupils and schools in its area. We will allocate an additional £390m to the least fairly funded authorities using this approach – £40m more than the £350m we proposed in March. This chapter should be read alongside the [Government response](#) to the department's recent consultation on fairer schools funding.

In chapter two, we outline our intentions for future reform of the systems for funding high needs and early years pupils.

In chapter three, we set out the findings of our recent review to understand how effective the sparsity factor has been in helping local authorities to target additional funding to small schools that are needed in sparsely populated areas. We describe two changes to the operation of this factor.

In chapter four, we set out how we will move to a single system for the funding of academies and how we will amend the funding of local authorities for pupils in free schools. We consulted on both these issues in May. This chapter should be read alongside the [Government response](#) to the department's consultation – Academies Funding: Simplifying the Administration.

In chapter five, we describe how we will make minor technical changes to how schools will contribute towards meeting obligations under the Government's carbon reduction commitment.

Finally, in chapter six, we describe a small number of changes we are making to high needs funding arrangements for 2015-16.

² These amounts are for any pupil who is eligible for free school meals or has been at any time in the past 6 years and lives in an area covered by IDACI Band 6.

Chapter 1 – Fairer funding for schools

The Government's consultation on [Fairer Schools Funding in 2015-16](#) was launched on 13 March 2014.

We have considered carefully to the views of 578 respondents and to the views of members of the Education Select Committee and other stakeholders before finalising our approach for 2015-16. We have welcomed the debate that this proposal has generated.

We set out here our approach to allocating the additional funding we have available for 2015-16. This should be read alongside the [Government response](#) to that consultation, which sets out a summary of the views we have heard and our response to concerns that have been raised.

Making school funding fairer

Our proposal in March was to allocate an additional £350m to the least fairly funded areas by setting minimum funding levels that every local area should attract for its pupils and schools in 2015-16.

We proposed that where a local authority already attracted at least these minimum funding levels, we would not make any change to the amount of funding per pupil that it received. If a local authority attracted less than these minimum funding levels for the pupils and schools in its area, we would increase its budget so that it met those levels.

We proposed to set a minimum funding level for five pupil characteristics. The characteristics we identified were those we believe matter most to the attainment of pupils. They were:

- a basic per pupil amount ('age weighted pupil unit');
- pupils who are from deprived backgrounds;
- pupils who have been looked after³, for example in foster care;
- pupils with low attainment before starting at their primary or secondary school; and
- pupils who speak English as an additional language.

In addition to these pupil characteristics, we proposed setting a minimum funding level for two school characteristics currently used by local authorities to allocate money to schools:

³ Pupils who are being looked after on 31 March 2013. This is the same measure that has been used in local formulae in 2014-15.

- a minimum funding level for each school on top of its per pupil funding ('lump sum'); and
- a minimum funding level for small schools that are essential to serving rural areas ('sparsity sum').

We also proposed to raise the minimum funding levels for local authorities in areas with higher salaries in line with a 'hybrid area cost adjustment'. This takes account of both teacher salaries and the general labour market.

We proposed to set the minimum funding levels for the basic per pupil amounts ('age weighted pupil units') at the average that local authorities allocate to schools through the age weighted pupil units in their local funding formulae at present. We then proposed to set the minimum funding level for each of the other characteristics as close as we could afford to the respective local authority average.

In our consultation, we used data from 2013-14 to provide indicative values for the minimum funding levels and an indication of how individual local authorities' budgets might change. We used 2013-14 data because the right 2014-15 data was not available at that time. We were very clear that it was our intention to use 2014-15 data in our final allocations and that, as a result, the distribution of additional funding to local authorities would almost certainly be different from the indicative allocation set out in the consultation.

Our proposal in March was not a national funding formula. We intend to implement a national funding formula when the government has set spending plans over a longer period of time, allowing us to give schools and local authorities more certainty about how the formula will affect them over a number of years.

Views from the consultation

The consultation has confirmed that there is an overwhelming consensus that the allocation of schools funding to local authorities across England is unfair.

We asked whether there was agreement that our proposed methodology was fair and that each of the minimum funding levels was set at an appropriate value. The majority of respondents (excluding those 'not sure') agreed that we had selected the right characteristics to which to apply minimum funding levels. For each question about the value of the minimum funding level for a particular characteristic, a majority of respondents (excluding those 'not sure') agreed that the proposed level was correct.

Despite the many positive responses to our proposal, we recognise that there are mixed views on some aspects of the proposed methodology. Our responses to concerns are set out in full in the [Government response](#) to the consultation.

A particular concern regards our proposal to apply minimum funding levels only to the schools block unit of funding, rather than across the entire dedicated schools grant (DSG), which also includes funding for high needs and early years pupils.

We understand this concern, but, after careful consideration, we continue to believe that it would be wrong for us to alter the allocation of high needs and early years funding without sufficient evidence on how the need for funding varies between different areas. We say more in the next chapter about our next steps to getting this evidence.

Approach for 2015-16

After careful consideration of the views we have heard through the consultation, we have concluded that the methodology we proposed is the fairest way of distributing the funding we have in 2015-16.

In March, we said that we would be able to allocate an additional £350m to the least fairly funded areas in 2015-16. We are pleased to say that we can now allocate £390m.

The list of pupil and school characteristics that will attract minimum funding levels is the same as we proposed in March. However as set out in our consultation, the size of each minimum funding level will be based on 2014-15 data rather than on the 2013-14 data we used to produce indicative minimum funding levels in March⁴.

The minimum funding levels for 2015-16 will be:

- a per pupil amount ('age weighted pupil unit') – primary: £2,880; key stage 3: £3,950; key stage 4: £4,502;
- deprivation – between £882 and £1,870 – full breakdown in Annex A;
- looked-after children – £1,004;
- low prior attainment – primary: £669; secondary: £940;
- English as an additional language – primary: £466; secondary: £1,130;
- a lump sum for every school – primary: £115,797; secondary: £125,155;
- additional sparsity sum for small schools vital to serving rural communities – primary: up to £44,635; secondary: up to £66,656; and

⁴ In order to calculate the minimum funding levels we have used final 2014-15 data – [Schools block funding formulae 2014 to 2015](#). To calculate the average per pupil amounts for a particular characteristic, we have only included local authorities that allocated funding to that characteristic. The average amounts are calculated as a pupil weighted average.

- an [area cost adjustment](#) to increase minimum funding levels in areas with higher labour market costs⁵.

The list above includes seven of the characteristics used in local formulae. As we made clear in our proposal in March, local authorities will not be obliged to use all these factors in their local formulae in 2015-16 (with the exception of the basic per pupil amount and the deprivation factor, which are mandatory). Nor will a local authority that chooses to use any of these seven factors be obliged to set that factor at or above the minimum funding level. It will remain for the local authority, working with its schools forum, to decide how best to design its local formula to meet local circumstances. Local authorities will have the same freedom to set local formulae for their schools in 2015-16 as they did in 2014-15 (with the exception of the minor revision to the sparsity factor described in chapter three). Individual schools should therefore not expect that their funding will necessarily be at or above the minimum funding levels.

The minimum funding levels set out above are based on the average amounts that local authorities allocated to these characteristics in their 2014-15 local formulae. The minimum funding level for each of the basic per pupil amounts ('age weighted pupil units') is the same as the respective current local authority average. We have then set the other minimum funding levels as close to the current local authority average as we are able to afford.

In order to calculate whether a local authority will attract additional funding to reach the minimum funding levels, we have applied the same methodology as we proposed in March. First, we have looked at what each local authority will receive in 2014-15 (schools block unit of funding only). We have then applied the minimum funding levels described above (and in more detail at Annex A). This has been done by:

1. multiplying each of the minimum funding levels by the relevant number of eligible pupils or schools in the local authority⁶;
 2. summing each of the totals in (1) to create a new funding amount for the local authority;
 3. applying the area cost adjustment to the total in (2);
-

⁵ We will use a hybrid area cost adjustment. This is described in full at [Annex C](#) of the consultation document we published in March. In calculating an area costs adjustment in the methodology for 2015-16, we have updated the calculation so we are using the most up to date data that is available. We are now using the autumn 2013 school workforce census for teacher pay (we previously used the 2012 census) and the 2012-13 section 251 data on local authority expenditure on education for split between teacher and non-teaching staff pay (we previously used 2011-12 data).

⁶To identify the relevant number of eligible pupils or schools, we have used the [2014-15 schools block dataset](#).

4. dividing this total by the number of pupils in the local authority⁷;
5. if the result of (4) is more than the local authority's per pupil funding in 2014-15, increasing the local authority's funding to reach this new level;
6. if not, keeping the level of funding per pupil the same.

The table at Annex B confirms the new level of funding per pupil for 2015-16 for those local authorities that currently attract less than the minimum funding levels⁸. No other local authority's level of funding per pupil will change as a result of minimum funding levels. They will receive the same cash level of funding per pupil in 2015-16 as in 2014-15 (other than very minor adjustments to reflect the decision on the carbon reduction commitment set out in chapter five⁹).

We are fixing the schools block unit of funding for 2015-16 for every local authority now, so that local authorities can begin to develop their local formulae for 2015-16 with certainty about how much they will receive for each pupil in their area. We are not confirming total funding allocations yet for every local authority. To do this, for each local authority we will use the schools block unit of funding we have set out at Annex C of this document and multiply this by pupil numbers taken from the October 2014 schools census.

⁷ For the calculation at 4, the number of pupils in the local area is also taken from the [2014-15 schools block dataset](#)

⁸ The table at Annex B shows local authorities that will gain more than £1 per pupil. Final allocations in December will be calculated to the nearest penny.

⁹ A table setting out all these changes, by local authority, is provided at Annex C.

Chapter 2 – Long-term reform of high needs and early years funding

The dedicated schools grant (DSG) is divided into three blocks: the schools block, the high needs block and the early years block. Our proposal in March on fairer schools funding was concerned only with the schools block. However, almost a third of responses to the consultation expressed the view that the funding system can only be considered truly fair when reform is carried out across the entire DSG.

We agree that this is a vital next step. We are determined to move as quickly as possible to a fully fair allocation of the whole DSG. We cannot do this for 2015-16 because we do not know enough about the genuine cost of high needs and early years provision and how this varies between different areas. This chapter sets out how we will get that knowledge.

High needs funding reform

The current high needs block funding levels are based on past allocations and local spending decisions. We know that there is wide variation between different areas in how much they spend on high needs pupils (and probably also in how they identify high needs pupils) but we do not yet have reliable information on the degree to which that variation in spending reflects genuine variation in need and incidence. Consequently, we have not been able so far to reach a conclusion about how to identify those authorities that are the least fairly funded for high needs pupils. If we tried to make adjustments without such information and understanding, we would have no reason to believe that the allocation was any fairer than it is now.

This means that we do not have sufficient evidence to make any substantial change to the distribution of high needs funding in 2015-16. It will of course remain the case that local authorities can move funds between the three funding blocks of their DSG allocation if they consider that local priorities are best served by such transfers.

Our longer term aim is to move to a more formulaic way of distributing high needs block funding as soon as this can be done on a basis of adequate knowledge and understanding. We are undertaking a substantial research project, which will help to fill some of our information gaps, inform a wider debate, and contribute to the ultimate decisions on how to move forward in this direction. This research will begin this autumn, starting with a review of all the available data and including some fieldwork with a representative number of local authorities and providers. It will also look at potential formulae for distributing high needs funding. We hope to have conclusions from this research by spring 2015.

Following the research, and informed by its conclusions, we expect to conduct a very wide and deep consultation exercise on the way that high needs funding should be

distributed, both from central government to local authorities and from local authorities to institutions.

We are not planning significant changes to high needs funding arrangements for 2015-16 because we want the reforms we introduced in 2013 to embed fully in all local areas. We are though making a small number of minor changes for 2015-16 that we think will help local areas as they continue to implement the place based system. These changes are set out in chapter 6.

Early years funding reform

We also want to look carefully at the distribution of funding between local authorities for government funded early education for three and four year olds. As we said in 2012¹⁰, a fair distribution of early years funding would be best achieved by putting in place a national early years funding formula and we remain committed to achieving this.

As is the case with high needs funding, we cannot make progress with this until we have done further work on how to introduce a formulaic approach, including giving careful consideration to how this would be implemented, the transitional protections that would be required, and how to minimise disruption for early years settings. We also need to know more about the different approaches local authorities currently take over discretionary spend, for example early years services delivered by local authorities and funding for additional hours over and above the statutory entitlement.

For 2015-16, we will be providing additional funding for early years, through a new early years pupil premium – an additional £50m to provide nurseries, schools and other providers of government funded early education with additional funding for disadvantaged three and four year olds. We published our consultation on this – [Early Years Pupil Premium and Funding for 2 year olds](#) on 25 June 2014.

¹⁰ [Next Steps Towards a Fairer System](#), Department for Education, March 2012.

Chapter 3 – Refinements to arrangements for funding schools serving sparse areas

Funding small schools in sparsely populated areas – the sparsity factor

In June last year, we introduced a new sparsity factor for local authorities to use in their local formulae for school funding in 2014-15. The purpose of this factor is to enable local authorities to provide an additional sum to small schools serving sparsely populated areas where those schools may not be able to operate on the basis of per pupil funding alone.

Schools that are eligible for sparsity funding meet two criteria: first, they are located in areas where pupils would have to travel a significant distance to an alternative should the school close; and second, they are small schools.

A sparsity distance is calculated by the department for every school in England. To calculate this value, for every school we look at the pupils for whom the school is the closest, and measure the distance (as the crow flies) from their postcode to their second nearest school. A school's sparsity distance is the average of these distances.

A school attracts an additional sum where:

- it has 150¹¹ or fewer pupils in primary or 600 or fewer pupils in secondary, middle and all-through schools; and
- it has a sparsity distance of two miles or more for primary, middle and all-through schools and three miles or more for secondary schools.

Local authorities can choose to apply the sparsity sum as either a fixed lump sum, up to a maximum of £100,000 (separate amounts can be set for primary and secondary) or an amount that is tapered in inverse proportion to school size¹².

Prior to the consultation, we had heard specific concerns from local authorities about the school size criteria and that, for example, an infant school of 140 pupils in three year groups could meet the school size eligibility criteria, while a primary school with 160 pupils in seven year groups would not. We asked through the consultation whether an approach that used average year group size, rather than the total number on roll, would be helpful.

We had also heard specific concerns from a small number of local authority areas about the funding that very small secondary schools can currently attract. The concern was that

¹¹ Local authorities may narrow the criteria for the sparsity factor in their local formulae by setting a lower pupil number threshold or a higher sparsity distance threshold.

¹² The way in which the current factor operates is set out in full the [operational information for 2014-15](#).

even after applying the maximum lump sum and the maximum sparsity sum, these schools might not attract enough funding to guarantee their long-term viability. These concerns relate to the very smallest secondary schools in England that serve particularly sparsely populated areas.

Views from the consultation

The Government's response to the points raised by respondents on changes to the sparsity factor is included in the [Government response](#) to the fairer schools funding consultation, which should be read alongside this chapter.

For school funding in 2014-15, 24 local authorities have chosen to use the sparsity factor while 34 local authorities that have eligible schools have chosen not to include the factor in their local formula. We wanted to understand how helpful local authorities had found the sparsity factor in targeting additional funding to small schools if they are essential to serving sparsely populated areas. We also wanted to understand whether small changes to the operation of the factor would be helpful. Responding to the concerns that had already been raised, we also wanted to seek views on using average year group size criteria, in place of the current approach that looks at the total number on roll in a school.

Of the respondents that had a view on how useful the sparsity factor has been, around half suggested that it has been helpful in their authority or for their school. Of those that had a view on whether moving to a year group size approach would be helpful, just less than half thought it would. Of those that thought the year group size proposal was unhelpful, more than a third of the responses were from within a local authority area where the sparsity factor is not used. Those respondents said that the proposal added too much additional complexity, and that local discretion to identify small schools could avoid the need for this change.

We also asked for suggestions for other changes. The most common suggestion was moving away from using distances as the crow flies and instead using a measure that reflects road travel time. Other suggestions included: reducing the sparsity distance criteria so that the factor supports more small schools; measuring the distance between schools rather than between pupils and schools; and requiring the sparsity sum to be applied using a tapered approach rather than as a single lump sum.

Changes for 2015-16

We have carefully considered the views expressed during the consultation and have discussed them with a number of local authorities.

We received over 30 responses that expressed concern at the use of distances as the crow flies in the sparsity calculation. We recognise that using distances as the crow flies causes some anomalies in areas served by poor road infrastructure, and with natural obstacles such as hills and rivers, but there is no dataset currently available to us that can perform the sparsity calculations for every school in England using road travel distances. We have permitted local authorities to apply to the Education Funding Agency

(EFA) to include, on an exceptional basis, schools where the actual road travel distances are likely to exceed a school's sparsity distance using the crow flies measure and the school would not otherwise be eligible. We will apply a light touch approach in reconsidering applications approved for school funding in 2014-15.

We have carefully considered the other suggestions for change that we have heard. Our response to these suggestions is set out in the [Government response](#). We have been particularly mindful that a number of respondents do not want to see further complexity added to the operation of this factor. Taking into account all these views, we are proposing two minor changes for 2015-16.

Average year group size

We think it is right to move towards a size measure that assesses school size relative to school type.

For 2015-16, local authorities will be required to use new average year group size thresholds in place of the number on roll criteria that apply for school funding in 2014-15. This change will enable local authorities to target sparsity funding to the schools in their area that are small relative to their school type. The average year group sizes that will apply for 2015-16 will be:

Phase	Average year group threshold	Rationale
Primary	21.4	Current total number on roll (NOR) threshold of 150, divided by 7 (the number of year groups in a primary school)
Secondary	120	Current total NOR threshold of 600, divided by 5 (the number of year groups in a secondary school)
Middle ¹³	69.2	A weighted average of the primary and secondary average year group thresholds in middle schools ¹⁴ .
All-Through ¹⁵	62.5	A weighted average of the primary and secondary average year groups in all-through schools ¹⁶ .

Table 1: Average year group size thresholds in 2015-16

¹³ Defined as all schools that provide for at least one primary and one secondary year group but are not all-through schools

¹⁴ Average number of primary year groups (2.48) and secondary year groups (2.33) in all middle schools, each multiplied by respective average year group threshold (21.4 and 120) and then divided by average total year groups (4.81)

¹⁵ Defined as all schools that provide for at least 12 year groups

¹⁶ $7 \times \text{primary average year group threshold} + 5 \times \text{secondary average year group threshold}$; then the total divided by 12

These are maximum thresholds. A local authority will be free to choose to set lower (though not higher) thresholds. A school will meet the size criterion for the sparsity factor where the average number of pupils in its year groups is equal to, or less than, the relevant local threshold. Where a local authority chooses to apply the sparsity amount as a tapered sum, this will be calculated in inverse proportion to the relevant year group size.

For 2015-16, local authorities will be permitted to set a differentiated sparsity amount for each of the school types in their area (primary, middle, secondary and all-through schools). Each amount must be no higher than the current maximum of £100,000.

Full details on how the average year group thresholds will work are provided in the 2015-16 [operational guide](#) published alongside this document.

Small secondary schools serving sparsely populated areas

We recognise that there is a small group of secondary schools that stand out both because they are significantly smaller than the average secondary school and because they serve very sparse areas of the country. We are aware that local authorities have experienced difficulties in ensuring that these schools attract sufficient additional funding, while also ensuring that less rural secondary schools do not, as a consequence, attract an inefficient amount of lump sum funding.

For 2015-16, we will allow local authorities to make an application to the EFA to include an exceptional factor for these schools, and, where that is approved, will allow local authorities to apply an additional sum of up to £50,000 for each school. Local authorities will only be able to apply for an exceptional factor where schools have:

- pupils in years 10 and 11;
- 350 pupils or fewer; and
- a sparsity distance of 5 miles or more.

Implementation

The full details of how these changes should be implemented are set out in the 2015-16 operational guide published alongside this document.

Chapter 4 – Simplifying the administration of academies funding

Funding for most academies is currently included in the dedicated schools grant that we give to each local authority to fund its schools. As the Education Funding Agency (EFA) funds academies directly, it recoups the academies' share of the dedicated schools grant from each local authority. However, funding for around 10% of academies – known as 'non-recoupment academies' – is not included in each local authority's dedicated schools grant allocation and is therefore not recouped.

The arrangement for free school funding is similar to that for a non-recoupment academy: funding is not recouped from a local authority's dedicated schools grant when a free school opens. Free schools are funded directly by the EFA based on estimated pupil numbers. This is because new free schools would not have completed a census, as they would not have been open at census time, and census data on expanding free schools would only show pupils in year groups that were present at the time of the previous census. To overcome this, during the period of expansion free schools provide estimates of the pupil numbers they expect to be in the school in each year and are funded on those estimates. This means, until the following pupil census is complete, the department funds a local authority and a free school for the same pupils for seven months.

We consulted on two proposals in May: a) turning non-recoupment academies (including free schools) into recoupment academies, bringing together our two different approaches to funding academies; and b) amending the funding of local authorities for pupils in free schools to reduce the amount of double funding the department pays.

Views from the consultation

There was generally a positive response to our proposals to convert non-recoupment academies into recoupment academies, with 57% of respondents in favour. However, a number of respondents were concerned that our proposed method for working out how much extra dedicated schools grant each local authority should receive for former non-recoupment academies did not include central expenditure (such as funding for high levels of pupil number growth) on those academies.

The majority of respondents did not agree with our approach to amend the funding of local authorities for pupils in free schools. Respondents were critical about the impact this would have on local authority budgets and that they were being asked to fund pupil growth that was not necessary to meet basic need.

Concerns were also expressed about schools close to a border between local authorities. Some pupils could leave a school in one local authority to attend the free school in a neighbouring local authority. Then in the first year after the pupil moves, funding would be recouped from the free school's local authority even though those pupils were not in the pupil number count used to calculate that local authority's dedicated schools grant.

Other concerns expressed were about the use of free school estimates: if free schools over-estimated pupil numbers, that would result in incorrect funding being recouped from the local authority. However, respondents generally acknowledged that, if we were going to proceed with amending the funding of local authorities for pupils in free schools, our proposal not to recoup funding for the first year of a free school was helpful.

Our response to the points raised through this consultation are set out in detail in the [Government response](#).

Approach for 2015-16

We have listened carefully to the views expressed through the consultation and we will make two changes for 2015-16.

Converting non-recoupmment academies to recoupmment academies

We have modified our approach from the one on which we consulted to reflect the additional burden for local authorities of central expenditure on former non-recoupmment academies.

As in our original proposal, we will:

- work out how much the EFA would recoup for former non-recoupmment academies in 2015-16 if the local authority's formula remained the same as in 2014-15;
- increase this amount in line with the local authority's percentage gain from minimum funding levels.

Then, as a modification from our original proposal to reflect concerns about central expenditure, we will add to this the greater of:

- the amount of central expenditure¹⁷ the EFA paid to non-recoupmment academies in the local authority's area in 2014-15;
- the amount of central expenditure the local authority pays to former non-recoupmment academies in 2015-16.

We will add the resulting total to the local authority's dedicated schools grant in 2015-16¹⁸.

¹⁷ A list of the relevant items of central expenditure is set out in [Calculating schools block units of funding 2015 to 2016: technical note](#)

¹⁸ We will publish further details later this year of the mechanism for calculating and paying this additional funding for central expenditure. For the purposes of this calculation central expenditure includes only spending that EFA pays to non-recoupmment in 2014-15, but local authorities will pay to former non-recoupmment academies in 2015-16. A list is in the technical note which accompanies this announcement.

This means that, unless a local authority changes its local funding formula in 2015-16 in a way that is especially favourable to the former non-recoupment academies, the local authority will receive at least as much addition to dedicated schools grant in 2015-16 for its former non-recoupment academies as it will then pay out in respect of them through recoupment or directly to the academies.

The table below shows an example of how we will calculate funding, including the new policy on central expenditure.

Example of how we will calculate funding

Academy X is the only non-recoupment academy in local authority Y.

On the basis of local authority Y's 2014-15 funding formula and academy X's pupil numbers and characteristics from the October 2014 census, the Education Funding Agency calculates initial funding of £1m.

Local authority Y is due an increase of 5% to its schools block unit of funding in 2015-16 due to minimum funding levels, so this £1m also increases by 5% to £1.05m.

Academy X received no central expenditure from the EFA in 2014-15 but receives £40,000 in 2015-16 from local authority Y. The EFA takes the greater of the 2014-15 and 2015-16 spending, in this case £40,000. It adds this to local authority Y's 2015-16 funding.

Therefore in total local authority Y receives an extra £1.09m added to the schools block of its dedicated schools grant in 2015-16 census.

The [operational guide](#) and [technical note](#) set out detail on the operation of converting non-recoupment academies to recoupment academies.

Amending the funding of local authorities for pupil in free schools

Our proposal was to recoup what the relevant local authority would have provided in funding for the pupils in the free school if it had been a maintained school or a recoupment academy, except in the first year of opening for a new free school.

The purpose of this change was to ensure consistency with all other schools. Currently a new recoupment academy is funded on estimated pupil numbers and recoupment is calculated on the same basis: this will be true for all new academies when we have implemented the change discussed above that all academies should be recoupment academies.

We have considered local authorities' concerns that free schools places may not be meeting basic need. On balance we do not think that this justifies continuing to fund free

schools differently from other schools. Free schools are making a major contribution to delivering basic need and are delivering good quality places in areas where these are needed. Seven in ten open mainstream free schools have been set up in areas where there was need for additional school places.

Following consultation, we have therefore decided to implement our proposal – with one modification. Many respondents objected that it would be unfair to local authorities to base recoupment on pupil number estimates made by the free school itself. We now propose instead to recoup based on free school pupil numbers estimated by local authorities, on the same basis as they would use for other new schools.

This modification will not have an impact on the way free schools are funded by the EFA. The calculation of funding by the EFA and the calculation of a notional budget for recoupment purposes by the local authority are two separate processes.

We will also, as originally proposed, allow local authorities to make retrospective adjustments the following financial year to address any variation between estimated and actual pupil numbers. We will consult shortly on how this should be done as part of our consultation on the School and Early Years Finance Regulations for 2015-16.

This change should make it easier for local authorities to plan for the amount of recoupment to expect from the second year onwards.

We understand the concern about cross-border movement, but we are satisfied that our decision maintains consistency with the rest of the schools system. At present, where pupils move from a maintained school or recoupment academy in one local authority to a maintained school or recoupment academy in another, funding follows those pupils in the year after they move. This is because a local authority's funding for each financial year is calculated using the school census from the previous October. We are not planning anything different for free schools.

Apart from the changes set out above, the detail of our final policy on converting non-recoupment academies to recoupment academies and on amending the funding of local authorities for free schools pupils is as in the consultation. The [operational guide](#) and [technical note](#) set out this final policy detail.

Chapter 5 – Carbon reduction commitment

The carbon reduction commitment (CRC) scheme is a UK-wide trading scheme, introduced in April 2010. It is designed to reduce emissions in the public and private sectors by incentivising the uptake of cost-effective energy efficiency opportunities. Before 2014-15, local authorities bought CRC allowances for their schools directly from the scheme.

Following the Department for Energy and Climate Change's consultation in 2012 on the simplification of the scheme, the Government removed schools from the main scheme for 2014-15. Instead, the Department for Education reduced each local authority's dedicated schools grant (DSG) in order to pay for schools' contribution to the CRC scheme. We calculated the deduction for each local authority on the basis of their spending in 2013-14 on CRC allowances for schools, as declared in their 'section 251' returns to DfE¹⁹. These deductions totalled £51m – around 0.15% of the DSG.

Approach for 2015-16

For 2015-16 we will revise this method. We will deduct funding for the CRC scheme from the DSG on a simple per pupil basis. We will first adjust per pupil funding to take account of minimum funding levels (as set out in chapter one), then we will reduce each local authority's per pupil funding by £7.51. This will reduce the cost of the dedicated schools grant by £51m, the same as the amount by which DfE reduced local authorities' DSG in 2014-15.

The table below shows an example of this:

2014-15	2015-16
Local authority X has a total dedicated schools grant (DSG) of £10m before deductions for CRCs.	Local authority X has a schools block unit of funding of £5000 after its increase from minimum funding levels. It has 1000 pupils.
On the basis of 'section 251' on its 2013-14 CRC spending, data EFA calculates that local authority X should contribute £10,000 to CRCs.	To reflect CRC reductions, we reduce LA X's schools block unit of funding (SBUF) by £7.51 per pupil. Its final SBUF is £4992.49. In total the LA therefore receives £7510 less as a result of CRCs (£7.51 multiplied by 1000 pupils).

¹⁹ Details of how EFA calculated each local authority's contribution on the basis of section 251 data are in annex A of the [technical note](#) for 2014-15 dedicated schools grant allocations.

2014-15	2015-16
Local authority X receives £9,990,000 of dedicated schools grant in 2014-15.	We do not make any further reductions to local authority X's dedicated schools grant: unlike in 2014-15 the CRC deduction has been reflected in the SBUF.
LA's contribution to CRCs: £10,000	LA's contribution to CRCs: £7,510

Table 2: Example of funding deductions for CRC

We are changing to this approach in 2015-16 because we do not want to continue to rely on data on local authorities' CRC spending in 2013-14, while actual levels of carbon emissions change over time. (2013-14 is the last year in which schools were part of the main scheme and therefore the last year for which data is available on each local authority's CRC spending for schools). Pupil numbers are a simpler and fairer way to work out a local authority's CRC contribution.

The impact of this change, for every local authority, is set out at Annex C.

Chapter 6 – Changes to high needs funding for 2015-16

In chapter two, we set out our aims for the next stage of reform of the high needs and early years funding system. We have started to plan for this now. We do not want to make other major changes to the high needs funding arrangements while we do this work, but in this chapter we describe minor changes we will make for 2015-16 to improve the operation of the current system.

In 2013, a new system of funding was introduced for pupils with special educational needs (SEN) in schools, academies and alternative provision and for students in colleges and other post-16 institutions. This was intended to achieve more consistency, to replace the previous funding mechanisms that varied considerably between local authorities and institutions, and ensure a more efficient use of limited resources. High needs funding is predominantly for children and young people who need a higher level of additional support to participate in education, and where the costs of that support are high.

Since 2013 high needs funding has consisted of:

- ‘Place funding’ – funding for places in specialist institutions where the vast majority of pupils have high level needs (maintained and non-maintained special schools, special academies, pupil referral units and alternative provision academies) and for students aged 16 to 25 with high needs in all institutions. This place funding provides a base budget for institutions which gives them a greater degree of certainty on a proportion of their income for the year.
- ‘Top-up funding’ for institutions that follows individual pupils and students, reflecting how much it costs to meet their needs in the institution, and taking into account the funding already in the institution’s base budget.
- Funding for SEN support and other high needs services provided centrally by the local authority. We do not differentiate between this funding and top-up funding in the allocations we make to local authorities.

We believe the arrangements for place funding and top-up funding achieve a reasonable balance for institutions: some guaranteed funding for the year, and some funding that is more closely aligned to the needs of actual pupils and students, for the period they are on roll.

It is taking time for both local authorities and institutions to adjust to these new arrangements, depending on how different their funding arrangements were before 2013. We are therefore not proposing to make significant changes for 2015-16. However, there are a small number of improvements that we think will help the system work better.

Distribution of high needs funding to local authorities

When we knew that we were in a position to distribute more funding in 2014-15 than we had distributed in 2013-14, we decided to use it first to meet the additional demand for high needs places, and then to allocate the remainder to local authorities by distributing a flat rate amount per capita of population aged 2 to 19. We saw this as the simplest and fairest way of distributing additional funding without making any premature judgement about whether the current distribution of high needs funding between different local authorities was right. We adopted a different approach to the distribution of additional high needs funding in respect of students in colleges and post-16 institutions other than schools – as explained in the EFA's technical guide – [Dedicated Schools Grant 2014-15](#).

In 2015-16 we expect to distribute some high needs funding in addition to the funding allocated in 2014-15 and in doing so, we will use the same methodology as in 2014-15 and do so for both pre- and all post-16 funding. We will first allocate funds for additional places identified as a result of the process outlined below, and then distribute what is left to local authorities using a flat rate per capita calculation in the same way as we did in 2014-15. We will confirm the amount to be allocated when the schools block allocations are notified to authorities in December 2014.

As in previous years, the amount of additional funding available will be limited, and if more additional places are funded than are needed, this will mean we have less to distribute on a simple per capita basis. We intend to conclude this process in time for the December 2014 DSG allocations, which will give more certainty to local authorities at an earlier stage than was possible in the previous two years.

Funding for high needs places

The following principles will apply to the process that the EFA will operate to determine the number of places for which funds will be allocated:

- **The place numbers used for the academic year 2015/16 will be the published numbers for 2014/15, subject to the exceptions indicated below.** We are aiming in future to update the place numbers on the basis of the number of high needs pupils and students occupying the places in the prior academic year. But we are not confident that the quality and timeliness of the data that will be available from the school census and individualised learner record (completed by colleges) in the autumn of 2014 will allow us to make accurate and timely allocations for 2015-16. We will continue to seek improvements to the quality of this information so that we can use it for funding purposes in future years;
- **Local authorities and institutions will be able to identify significant changes in SEN places that require more place funding,** including places in new special free schools. We will put in place a process for this in the autumn term, and a similar process in respect of hospital education.

- **The scope for changes to local authorities' high needs allocations on account of changes to alternative provision will be more limited.** There is a wide range of locally determined approaches to the operation and funding of alternative provision. Whereas in future we expect pupil data to drive the SEN place funding, so more places in one institution will be matched by fewer elsewhere, it is unlikely that we will be able to rely on pupil data to the same extent in calculating funding for alternative provision places, because the pupil population in this type of provision is much more fluid. Our view is therefore that the fairest approach is for changes to the scale and nature of alternative provision to be met by local authorities, schools and academies within their existing funding envelope. This will mean that local authorities and their schools bear the cost of any increase in alternative provision places for pupils who would otherwise be in mainstream schools but for the placement decisions they have made.
- **Alternative provision places in free schools will be funded from a central departmental budget for the first and second year the free school is open.** From the third year the cost of the place funding will be met by deductions from the relevant local authorities' DSG, in the same way that their DSG bears the cost of all other alternative provision places, so that the alternative provision offered by free schools is fully integrated into local planning and funding arrangements.

Place funding for alternative provision

When we introduced the new high needs funding arrangements in 2013 we said that we would keep the level of funding for alternative provision places under review. Two years on we have reflected on whether the current level of place funding provides the right balance between stability for providers of alternative provision places and flexibility for commissioners to identify the right provision for an individual pupil. We have concluded that changing the balance of place and top-up funding in favour of the former will give pupil referral units, and academies and free schools offering alternative provision places, more stability by increasing their guaranteed budget for the year.

Accordingly, we will consult over the summer on draft regulations, which will include an increase in the funding of alternative provision places from £8,000 to £10,000 per place per annum from September 2015. If this change is confirmed in the final regulations, it will be applicable to all alternative provision places, and must include those that schools can commission directly as well as those that the local authority can commission. We will also expect to see reductions in the top-up funding for alternative provision, so that this adjustment is cost-neutral for local authorities and schools.

Independent special schools and other post-16 institutions

We are planning to bring some independent special schools and new special post-16 institutions within the high needs funding system of place and top-up funding. Those on a new list of approved institutions, established under section 41 of the Children and

Families Act 2014, will be in scope, and the EFA will provide more information about the next steps to those institutions and local authorities.

Further details of all these changes are set out in the 2015-16 [operational guide](#).

Schools forum changes

The changes set out above will be supported by small changes to the regulations on the operation of schools forums to increase the representation of special and alternative provision academies and ensure that important issues concerning SEN and alternative provision funding are discussed in the forum. We will consult over the summer on amendments to regulations to effect these changes in time for 2015-16.

Next steps

Authority Proforma Tool (APT) and timing

In the previous chapters, we have outlined important changes to school funding for 2015-16. These changes are likely to mean that many local authorities, working with their schools forum, will need to undertake a further review of their local formula, drawing on the information in this document and the supporting [operational guide](#).

We will shortly issue the Authority Proforma Tool (APT), which will enable local authorities to model formula changes before submission. Local authorities should submit their provisional formula to the Education Funding Agency at the end of October, with a final return due in January. The full timetable for 2015-16 is provided in the accompanying operational guide.

Where necessary, we will consult over the summer on amendments to regulations to effect these changes in time for 2015-16.

Minimum funding guarantee

We confirmed in March that we will retain the minimum funding guarantee (MFG) for 2015-16, which has been in place over several years and which dictates that for the vast majority of schools, funding per pupil cannot drop by more than 1.5% per year²⁰.

For local authorities that will receive a higher amount of funding for pupils and schools because of the changes set out in chapter one of this document, the operational guide provides further details on how this additional funding should be taken into account in MFG calculations.

Delegation

We want school leaders to have maximum choice over how they spend their budgets. For this reason, most services in the notional schools block and the funding for them should be delegated to schools in the first instance. The purposes for which local authorities can centrally retain funding will not change for 2015-16 and are re-stated in the operational guide. Our expectation is that local authorities look to delegate any additional funding they receive for 2015-16 to schools and academies²¹.

²⁰ Some funding is excluded from the calculation of the minimum funding guarantee. Details of this are in [Schools revenue funding 2015 to 2-16: operational guide](#).

²¹ Academy budgets will reflect the impact of any additional funding provide to local areas from September 2015. This is because academies are funded from September to August. Similarly, maintained schools budgets will reflect the impact of any additional funding provided to their local area from April 2015 because maintained schools are funded from April to March.

Annex A – The 2015-16 minimum funding levels

		Minimum funding levels	
		Primary	Secondary
Age weighted pupil unit		£2,880	Key stage 3: £3,950 Key stage 4: £4,502
Pupils who have been eligible for free school meals in the past six years		£882	£1,052
Pupils who live in an area that is in one of the income deprivation affecting children index (IDACI) bands	IDACI 1	£209	£289
	IDACI 2	£260	£379
	IDACI 3	£347	£470
	IDACI 4	£422	£554
	IDACI 5	£477	£614
	IDACI 6	£691	£819
Looked-after children		£1,004	£1,004
			The same measure will be used as is currently set out in the 2014-15 school funding arrangements. The minimum funding level will apply to the children who are reported to the department through the annual children looked after return and who are looked after children for one day or more at the census point.

Pupils with low prior attainment	£669	£940	For the primary measure, this will apply to pupils who did not reach the expected level of development on the new Early Years Foundation Stage Profile or who achieved fewer than 78 points on the old EYFSP. For secondary pupils the minimum funding level applies to pupils not reaching level 4 at key stage 2 in either English or maths.
English as an additional language	£466	£1,130	This minimum funding level will apply to pupils with EAL who entered the English state school system in the past three years.
Lump sum	£115,797	£125,155	Middle schools will attract a minimum lump sum weighted by their ratio of primary to secondary year groups in the school. All-through schools will attract the secondary amount.
Sparsity sum	£44,635	£66,656	A taper will apply, whereby the size of the sum is in inverse proportion to the size of the school. The criteria for attracting the minimum funding level are the same as the criteria for the sparsity factor in local formulas for 2014 -2015. Details of this are in Revenue funding arrangements for 2014-15 .

Table 3: Minimum funding levels

Annex B – Changes to local authority funding for 2015-2016

The following table shows changes to schools funding as a result of distributing an additional £390m using the approach set out in chapter one of this document. This table does not reflect deductions of funding for the CRC scheme from the dedicated schools grant, which are shown at Annex C for every local authority. In this table we have estimated total funding, and the total increase in funding, by using 2014-15 pupil numbers. We will apply pupil numbers from the October 2014 census when final allocations are made in December.

Local authority	Actual 2014-15 funding		Fairer schools funding 2015-16		Increase in funding	
	Funding per pupil	Total funding	Funding per pupil	Estimate of total funding (based on October 2013 pupil numbers)	Percentage	Estimate of total increase in funding (based on October 2013 pupil numbers)
Bromley	£4,082	£169.6m	£4,553	£189.1m	11.5%	£19.5m
Cambridgeshire	£3,950	£294.3m	£4,261	£317.5m	7.9%	£23.2m
Sutton	£4,360	£124.7m	£4,678	£133.8m	7.3%	£9.1m
Northumberland	£4,244	£166.2m	£4,551	£178.3m	7.2%	£12.0m
Shropshire	£4,113	£143.6m	£4,410	£154.0m	7.2%	£10.4m
Merton	£4,534	£98.6m	£4,832	£105.1m	6.6%	£6.5m
Buckinghamshire	£4,040	£275.4m	£4,305	£293.4m	6.5%	£18.0m
Croydon	£4,559	£208.6m	£4,837	£221.3m	6.1%	£12.7m
Leicestershire	£3,995	£339.7m	£4,237	£360.2m	6.1%	£20.6m
Brent	£5,066	£190.7m	£5,357	£201.7m	5.8%	£11.0m
South Gloucestershire	£3,969	£137.5m	£4,196	£145.3m	5.7%	£7.9m
Warwickshire	£4,079	£281.3m	£4,302	£296.7m	5.5%	£15.4m
Cheshire West and Chester	£4,129	£173.6m	£4,351	£183.0m	5.4%	£9.4m
Surrey	£4,096	£548.8m	£4,308	£577.1m	5.2%	£28.4m
Bury	£4,230	£111.1m	£4,441	£116.7m	5.0%	£5.6m
Poole	£4,007	£68.3m	£4,194	£71.5m	4.7%	£3.2m
Devon	£4,156	£358.1m	£4,350	£374.8m	4.7%	£16.7m
Norfolk	£4,334	£432.9m	£4,514	£450.9m	4.2%	£18.0m
Derbyshire	£4,245	£405.0m	£4,417	£421.3m	4.0%	£16.3m
Rutland	£4,087	£20.9m	£4,250	£21.7m	4.0%	£0.8m

	Actual 2014-15 funding		Fairer schools funding 2015-16		Increase in funding	
Local authority	Funding per pupil	Total funding	Funding per pupil	<u>Estimate of total funding (based on October 2013 pupil numbers)</u>	Percentage	<u>Estimate of total increase in funding (based on October 2013 pupil numbers)</u>
North Lincolnshire	£4,316	£95.0m	£4,483	£98.7m	3.9%	£3.7m
Gloucestershire	£4,203	£316.0m	£4,365	£328.2m	3.9%	£12.2m
Westminster	£5,663	£88.3m	£5,872	£91.5m	3.7%	£3.3m
Central Bedfordshire	£4,144	£145.7m	£4,297	£151.0m	3.7%	£5.3m
Swindon	£4,102	£117.7m	£4,251	£121.9m	3.6%	£4.3m
Windsor and Maidenhead	£4,325	£77.5m	£4,464	£80.0m	3.2%	£2.5m
Herefordshire	£4,306	£90.9m	£4,443	£93.8m	3.2%	£2.9m
North Yorkshire	£4,338	£316.5m	£4,473	£326.4m	3.1%	£9.8m
Cheshire East	£4,083	£187.0m	£4,209	£192.7m	3.1%	£5.7m
Redbridge	£4,668	£199.7m	£4,806	£205.6m	3.0%	£5.9m
Cumbria	£4,449	£269.2m	£4,577	£276.9m	2.9%	£7.8m
Suffolk	£4,241	£370.1m	£4,362	£380.6m	2.8%	£10.5m
Stoke-on-Trent	£4,507	£145.1m	£4,622	£148.8m	2.5%	£3.7m
Northamptonshire	£4,189	£395.2m	£4,293	£405.1m	2.5%	£9.9m
Bracknell Forest	£4,187	£62.6m	£4,291	£64.2m	2.5%	£1.6m
Bournemouth	£4,154	£79.2m	£4,254	£81.1m	2.4%	£1.9m
Salford	£4,551	£131.2m	£4,657	£134.3m	2.3%	£3.1m
Wiltshire	£4,213	£249.1m	£4,310	£254.8m	2.3%	£5.7m
Worcestershire	£4,231	£291.5m	£4,328	£298.2m	2.3%	£6.7m
Torbay	£4,305	£69.8m	£4,399	£71.3m	2.2%	£1.5m
Blackpool	£4,459	£80.2m	£4,538	£81.6m	1.8%	£1.4m
Somerset	£4,278	£273.2m	£4,351	£277.9m	1.7%	£4.7m
Cornwall	£4,397	£285.0m	£4,472	£289.9m	1.7%	£4.9m
Hertfordshire	£4,320	£670.3m	£4,392	£681.5m	1.7%	£11.1m
Durham	£4,573	£281.1m	£4,648	£285.8m	1.7%	£4.7m
Telford and Wrekin	£4,367	£97.0m	£4,435	£98.5m	1.6%	£1.5m
Dorset	£4,167	£202.3m	£4,230	£205.4m	1.5%	£3.1m
Solihull	£4,188	£130.2m	£4,237	£131.8m	1.2%	£1.5m
Lincolnshire	£4,329	£392.0m	£4,379	£396.6m	1.2%	£4.5m

Local authority	Actual 2014-15 funding		Fairer schools funding 2015-16		Increase in funding	
	Funding per pupil	Total funding	Funding per pupil	<u>Estimate of total funding (based on October 2013 pupil numbers)</u>	Percentage	<u>Estimate of total increase in funding (based on October 2013 pupil numbers)</u>
Oxfordshire	£4,274	£333.1m	£4,320	£336.6m	1.1%	£3.5m
East Riding of Yorkshire	£4,258	£177.9m	£4,301	£179.7m	1.0%	£1.8m
Isle of Wight	£4,489	£69.6m	£4,531	£70.3m	0.9%	£0.6m
Wokingham	£4,125	£88.2m	£4,158	£88.9m	0.8%	£0.7m
Bedford	£4,466	£101.0m	£4,501	£101.7m	0.8%	£0.8m
Peterborough	£4,490	£124.7m	£4,520	£125.5m	0.7%	£0.8m
Plymouth	£4,364	£140.1m	£4,389	£140.9m	0.6%	£0.8m
Bath and North East Somerset	£4,336	£95.9m	£4,356	£96.3m	0.5%	£0.5m
Warrington	£4,219	£119.7m	£4,236	£120.2m	0.4%	£0.5m
West Berkshire	£4,359	£95.2m	£4,375	£95.6m	0.4%	£0.4m
Milton Keynes	£4,440	£167.3m	£4,455	£167.9m	0.3%	£0.6m
Medway	£4,352	£161.1m	£4,365	£161.6m	0.3%	£0.5m
Hillingdon	£4,820	£187.0m	£4,832	£187.5m	0.2%	£0.4m
West Sussex	£4,196	£414.5m	£4,206	£415.4m	0.2%	£0.9m
Nottinghamshire	£4,351	£436.2m	£4,360	£437.1m	0.2%	£0.9m
Barnsley	£4,459	£126.9m	£4,468	£127.1m	0.2%	£0.2m
Bolton	£4,536	£188.1m	£4,541	£188.3m	0.1%	£0.2m
Trafford	£4,232	£139.4m	£4,235	£139.5m	0.1%	£0.1m
Sheffield	£4,429	£290.8m	£4,430	£290.9m	0.0%	£0.1m
Staffordshire	£4,310	£455.7m	£4,311	£455.8m	0.0%	£0.1m

Annex C – Local authority schools block units of funding 2015 to 2016

[Annex C Local authority schools block units of funding 2015 to 2016](#) is published as a separate document on GOV.UK.



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Annex C: Local authority schools block unit of funding 2015 to 2016

LA Code	Local Authority	Actual 2014-15 funding		Fairer schools funding		Carbon reduction commitment top-slice		Total funding after carbon reduction commitment top-slice		Estimate of total funding after cash transfer for non recoupment academies	
		Funding per pupil	Total funding	Funding per pupil	Estimate of total funding (based on October 2013 pupil numbers)	Amount per pupil	Estimate of total deduction (based on October 2013 pupil numbers)	Funding per pupil	Estimate of total funding (based on October 2013 pupil numbers)	Estimate of cash transfer for the non recoupment academies **	Estimate of total funding (based on October 2013 pupil numbers)
201	City of London	£8,595	£1.7m	£8,595	£1.7m	£7.51	£0.0m	£8,587	£1.7m	£0.0m	£1.7m
202	Camden	£6,205	£109.4m	£6,205	£109.4m	£7.51	£0.1m	£6,198	£109.3m	£3.2m	£112.5m
203	Greenwich	£6,006	£186.3m	£6,006	£186.3m	£7.51	£0.2m	£5,998	£186.1m	£9.1m	£195.2m
204	Hackney	£6,680	£160.6m	£6,680	£160.6m	£7.51	£0.2m	£6,673	£160.4m	£32.6m	£193.0m
205	Hammersmith and Fulham	£6,248	£86.8m	£6,248	£86.8m	£7.51	£0.1m	£6,241	£86.7m	£12.6m	£99.3m
206	Islington	£6,229	£120.4m	£6,229	£120.4m	£7.51	£0.1m	£6,222	£120.2m	£6.6m	£126.8m
207	Kensington and Chelsea	£5,874	£56.4m	£5,874	£56.4m	£7.51	£0.1m	£5,866	£56.3m	£5.6m	£61.9m
208	Lambeth	£6,384	£184.7m	£6,384	£184.7m	£7.51	£0.2m	£6,377	£184.5m	£14.4m	£199.0m
209	Lewisham	£5,950	£201.5m	£5,950	£201.5m	£7.51	£0.3m	£5,943	£201.2m	£7.3m	£208.5m
210	Southwark	£6,124	£173.9m	£6,124	£173.9m	£7.51	£0.2m	£6,116	£173.7m	£48.1m	£221.8m
211	Tower Hamlets	£7,014	£244.3m	£7,014	£244.3m	£7.51	£0.3m	£7,007	£244.1m	£2.2m	£246.3m
212	Wandsworth	£5,581	£135.1m	£5,581	£135.1m	£7.51	£0.2m	£5,574	£134.9m	£8.6m	£143.5m
213	Westminster	£5,663	£88.3m	£5,872	£91.5m	£7.51	£0.1m	£5,864	£91.4m	£19.1m	£110.5m
301	Barking and Dagenham	£5,583	£183.8m	£5,583	£183.8m	£7.51	£0.2m	£5,575	£183.6m	£1.5m	£185.1m
302	Barnet	£4,988	£214.3m	£4,988	£214.3m	£7.51	£0.3m	£4,981	£214.0m	£13.6m	£227.6m
303	Bexley	£4,613	£162.7m	£4,613	£162.7m	£7.51	£0.3m	£4,606	£162.4m	£8.0m	£170.4m
304	Brent	£5,066	£190.7m	£5,357	£201.7m	£7.51	£0.3m	£5,350	£201.4m	£12.1m	£213.5m
305	Bromley	£4,082	£169.6m	£4,553	£189.1m	£7.51	£0.3m	£4,545	£188.8m	£0.0m	£188.8m
306	Croydon	£4,559	£208.6m	£4,837	£221.3m	£7.51	£0.3m	£4,829	£220.9m	£12.9m	£233.8m
307	Ealing	£5,296	£217.8m	£5,296	£217.8m	£7.51	£0.3m	£5,289	£217.5m	£8.3m	£225.8m
308	Enfield	£5,194	£242.7m	£5,194	£242.7m	£7.51	£0.4m	£5,187	£242.4m	£8.2m	£250.6m
309	Haringey	£5,878	£180.5m	£5,878	£180.5m	£7.51	£0.2m	£5,871	£180.3m	£7.8m	£188.1m
310	Harrow	£4,927	£144.4m	£4,927	£144.4m	£7.51	£0.2m	£4,920	£144.2m	£1.4m	£145.6m
311	Harvington	£4,727	£163.1m	£4,727	£163.1m	£7.51	£0.3m	£4,719	£162.9m	£0.0m	£162.9m
312	Hillingdon	£4,820	£187.0m	£4,832	£187.5m	£7.51	£0.3m	£4,824	£187.2m	£11.0m	£198.1m
313	Hounslow	£5,211	£172.8m	£5,211	£172.8m	£7.51	£0.2m	£5,203	£172.5m	£1.6m	£174.1m
314	Kingston upon Thames	£4,602	£92.1m	£4,602	£92.1m	£7.51	£0.2m	£4,594	£92.0m	£0.0m	£92.0m
315	Merton	£4,534	£98.6m	£4,832	£105.1m	£7.51	£0.2m	£4,824	£104.9m	£9.3m	£114.2m
316	Newham	£6,132	£300.8m	£6,132	£300.8m	£7.51	£0.4m	£6,125	£300.5m	£4.1m	£304.6m
317	Redbridge	£4,668	£199.7m	£4,806	£205.6m	£7.51	£0.3m	£4,799	£205.3m	£3.0m	£208.2m
318	Richmond upon Thames	£4,507	£98.6m	£4,507	£98.6m	£7.51	£0.2m	£4,499	£98.4m	£0.6m	£99.0m
319	Sutton	£4,360	£124.7m	£4,678	£133.8m	£7.51	£0.2m	£4,670	£133.6m	£0.0m	£133.6m
320	Waltham Forest	£5,205	£183.1m	£5,205	£183.1m	£7.51	£0.3m	£5,197	£182.9m	£5.8m	£188.7m
330	Birmingham	£5,218	£842.9m	£5,218	£842.9m	£7.51	£1.2m	£5,211	£841.7m	£7.7m	£849.4m
331	Coventry	£4,862	£217.0m	£4,862	£217.0m	£7.51	£0.3m	£4,854	£216.7m	£0.0m	£216.7m
332	Dudley	£4,459	£191.0m	£4,459	£191.0m	£7.51	£0.3m	£4,452	£190.6m	£0.0m	£190.6m
333	Sandwell	£4,771	£208.3m	£4,771	£208.3m	£7.51	£0.3m	£4,764	£208.0m	£14.8m	£222.8m
334	Solihull	£4,188	£130.2m	£4,237	£131.8m	£7.51	£0.2m	£4,230	£131.6m	£9.6m	£141.2m
335	Walsall	£4,643	£183.4m	£4,643	£183.4m	£7.51	£0.3m	£4,635	£183.1m	£5.0m	£188.1m
336	Wolverhampton	£4,827	£158.9m	£4,827	£158.9m	£7.51	£0.2m	£4,819	£158.6m	£0.2m	£158.8m
340	Knowsley	£4,839	£86.3m	£4,839	£86.3m	£7.51	£0.1m	£4,832	£86.1m	£0.0m	£86.1m
341	Liverpool	£5,048	£267.2m	£5,048	£267.2m	£7.51	£0.4m	£5,041	£266.9m	£18.7m	£285.5m
342	St. Helens	£4,463	£102.8m	£4,463	£102.8m	£7.51	£0.2m	£4,456	£102.6m	£0.0m	£102.6m
343	Sefton	£4,443	£154.3m	£4,443	£154.3m	£7.51	£0.3m	£4,435	£154.1m	£2.2m	£156.2m
344	Wirral	£4,547	£187.5m	£4,547	£187.5m	£7.51	£0.3m	£4,540	£187.2m	£3.4m	£190.6m
350	Bolton	£4,536	£188.1m	£4,541	£188.3m	£7.51	£0.3m	£4,533	£188.0m	£0.4m	£188.4m
351	Bury	£4,230	£111.1m	£4,441	£116.7m	£7.51	£0.2m	£4,434	£116.5m	£0.0m	£116.5m
352	Manchester	£5,088	£312.3m	£5,088	£312.3m	£7.51	£0.5m	£5,081	£311.8m	£20.0m	£331.9m
353	Oldham	£4,778	£176.9m	£4,778	£176.9m	£7.51	£0.3m	£4,771	£176.6m	£0.3m	£176.9m
354	Rochdale	£4,690	£141.2m	£4,690	£141.2m	£7.51	£0.2m	£4,682	£141.0m	£3.3m	£144.2m
355	Salford	£4,551	£131.2m	£4,657	£134.3m	£7.51	£0.2m	£4,650	£134.0m	£2.9m	£136.9m
356	Stockport	£4,206	£149.4m	£4,206	£149.4m	£7.51	£0.3m	£4,199	£149.1m	£3.7m	£152.8m
357	Tameside	£4,717	£149.0m	£4,717	£149.0m	£7.51	£0.2m	£4,710	£148.8m	£0.0m	£148.8m

LA Code	Local Authority	Actual 2014-15 funding		Fairer schools funding		Carbon reduction commitment top-slice		Total funding after carbon reduction commitment top-slice		Estimate of total funding after cash transfer for non recoupment academies	
		Funding per pupil	Total funding	Funding per pupil	Estimate of total funding (based on October 2013 pupil numbers)	Amount per pupil	Estimate of total deduction (based on October 2013 pupil numbers)	Funding per pupil	Estimate of total funding (based on October 2013 pupil numbers)	Estimate of cash transfer for the non recoupment academies **	Estimate of total funding (based on October 2013 pupil numbers)
840	Durham	£4,573	£281.1m	£4,648	£285.8m	£7.51	£0.5m	£4,641	£285.3m	£0.3m	£285.6m
841	Darlington	£4,486	£59.8m	£4,486	£59.8m	£7.51	£0.1m	£4,478	£59.7m	£3.4m	£63.1m
845	East Sussex	£4,450	£268.7m	£4,450	£268.7m	£7.51	£0.5m	£4,442	£268.2m	£1.1m	£269.3m
846	Brighton and Hove	£4,458	£129.0m	£4,458	£129.0m	£7.51	£0.2m	£4,450	£128.8m	£1.0m	£129.8m
850	Hampshire	£4,277	£700.2m	£4,277	£700.2m	£7.51	£1.2m	£4,269	£699.0m	£0.0m	£699.0m
851	Portsmouth	£4,596	£105.7m	£4,596	£105.7m	£7.51	£0.2m	£4,588	£105.5m	£0.0m	£105.5m
852	Southampton	£4,649	£126.9m	£4,649	£126.9m	£7.51	£0.2m	£4,641	£126.7m	£0.4m	£127.1m
855	Leicestershire	£3,995	£339.7m	£4,237	£360.2m	£7.51	£0.6m	£4,229	£359.6m	£1.6m	£361.2m
856	Leicester	£4,693	£205.6m	£4,693	£205.6m	£7.51	£0.3m	£4,686	£205.3m	£5.8m	£211.1m
857	Rutland	£4,087	£20.9m	£4,250	£21.7m	£7.51	£0.0m	£4,243	£21.7m	£0.0m	£21.7m
860	Staffordshire	£4,310	£455.7m	£4,311	£455.8m	£7.51	£0.8m	£4,304	£455.0m	£2.5m	£457.5m
861	Stoke-on-Trent	£4,507	£145.1m	£4,622	£148.8m	£7.51	£0.2m	£4,614	£148.6m	£0.5m	£149.1m
865	Wiltshire	£4,213	£249.1m	£4,310	£254.8m	£7.51	£0.4m	£4,302	£254.4m	£0.0m	£254.4m
866	Swindon	£4,102	£117.7m	£4,251	£121.9m	£7.51	£0.2m	£4,243	£121.7m	£0.4m	£122.1m
867	Bracknell Forest	£4,187	£62.6m	£4,291	£64.2m	£7.51	£0.1m	£4,284	£64.1m	£0.0m	£64.1m
868	Windsor and Maidenhead	£4,325	£77.5m	£4,464	£80.0m	£7.51	£0.1m	£4,456	£79.8m	£0.0m	£79.8m
869	West Berkshire	£4,359	£95.2m	£4,375	£95.6m	£7.51	£0.2m	£4,368	£95.4m	£0.0m	£95.4m
870	Reading	£4,454	£71.1m	£4,454	£71.1m	£7.51	£0.1m	£4,447	£71.0m	£5.7m	£76.6m
871	Slough	£4,862	£106.2m	£4,862	£106.2m	£7.51	£0.2m	£4,854	£106.1m	£2.5m	£108.6m
872	Wokingham	£4,125	£88.2m	£4,158	£88.9m	£7.51	£0.2m	£4,151	£88.8m	£0.8m	£89.6m
873	Cambridgeshire	£3,950	£294.3m	£4,261	£317.5m	£7.51	£0.6m	£4,254	£317.0m	£0.7m	£317.7m
874	Peterborough	£4,490	£124.7m	£4,520	£125.5m	£7.51	£0.2m	£4,513	£125.3m	£9.5m	£134.8m
876	Halton	£4,858	£81.9m	£4,858	£81.9m	£7.51	£0.1m	£4,850	£81.8m	£0.7m	£82.5m
877	Warrington	£4,219	£119.7m	£4,236	£120.2m	£7.51	£0.2m	£4,228	£120.0m	£0.8m	£120.8m
878	Devon	£4,156	£358.1m	£4,350	£374.8m	£7.51	£0.6m	£4,342	£374.1m	£1.2m	£375.3m
879	Plymouth	£4,364	£140.1m	£4,389	£140.9m	£7.51	£0.2m	£4,382	£140.6m	£1.3m	£141.9m
880	Torbay	£4,305	£69.8m	£4,399	£71.3m	£7.51	£0.1m	£4,392	£71.2m	£0.4m	£71.5m
881	Essex	£4,393	£795.0m	£4,393	£795.0m	£7.51	£1.4m	£4,386	£793.6m	£2.7m	£796.4m
882	Southend-on-Sea	£4,601	£111.0m	£4,601	£111.0m	£7.51	£0.2m	£4,594	£110.8m	£0.0m	£110.8m
883	Thurrock	£4,432	£98.7m	£4,432	£98.7m	£7.51	£0.2m	£4,425	£98.5m	£5.7m	£104.2m
884	Herefordshire	£4,306	£90.9m	£4,443	£93.8m	£7.51	£0.2m	£4,436	£93.6m	£1.8m	£95.4m
885	Worcestershire	£4,231	£291.5m	£4,328	£298.2m	£7.51	£0.5m	£4,321	£297.7m	£0.0m	£297.7m
886	Kent	£4,367	£815.6m	£4,367	£815.6m	£7.51	£1.4m	£4,360	£814.2m	£27.4m	£841.6m
887	Medway	£4,352	£161.1m	£4,365	£161.6m	£7.51	£0.3m	£4,358	£161.4m	£0.0m	£161.4m
888	Lancashire	£4,486	£686.6m	£4,486	£686.6m	£7.51	£1.1m	£4,479	£685.4m	£1.4m	£686.8m
889	Blackburn with Darwen	£4,689	£105.6m	£4,689	£105.6m	£7.51	£0.2m	£4,681	£105.4m	£2.7m	£108.1m
890	Blackpool	£4,459	£80.2m	£4,538	£81.6m	£7.51	£0.1m	£4,531	£81.4m	£0.4m	£81.9m
891	Nottinghamshire	£4,351	£436.2m	£4,360	£437.1m	£7.51	£0.8m	£4,352	£436.3m	£0.0m	£436.3m
892	Nottingham	£5,309	£185.0m	£5,309	£185.0m	£7.51	£0.3m	£5,301	£184.7m	£6.4m	£191.1m
893	Shropshire	£4,113	£143.6m	£4,410	£154.0m	£7.51	£0.3m	£4,403	£153.7m	£0.3m	£154.0m
894	Telford and Wrekin	£4,367	£97.0m	£4,435	£98.5m	£7.51	£0.2m	£4,428	£98.3m	£4.7m	£103.0m
895	Cheshire East	£4,083	£187.0m	£4,209	£192.7m	£7.51	£0.3m	£4,201	£192.3m	£0.0m	£192.3m
896	Cheshire West and Chester	£4,129	£173.6m	£4,351	£183.0m	£7.51	£0.3m	£4,344	£182.7m	£0.5m	£183.2m
908	Cornwall	£4,397	£285.0m	£4,472	£289.9m	£7.51	£0.5m	£4,464	£289.4m	£0.7m	£290.1m
909	Cumbria	£4,449	£269.2m	£4,577	£276.9m	£7.51	£0.5m	£4,569	£276.5m	£0.0m	£276.5m
916	Gloucestershire	£4,203	£316.0m	£4,365	£328.2m	£7.51	£0.6m	£4,358	£327.7m	£0.4m	£328.1m
919	Hertfordshire	£4,320	£670.3m	£4,392	£681.5m	£7.51	£1.2m	£4,384	£680.3m	£4.5m	£684.8m
921	Isle of Wight	£4,489	£69.6m	£4,531	£70.3m	£7.51	£0.1m	£4,523	£70.2m	£0.0m	£70.2m
925	Lincolnshire	£4,329	£392.0m	£4,379	£396.6m	£7.51	£0.7m	£4,372	£395.9m	£0.3m	£396.1m
926	Norfolk	£4,334	£432.9m	£4,514	£450.9m	£7.51	£0.8m	£4,507	£450.1m	£0.7m	£450.8m
928	Northamptonshire	£4,189	£395.2m	£4,293	£405.1m	£7.51	£0.7m	£4,286	£404.4m	£14.0m	£418.4m
929	Northumberland	£4,244	£166.2m	£4,551	£178.3m	£7.51	£0.3m	£4,544	£178.0m	£0.3m	£178.3m
931	Oxfordshire	£4,274	£333.1m	£4,320	£336.6m	£7.51	£0.6m	£4,312	£336.0m	£6.0m	£342.0m
933	Somerset	£4,278	£273.2m	£4,351	£277.9m	£7					



Education
Funding
Agency

Schools revenue funding 2015 to 2016

Operational guide

Version 1: July 2014

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Introduction

1. This operational guide has been produced by the Education Funding Agency (EFA) to help local authorities and their schools forums to plan the local implementation of the reformed funding system for the 2015-16 financial year. It builds on the reforms which began in 2013-14 and consolidates previous guidance. This information will help local authorities to begin modelling prior to consultation with schools.
2. The department will consult shortly on the revised finance regulations which will give effect to decisions set out in the announcement for 2015-16.
3. In determining how much to allocate through the formula, authorities will need to make strategic decisions on how funding is distributed between the schools, high needs and early years blocks, taking into account demographic and other pressures. The basis for allocations will be:
 - The schools block per pupil unit of funding in 2015-16 will, for the majority of local authorities, be at least the same value as in 2014-15 and many local authorities will benefit from an uplift as a result of minimum funding levels (MFLs). There will, however, be some minor adjustments to reflect the changes in respect of the carbon reduction commitment.
 - The early years block per pupil unit of funding in 2015-16 will be confirmed shortly. Funding for 2 year olds will be based on participation.
 - We know that there is a wide variation between different areas in how much they spend on high needs pupils, but we do not yet have reliable information on the degree to which that variation in spending reflects genuine variation in need. As a result, we intend only small scale changes for 2015-16.
4. We will allocate an additional £390m to the least fairly funded local authorities, by calculating the level of schools block funding needed to provide the minimum funding level for a range of formula factors. **There is no expectation that local authorities should implement these minimum funding levels in their formula**, which is a matter for local decision. We do, however, expect authorities to pass on the extra funding to schools. Schools and academies will receive MFL uplift at the start of their funding year i.e. September 2015 for academies and April 2015 for maintained schools, in line with recent policy on changes to schools' budgets.
5. Authorities will continue to have flexibility to move funding between the blocks, provided that they comply with requirements on the minimum funding guarantee (MFG) and have the agreement of schools forum or the Secretary of State on any increase in centrally held budgets where such approval is required under the regulations.

Reviewing and consulting on the pre-16 funding formula

6. A local authority must engage in open and transparent consultation with all maintained schools and academies in the area, as well as with its [schools forum](#) about any proposed changes to the local funding formula including the method, principles and rules adopted.
7. Any consultation should include a demonstration of the effect of modelling such changes on individual maintained schools and academies. Authorities should, therefore, ensure that they communicate proposed formula changes to all bodies affected by the changes. It is the responsibility of the local authority to take the final decisions on the formula and each authority's process must ensure that there is sufficient time to gain political approval before the due deadlines.

Delegated funding

Funding factors

8. The allowable factors, together with a description of each, are shown below:

Factor	Further information – 2014-15 position	Changes for 2015-16
1. Basic entitlement A compulsory funding factor that assigns funding to individual pupils, with the number of pupils for each school or academy based on the October pupil census.	Funding allocated according to an age-weighted pupil unit (AWPU). A single rate for primary age pupils, which must be at least £2,000. There may be different rates for key stage 3 and key stage 4, with a minimum of £3,000 for each. Local authorities may choose to increase the pupil number count where schools had previously had higher reception pupil numbers in January than in the October census.	None
2. Deprivation A compulsory factor	Local authorities may choose to use free school meals and/or the Income Deprivation Affecting Children Index (IDACI). Free meals can be measured either at the previous October census or “ever 6” – the number of pupils entitled to free meals at any time in the last 6 years – but not both. The IDACI measure uses 6 bands and different values can be used for each band. There may be separate unit values for primary and secondary.	None
3. Prior attainment An optional factor (although it is used by nearly all local authorities). It acts as a proxy indicator for low level, high incidence special educational needs	May be applied for primary pupils identified as not achieving the expected level of development within the early years foundation stage profile (EYFSP) and for secondary pupils not reaching L4 at KS2 in either English or maths. The EYFSP changed in 2013, so a weighting may be used to ensure that funding delivered through the primary prior attainment factor is not disproportionately affected by the year groups (years 1 and	None

Factor	Further information – 2014-15 position	Changes for 2015-16
	<p>2) assessed under the new framework. For pupils assessed using the old profile (years 3 to 6), local authorities will continue to be able to choose between two EYFSP scores, targeting funding to either all pupils who achieved fewer than 78 points; or all pupils who achieved fewer than 73 points on the EYFSP.</p> <p>In 2012 the KS2 English assessment methodology was changed and now includes a reading test, a new grammar, punctuation and spelling test and teacher assessed writing.</p> <p>For those assessed at KS2 up to 2011, the English element of the KS2 measure will identify those pupils who fail to achieve a level 4 in English.</p> <p>For pupils assessed at KS2 from 2012 onwards and who have been part of these new arrangements, the English element of the KS2 measure will identify those who do not achieve a level 4 in either the reading or teacher assessed writing elements</p>	
4. Looked-after children An optional factor	<p>A single unit value may be applied for any child who has been looked after for one day or more as recorded on the local authority SSDA903 return at 31 March 2014.</p> <p>This data is mapped to schools using the January school census, enabling identification of the number of looked-after children in each school/academy.</p>	None
5. English as an additional language (EAL)	EAL pupils may attract funding for up to 3 years after they enter the statutory school system. Local authorities can choose to	None

Factor	Further information – 2014-15 position	Changes for 2015-16
An optional factor	use indicators based on one, two or three years and there can be separate unit values for primary and secondary.	
6. Pupil mobility An optional factor	This measure counts pupils who entered a school during the last three academic years, but did not start in August or September (or January for reception pupils). There is a 10% threshold and funding is allocated based on the proportion above the threshold – so if a school has 12% mobility, then 2% of pupils would attract funding.	None
Proportion allocated through pupil-led factors	Local authorities must allocate at least 80% of the delegated schools block funding through pupil-led factors (the factors in lines 1-6 above, and London fringe uplift where relevant).	None
7. Sparsity An optional factor	Pupils are allocated to their nearest school. For each school, the average distance as the crow flies to those pupils' second nearest school is calculated. Schools can only qualify for sparsity funding if this distance is greater than 2 miles for primary, middle or all-through and 3 miles for secondary, and if they have fewer than 150 pupils for primary or 600 pupils for secondary, middle or all-through. Local authorities can narrow the criteria (set a greater distance or smaller maximum size). The maximum amount which can be allocated to an individual school through this factor is £100,000 (including fringe uplift). Local authorities can choose whether to use a single amount for all sparse schools,	For 2015-16, the average size of year groups within the school will determine eligibility. Schools will only qualify if total pupils divided by the number of year groups are below the threshold for the phase, which are: <ul style="list-style-type: none">• Primary: 21.4• Secondary: 120• Middle: 69.2

Factor	Further information – 2014-15 position	Changes for 2015-16
	<p>or to use a tapered amount which increases the smaller the school.</p> <p>See paragraphs 10-17 for further information.</p>	<ul style="list-style-type: none"> All-through: 62.5. <p>Different sparsity amounts (up to the £100,000 maximum) can be specified for primary, middle, all-through and secondary schools.</p> <p>In exceptional circumstances, local authorities can apply to SoS to target up to an additional £50,000 of sparsity funding at very small secondary schools where the total number on roll is 350 or less, where the sparsity distance is 5 miles or more, and where pupils in years 10 and 11 are present.</p>
8. Lump sum An optional factor (although in 2014-15 it was used by all local authorities)	Local authorities can set different lump sums for primary and secondary (middle schools receive a weighted average based on the number of year groups in each phase). The maximum lump sum is £175,000, including London fringe uplift.	Local authorities may apply for an exceptional factor to pay a further allowance to amalgamating schools in the

Factor	Further information – 2014-15 position	Changes for 2015-16
	<p>Where schools amalgamate, they will retain 85% of the total lump sums in the year after the amalgamation (or in the same year if they amalgamate on 1 April) instead of receiving just a single lump sum immediately. Local authorities may apply to vary the additional payment in exceptional circumstances.</p> <p>Where schools amalgamate after 1 April, the new school will receive funding equivalent to the formula funding of the closing schools added together for the appropriate proportion of the year and will receive the 85% allocation in the following year.</p> <p>See paragraphs 18-20 for more information.</p>	<p>second year after amalgamation. Local authorities may also wish to apply to exclude the exceptional factor payment from the MFG baseline.</p>
9. Split sites An optional factor	The purpose of this factor is to support schools which have unavoidable extra costs because the school buildings are on separate sites. Allocations must be based on objective criteria, both for the definition of a split site and for how much is paid (see Annex 1).	None
10. Rates An optional factor (although in 2014-15 it was used by all local authorities)	<p>These must be funded at the authority's estimate of the actual cost. Adjustments to rates may be made outside of the funding formula; however they must be reflected as being part of the Individual Schools Budget (ISB).</p> <p>An additional allocation could be made to a school (e.g. from balances brought forward). This should be reflected in the Section 251 outturn statement and in each school's accounts. The effect on the school will be zero since the rates adjustment will be offset by a change in</p>	None

Factor	Further information – 2014-15 position	Changes for 2015-16
	the cost of the rates. See paragraph 47 for further information.	
11. Private Finance Initiative (PFI) contracts An optional factor	The purpose of this factor is to support schools which have unavoidable extra premises costs because they are a PFI school and/or to cover situations where the PFI “affordability gap” is delegated and paid back to the local authority. Allocations must be based on objective criteria, capable of being replicated for any academies in the authority area (see Annex 2).	None
12. London fringe An optional factor, but only for the five local authorities to which it applies (Buckinghamshire, Essex, Hertfordshire, Kent and West Sussex)	The purpose of this factor is to support schools which have to pay higher teacher salaries because they are in the London fringe area, and where only part of the authority is in this area. It is applied as a multiplier to relevant factors.	None
13. Post-16 An optional factor, but can only be used where the local authority had such a factor in 2014-15	A per-pupil value which continues funding for post-16 pupils up to the per pupil level that the authority provided in 2014-15.	None
14. Exceptional premises factors Local authorities can apply to EFA to use exceptional factors relating to premises. The most frequently approved factors are	The exceptional factors must relate to premises costs and applications should only be submitted where the value of the factor is more than 1% of a school’s budget and applies to fewer than 5% of the schools in the authority’s area. Any factors which were used in 2014-15 can automatically be used in 2015-16	A further school or schools may receive the factor if it meets the existing approved criteria, provided the additional factor still applies to fewer than 5%

Factor	Further information – 2014-15 position	Changes for 2015-16
for rents and for joint-use sports facilities.	provided that the above criteria are still met.	of schools in the area.

Table 1: Schools funding factors

9. The Department for Education will provide updated datasets, which should be used when setting local authority formulae. This will ensure that maintained schools and academies are funded on the same basis. A technical specification will be provided to support the datasets, although in the main part, the specification for 2014-15 will be updated with the most recent data. The current version is available at [2014 to 2015 Schools Block Dataset](#).

Sparsity

10. Sparsity funding may be targeted at schools that have been identified by the sparsity factor as being eligible. Schools that are eligible for sparsity funding must meet two criteria: first, they are located in areas where pupils would have to travel a significant distance to an alternative should the school close, and second, they are small schools.

11. For the pupils for whom the school is their closest, the factor measures the distance (as the crow flies) to their second nearest school and the mean distance for all pupils is then calculated. Selective schools and schools in Wales or Scotland are discounted when identifying the second nearest school. Since the pupil population changes each year, it is possible for a school to be eligible for sparsity funding in one year but not in the next.

12. A school may attract sparsity funding if it is:

- primary and has on average fewer than 21.4 pupils per year group and an average distance greater than or equal to 2 miles
- secondary and has on average fewer than 120 pupils per year group and an average distance greater than or equal to 3 miles
- middle and has on average fewer than 69.2 pupils per year group and an average distance greater than or equal to 2 miles
- all-through and has on average fewer than 62.5 pupils per year group and an average distance greater than or equal to 2 miles

Pupil numbers include Years R to 11 only i.e. excluding nursery and 6th Form pupils.

13. The maximum value for the sparsity factor is £100,000 which can be applied as a taper or as a lump sum. If a taper methodology is used, a school will attract sparsity funding in inverse proportion to its average year group size, i.e. a primary school with an average year group size of 21.4 pupils will not attract any sparsity funding. Different

values and methodologies can be used for the primary, middle, all-through and secondary phases.

14. Examples are provided below showing whether a school would receive sparsity funding and how much funding it would receive. These examples assume that the year group size and distance thresholds are as set out by EFA, although local authorities can decrease the size and increase the distance thresholds if they wish:

- School A is an infant school with 120 pupils and a sparsity distance of 2.5 miles. The school provides for 3 year groups. The average year group size is $(120 / 3)$ 40, which is too high to meet the sparsity size criterion. School A is not eligible for sparsity funding
- School B is a primary school with 120 pupils and a sparsity distance of 2.2 miles. The school provides for 7 year groups. The average year group size is $(120 / 7)$ 17.14, which meets the sparsity size criterion and the distance is greater than the primary distance threshold. School B is eligible for sparsity funding. If the sparsity value is £100,000, applied on a taper methodology, the school will receive £20,000 i.e. $((21.4 - 17.14) / 21.4) \times 100,000$ (allowing for roundings).

15. For 2015-16, we will allow local authorities to make an application to the EFA to include an exceptional factor of up to £50,000 for very small sparse secondary schools, which would otherwise be unable to attract sufficient funding to remain viable. Local authorities will only be able to apply for an exceptional factor where schools have:

- pupils in years 10 and 11;
- 350 pupils or fewer; and
- a sparsity distance of 5 miles or more.

16. The sparsity distance for each school has been calculated as crow flies distances. Local authorities are able to make exceptional applications for schools not meeting the distance criterion where have significantly higher distances if road distances had been used instead of crow flies distances. **Where approval to use road distance for individual schools has already been given for 2014-15 that approval can carry forward to 2015-16, provided that the latest pupil data has not changed significantly.**

17. Sparsity distances will be produced for all schools in the schools block dataset and these distances will be made available to each authority. If a school opens after the sparsity distances have been calculated then the authority can make an exceptional application for the school. The process is the same for schools that are affected by neighbouring schools closing. We will not reproduce the calculations in-year, as for individual schools it should be possible to make a reasonable estimate for one year. We do not expect that an existing school, qualifying for sparsity funding, would lose that funding in year if a new school opened nearby. Exceptional applications should be agreed with the relevant schools forum, and submitted to the EFA for consideration.

Lump sum

18. The maximum permitted value for either phase is £175,000 (including fringe uplift) and the lump sum may be different for primary and secondary schools. All-through schools will receive the secondary lump sum value and middle schools will receive an average lump sum value based on the number of primary and secondary year groups in the school. A worked example is shown below:

The primary lump sum is:	£100,000
The secondary lump sum is:	£120,000
The middle school lump sum is:	
3 year groups (Y4-Y6) at primary rate ($3/5 \times £100,000$)	£60,000
2 year groups (Y7-Y8) at secondary rate ($2/5 \times £120,000$)	£48,000
Lump sum for middle school is:	£108,000

Table 2: Middle school has Year Groups 4 to 8.

19. Where schools have amalgamated during the financial year 2014-15, or on 1 April 2015, they will retain the equivalent of 85% of two lump sums for the financial year 2015 - 16. i.e. assuming a lump sum of £100,000, the additional payment would be £70,000 $((100,000 \times 2) \times 85\% - 100,000)$. Local authorities can apply to the EFA to reduce this in exceptional circumstances.

20. Local authorities may apply to provide a second year of protection. Applications must specify the level of protection sought and will be considered on a case by case basis.

Other funding allocations

21. In addition to the mainstream Schools Budget Share (or General Annual Grant for academies), schools and academies may receive other types of funding. The most common sources of additional funding are shown below:

Factor	Further information	Changes for 2015-16
Early years funding This applies to schools or academies with a nursery class	This is paid directly by local authorities to all early years providers, including academies and maintained schools, through the early years single funding formula (EYSFF). Most funding is calculated by multiplying a base rate by the number of hours of provision counted on a termly basis or during the year.	No changes to the formula, although DSG funding to local authorities for 2 year olds will be based on participation instead of

Factor	Further information	Changes for 2015-16
	For 3 and 4 year olds, there is a mandatory supplement for deprivation and there can be other supplements, such as for quality. Whereas the 5-16 formula uses lagged pupil numbers, early years funding is based on actual hours during the current year.	demographic information.
Post-16 mainstream funding	Calculated by the EFA according to a national formula	None
High needs place funding This applies to mainstream schools or academies with a designated special unit or resourced provision.	<p>£10,000 place funding is provided for each agreed pre-16 high needs place. This is paid directly to academies by the EFA, and forms part of the budget share for maintained schools. Post-16 high needs places – in special units, resourced provision or sixth forms – are funded through the national post-16 formula.</p> <p>Funding for academies is paid directly by the EFA. Where place funding is payable to maintained mainstream schools for Post-16 pupils, it forms part of the sixth form grant that the local authority pays to its school sixth forms on behalf of the EFA.</p>	None
High-needs top-up funding	<p>For pre-16 pupils, this is paid directly by the commissioning local authority for high needs pupils where the total cost exceeds the following thresholds. In the case of special units, the cost threshold is £10,000 and includes the costs of all pupils' basic educational entitlement, which is funded through the place funding; if the pupil is not in a unit, the cost threshold is £6,000, which only covers the costs of additional SEN support.</p> <p>Schools are expected to meet any cost of support below these thresholds from their budget allocations. For post-16 pupils, the</p>	None

Factor	Further information	Changes for 2015-16
	top-up funding is paid in addition to the amounts paid to providers through the national post-16 formula. For more information, please refer to the high needs matrix at Annex 7.	
Pupil premium	<p>A premium is payable for each pupil who has been eligible for free meals at any time in the last 6 years, or is looked after / adopted from care after 2005, or who has been a service child in the last four years (including children whose parents had died in service and who are in receipt of pensions under the Armed Forces Compensation Scheme (AFCS) and the War Pensions Scheme (WPS)).</p> <p>Allocation is based on the spring census preceding the financial year.</p> <p>Rates for 2014-15 are:</p> <ul style="list-style-type: none"> • £1,300 Primary age pupils • £ 935 Secondary age pupils • £1,900 Looked-after children / adopted from care • £ 300 Service children 	<p>Rates for 2015-16 will be confirmed in due course.</p> <p>An early years pupil premium will be introduced for 3 and 4 year olds.</p>
Education services grant (academies only)	<p>This funding is provided to academies for services previously provided by their local authority – for example, school improvement and asset management. The 2014-15 rate is £140 per pupil, although some protections apply where academies have received a higher level of funding through the former LA Block LACSEG calculations.</p> <p>Local authorities also receive ESG for their maintained school pupils at £113 for each pupil in 2014-15.</p>	<p>Rates for 2015-16 will be confirmed in due course.</p>
Universal infant free school meals grant	This funding is available from September 2014 to provide all infant-age pupils with	Rates for 2015-16 will be

Factor	Further information	Changes for 2015-16
	a free school meal .	confirmed in due course.

Table 3: Other funding allocations

Primary/secondary ratio

22. We are not currently proposing to prescribe constraints on the primary/secondary ratio, but we have not ruled this out for future years. The overall ratio nationally across all local authorities is 1: 1.27 and authorities should be aware of where they are within the range. The Authority Proforma Tool (APT – the spreadsheet provided to authorities by the EFA, which is used to help with modelling and for submitting formula information to EFA) will calculate the ratio, apportioning middle school budgets between the phases based on pupil numbers. Authorities can confirm where they stand in relation to others by reviewing the published [Schools block funding formulae 2014 to 2015 data](#). We will publish the 2015-16 data when it is available to allow further benchmarking.

Variations to pupil numbers

23. We expect authorities to request approval to vary the pupil numbers used for calculating funding for specific schools where:

- there has been, or is going to be, a reorganisation
- a school has changed, or is going to change, its age range either by adding or losing year groups

The local authority will need to explain the rationale for the estimates used e.g. a weighted average of pupil numbers (5/12ths / 7/12ths), taking into account the changes in pupil numbers from the new academic year.

24. Where a new school (other than a free school) is opening, we are intending that authorities should estimate the pupil numbers expected to join the school in September and fund accordingly, again explaining the rationale underpinning the estimates. We intend to consult on allowing this through the regulations rather than requiring applications to the Secretary of State.

25. We also intend that local authorities should estimate pupil numbers for all schools and academies, including free schools, where they have opened in the previous seven years and are still adding year groups. Estimates should be adjusted each year to take account of the actual pupil numbers in the previous funding period.

26. Whilst the growth fund is a suitable route for short-term increases in pupil numbers and bulge classes, local authorities should request to vary pupil numbers in situations

where the scale of change in numbers is sufficiently great that it should be applied to all factors in the formula.

27. EFA will fund free schools without recoupment for their first year of opening. Once census data for the first year of a free school is available, however, local authorities are expected to estimate pupil numbers for the next financial year. Estimates may be adjusted each year to take account of the actual pupil numbers entering the newest year group in the previous funding period.

28. If pupil numbers are not adjusted to reflect actual intake, we reserve the right to adjust amounts recouped to enable us to properly fund academies and free schools affected by this. For more information about when to request a variation and when to use the growth fund, see Annex 6.

Requesting exceptional premises factors

29. Local authorities may request the inclusion of additional factors in their formula for exceptional circumstances. Additional factors may be approved in cases where the nature of the school premises gives rise to a significant additional cost greater than 1% of the school's total budget, and where such costs affect fewer than 5% of the schools (including academies) in the authority.

30. Where local authorities have already received approval for exceptional premises factors for 2013-14 and / or 2014-15, they may continue to use the approved factors providing the criteria are still being met. Where an exceptional factor has already been approved for particular schools, it is permissible for a further school or schools to receive the factor where a change in circumstances meets the existing approval criteria, providing that the cost to the additional school exceeds 1% of its budget share (as calculated through the APT) and that the factor still applies to fewer than 5% of schools in the authority.

31. Local authorities will need to apply to the EFA for any new exceptional premises factors to be used in 2015-16, setting out the rationale for the factor and demonstrating that the criteria are met. Any requests for exceptional factors must be received before the end of September 2014, although we would urge local authorities to apply as early as possible for any exceptions, to ensure sufficient time to clarify any queries. Exceptional factors previously approved include:

- rents
- joint use of leisure facilities by contractual agreement
- building schools for the future (BSF) schemes - additional contribution to lifecycle maintenance costs
- hire of PE facilities
- listed buildings

- school with a farm included as part of its educational provision
32. Each application is considered on its own merits and it should not be assumed that a future application will be successful simply because it falls into one of the categories shown above. Authorities are not obliged to request additional factors, but in considering whether to do so they should look at the circumstances of academies and free schools as well as maintained schools.

Modelling protections and limits to gains

33. The pre-16 minimum funding guarantee (MFG) for mainstream schools will continue to be set at minus 1.5% per pupil in 2015-16, continuing with the simplified calculation. We will only exclude factors from the MFG where not doing so would result in excessive protection or be inconsistent with other policies.

34. This MFG applies to pupils in age ranges 5-16 and therefore excludes funding for early years children and young people over 16. The following formula factors are automatically excluded from the MFG calculation:

- post-16 funding (sixth form factor)
- the 2015-16 lump sum
- any additional lump sum paid in 2014-15 for amalgamated schools (excluded from the baseline only)
- any additional lump sum to be paid in 2015-16 for amalgamating schools (excluded from the 2015-16 funding only)
- the 2015-16 sparsity factor
- rates

35. The majority of previously held central funding has already been delegated to schools in 2013-14; however if funding previously held centrally is to be newly delegated, then this will need to be excluded from the MFG baseline (a technical adjustment). This is to ensure that the MFG is calculated on a like-for-like basis, so that schools see the benefit of the additional funding. The adjustments do not need approval from the Secretary of State but will need to be shown and explained in the tables contained within the APT. Examples of technical adjustments include:

- any movement of funding between the Schools Block and the High Needs Block
- new delegation where money was previously held for centrally provided services,
- additional funding released to schools as historic commitments have dropped out e.g. any historical termination of employment costs or where pre-existing contracts funded from Capital Expenditure funded from Revenue (CERA) have expired

36. Additional funding delegated due to an increase in DSG (in respect of minimum funding levels) does **NOT** constitute new delegation and should **NOT** be excluded from the MFG calculation.

37. All other funding will be in the MFG baseline and there will be no other automatic adjustments.

38. The majority of approvals to disapply the MFG for 2014-15 were specific to that year and we do not expect these to be repeated. **There will be no ‘carry-forward’ of previous approvals** and authorities will need to submit any application to disapply the MFG for 2015-16 by the end of September 2014. There will be one further opportunity to submit **exceptional** requests only where the revised schools block dataset highlights anomalies which would otherwise lead to inappropriate protection. This final opportunity will close at the end of December 2014.

39. Exceptional requests to disapply the MFG will only be considered if there is a **significant** change in a school’s circumstances or pupil numbers. EFA will only consider applications where the inclusion of a factor in the MFG will lead to **significant** inappropriate levels of protection. Authorities should, therefore, provide detailed information on the financial effect of any request.

40. Examples of MFG disapplication requests which have been approved previously include:

- schools which previously qualified for a split site, PFI or exceptional factor, but are no longer eligible (or vice versa).
- where the normal operation of the MFG would produce perverse results for very small schools with falling or rising rolls.
- secondary schools which are admitting primary age pupils who would otherwise be over-protected at the secondary age-weighted pupil unit of funding.
- where over-protection would otherwise occur e.g. where additional funding has been distributed in the previous year and the authority can demonstrate that the funding is genuinely one-off.

41. The worked example below shows how the MFG will be calculated.

1	School’s budget share 2014-15 (inclusive of any MFG and capping)	£2,115,000
2	2014-15 post-16 funding (sixth form factor, where already being used)	£75,000
3	2014-15 rates	£90,000
4	2014-15 additional lump sum for amalgamating schools	£70,000
5	2015-16 lump sum	£100,000

6	2015-16 sparsity value (including any additional sparsity funding for very small secondary schools)	£30,000
7	Agreed MFG exclusions and technical adjustments	£0
8	2014-15 MFG baseline (1-2-3-4-5-6-7)	£1,750,000
9	Funded number on roll at October 2013 (excluding reception uplift where used)	500
10	MFG Baseline value per pupil (8 / 9)	£3,500
11	MFG protected value per pupil (10 x 98.5%)	£3,448
12	Formula funding 2015-16	£1,983,200
13	2015-16 Post-16 funding (sixth form factor, where already being used)	£72,000
14	2015-16 rates	£95,600
15	2015-16 lump sum (including any 2015-16 additional lump sum for amalgamating schools)	£100,000
16	2015-16 sparsity value (including any additional sparsity funding for very small secondary schools)	£30,000
17	Agreed MFG exclusions and technical adjustments	£0
18	2015-16 base funding (12-13-14-15-16- 17)	£1,685,600
19	Funded number on roll October 2014 (excluding reception uplift where used)	490
20	2015-16 Base funding per pupil (18 / 19)	£3,440
21	Guaranteed level of funding (11 x 19)	£1,689,275
22	MFG adjustment (21-18)	£3,675
23	Final 2015-16 SBS (12+22)	£1,986,875

Table 4: Worked example of how MFG will be calculated

For the avoidance of doubt, the MFG calculation for mainstream schools applies only to schools block funding. Funding from the early years block or from EFA for post-16 pupils are also excluded from the calculation, but have not been shown here since they do not form part of the schools block formula funding.

42. It is likely that some protection will still be required in some areas as a continuing result of the formula simplification, so we will again allow overall gains for individual schools to be capped as well as scaled back to ensure that the formula is affordable. Capping and scaling may only be applied to the extent that it offsets the cost of the MFG and it must be applied on the same basis to all schools. EFA will apply caps and scales to academy budgets on the same basis as for maintained schools. Authorities and their

schools forums will therefore need, as part of their formula modelling, to determine whether and how to limit gains.

43. Capping and scaling factors must not be applied to schools which have opened in the last 7 years and have not reached their full number of year groups.

44. We have made a commitment that the MFG will continue beyond 2015-16, but it is not yet possible to confirm at what level this will be, as this is subject to the outcomes of the spending review.

Redetermination of budget shares

45. It is not permissible to make an in-year redetermination of schools' budget shares for pupils aged 5-16, other than in the explicit circumstances allowed for within the school finance regulations, which relate to:

- sixth form funding
- early years funding
- reallocation of funding for excluded pupils
- rates

46. Any DSG underspend brought forward from the previous year may be used to support central expenditure (providing no limits are breached) in the schools block, or transferred to either the high needs or early years block. Alternatively, an underspend may be carried forward to the next funding period and allocated to schools via the funding formula.

47. Adjustments to rates may be made outside of the funding formula, although at the year-end those adjustments must be reflected as being part of the Individual Schools Budget (ISB) in the S251 outturn statement and in the school's accounts. The effect on the school will be zero since any change in reported funding will be offset by an equal and opposite change in the cost of the rates.

Centrally retained budgets

De-delegated services

48. Funding for de-delegated services must be allocated through the formula but can be de-delegated for maintained mainstream primary and secondary schools with Schools Forum approval. De-delegation is not an option for academies, special schools, nurseries or PRUs. Where de-delegation has been agreed for maintained primary and secondary schools, our presumption is that the local authority will offer the service on a buy-back basis to those schools and academies in their area which are not covered by the de-delegation. In the case of special schools and PRUs, the funding to buy such services will be included in any top-up payments.

49. Any decisions made to de-delegate in 2014-15 related to that year only, so new decisions will be required for any service to be de-delegated in 2015-16. Schools forum members for primary maintained schools and secondary maintained schools must decide separately for each phase whether the service should be provided centrally and the decision will apply to all maintained mainstream schools in that phase. Funding for these services will then be removed from the formula before school budgets are issued. There may be different decisions for each phase. The services which may be de-delegated are shown below:

- Contingencies (including schools in financial difficulties and deficits of closing schools);
- Behaviour support services;
- Support to underperforming ethnic groups and bilingual learners;
- Free school meals eligibility;
- Insurance;
- Museum and library services;
- Licences/subscriptions;
- Staff costs supply cover (e.g. long-term sickness, maternity, trade union and public duties).

50. For each service de-delegated, authorities will need to make a clear statement of how the funding is being taken out of the formula (for example – primary insurance £20 per pupil, secondary behaviour support services £30 per FSM pupil). There should be a clear statement of how contingencies and other resources will be allocated. Academies will continue to receive a share of funding for these services in their delegated budget.

51. Where de-delegation is agreed, middle schools will be treated according to their deemed phase and the unit value for de-delegation will follow that phase. If the primary sector agreed to de-delegate a service but the secondary sector did not, middle deemed

primary schools in the authority would have their formula allocation reduced for all of their pupils at the agreed primary school rate. Middle deemed secondary schools would not be subject to de-delegation.

52. Where a school converts to academy status before or on 1 April 2015, no de-delegation can take place. Where a school converts on or after 2 April 2015, up to and including 1 September 2015, the authority can retain any de-delegated funding until 1 September 2015. Where a school converts to academy status on or after 2 September 2015, up to and including 31 March 2016, the authority can retain any de-delegated funding for the remainder of the 2015-16 financial year. This will help services to plan their future operations. After the dates specified, the academy will receive the full formula allocation and this will be recouped from the local authority.

53. Where there has been agreement that a school is entitled to receive an allocation from a de-delegated contingency fund, that agreement should be honoured if the school converts to an academy at any point in the year. Where a school converts to an academy in the period 2 April to 1 September 2015, authorities will have an opportunity to present an evidence based case to the EFA to request a recoupment adjustment for the period 2 September 2015 to 31 March 2016.

54. Any unspent de-delegated funding remaining at the year-end should be reported to Schools Forum. Funding may be carried forward to the following funding period as with any other centrally retained budget, and can be used specifically for de-delegated services if the authority wishes.

Centrally retained services

55. Funding for some services can be centrally retained before allocating the formula, with the agreement of the schools forum. A number of these services are subject to a limitation of no new commitments or increases in expenditure from 2014-15 and schools forum approval is required each year to confirm the amounts on each line. The table below sets out which services can be retained centrally, and what approval is required. Authorities will need to seek approval from schools forums to retain central funding for these services.

Approval required	Services covered
Can be centrally retained before allocating formula with agreement of Schools Forum	<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 (see Annex 4)• Funding to enable all schools to meet the infant class size requirement• Funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years (see Annex 5)

	<ul style="list-style-type: none"> • Back-pay for equal pay claims • Remission of boarding fees at maintained schools and academies • Places in independent schools for non-SEN pupils
Can be centrally retained before allocating formula but no increases in expenditure from 2014-15 (schools forum approval is required to confirm the amounts on each line)	<ul style="list-style-type: none"> • Admissions • Servicing of schools forum
Can be centrally retained before allocating formula but no new commitments or increases in expenditure from 2014-15 (schools forum approval is required to confirm the amounts on each line)	<ul style="list-style-type: none"> • Capital expenditure funded from revenue (ie no new projects can be charged to the central schools budget) • Contribution to combined budgets • Existing termination of employment costs (i.e. no new redundancy costs can be charged to the central schools budget) • Schools budget funded prudential borrowing costs • Schools budget funded SEN transport costs

Table 5: Centrally retained services

56. When using funding held centrally within DSG, other than funding that has been de-delegated by maintained schools, the authority must treat maintained schools and academies on an equivalent basis.

57. A number of local authorities have requested a disapplication to use central early years funding to support capital expenditure from revenue account (CERA) in order to create new early years provision for disadvantaged two year olds. Each new request is considered individually, but such requests have generally been approved. We would strongly encourage any new provision to be available from 8am until 6pm five days a week, with the flexibility for parents to use their funded 15 hours across the whole 8am-6pm day, in, for example, three blocks of five hours across the week, or five blocks of three hours, or 2½ full days.

58. Any unspent growth or falling rolls funding remaining at the year-end should be reported to Schools Forum. Funding may be carried forward to the following funding period as with any other centrally retained budget, and can be used specifically for growth or falling rolls if the authority wishes.

59. The requirements of the falling rolls fund and the growth fund are that:

- the falling rolls fund should be restricted to population increases expected within 2-3 years in necessary schools which are classed by Ofsted as good or outstanding. It must not be used to prop up unpopular or failing schools.
- the growth fund can be used only for the purposes of supporting growth in pre-16 pupil numbers to meet basic need, to support additional classes needed to meet the infant class size regulation and to meet the costs of new schools. These will include the lead-in costs e.g. to fund the appointment of staff and the purchase of any goods or services necessary in order to admit pupils. It will also include post start-up costs and any diseconomy of scale costs. These pre and post start-up costs should be provided for academies where they are created to meet basic need. (EFA will continue to fund start-up and diseconomy costs for new free schools).
- both funds must be used on the same basis for the benefit of both maintained schools and academies. Where EFA funds academies based on estimates, it is unlikely that the academy will need to access the growth fund.
- any funds remaining at the end of the financial year must be added to the following year's DSG but may be earmarked for the same purpose.
- local authorities will be required to produce criteria on which any falling rolls fund or growth funding is to be allocated (see annexes 4 and 5). These should provide a transparent and consistent basis for the allocation of funding. Differences in allocation methodology are permitted between phases. The criteria should both set out the circumstances in which a payment could be made and provide a basis for calculating the sum to be paid. EFA will check the criteria for compliance with the regulations.
- local authorities should propose the criteria for both funds to the schools forum and gain its agreement before funding is allocated. The local authority will also need to consult the schools forum on the total sum to be top-sliced from each phase and should regularly update the schools forum on the use of the funding.

Schools forums

60. [The schools forums regulations 2012](#) introduced a number of changes regarding the size, independence, voting and publication arrangements for schools forums and the observation arrangements made by EFA have shown that the majority of schools forums are now compliant with the regulations. We are proposing some minor changes to the existing regulations, which will be consulted on shortly. The proposed changes are to:

- extend the membership of the forum to include a representative of AP academies and free schools
- extend the membership of the forum to include a representative of special academies and free schools
- extend the forum's consultation role to include the special places to be commissioned by the authority in different institutions, and the arrangements for paying top-up funding
- extend the forum's consultation role to include the AP places to be commissioned by the authority and by schools in PRUs and other providers of AP, and the arrangements for paying top-up funding.

61. We will continue to prioritise our observation role and share good practice through the operational guide.

Carbon reduction commitment

62. Following the Department for Energy and Climate Change's consultation in 2012, schools were removed from the main scheme in 2014-2015. A deduction was made from each local authority's DSG allocation, based on the budget cost as declared on the 2013-2014 Section 251 budget statement. Because schools are not covered by the scheme from 2014-2015, there will be no possibility of updating these figures. For 2015-16, a simple deduction of £7.51 per pupil will be made to DSG allocations. The overall deduction will be £51 million, the same as in 2014-2015. This is a baselining operation and we do not expect to make any further changes in subsequent years.

Non-recoupment academies and free schools

63. We are simplifying the funding system to ensure that all schools and academies will be funded on the same basis, so from 2015-16, funding for all schools will be included in local authorities' DSG settlements, including those which are currently non-recoupment academies or free schools (NRAs). The transfer of funding into the DSG is intended to be cost-neutral and we will include an uplift for local authorities which are receiving an increase to their schools block unit of funding as a result of the minimum funding levels. As with the main MFLs increase to the SBUF, we expect authorities to pass on the extra funding to schools. The [schools block technical note](#) provides further information on how the transfers will be calculated. Funding for former partial recoupment academies will be calculated in 2015-16 in the same way as former recoupment academies.

64. Local authorities will calculate funding for all academies and free schools through the APT in accordance with the local formula. It is not necessary to include the actual funding received by NRAs in 2014-15 in order to calculate any protection or capping due for 2015-16. Instead, the baseline should be left blank and the resulting funding calculation for recoupment purposes will be based on the pure formula allocation. This will not affect the actual funding due to the academy from EFA, which will take into account any previous levels of protection.

65. Any central DSG funding must be made available to all schools in the area on an equal basis, including former NRAs and free schools, e.g. funding for schools with significant growth in pupil numbers or for schools with falling rolls.

66. The exception to this principle is that where a NRA is funded by EFA on estimated pupil numbers, local authorities are not expected to provide growth funding.

67. Local authorities are not expected to fund the cost of free schools in the first year of opening as they will be funded directly by EFA and recoupment will not apply. EFA will also pay any start up and diseconomy costs until the free school has reached its full complement of year groups. After the first year, however, local authorities should vary the pupil numbers for the expected intake each year until the school has reached its full complement of year groups. Estimates can make provision for retrospective adjustments where actual numbers are different to the estimate. These calculations are just for recoupment purposes, as free schools are funded by the EFA based on a separate process of estimates.

High needs funding

This section sets out the high needs funding process for 2015-16. This information is intended primarily for local authorities, although it contains material that will be of use to all who have an interest in high needs funding. We are also planning to update the [16 to 24 high needs funding additional information document](#).

Special educational needs and disabilities (SEND) reforms and high needs funding

68. In line with the SEND reforms being introduced from September 2014, the high needs funding system is designed to support a continuum of provision for pupils and students with special educational needs (SEN), learning difficulties and disabilities, from their early years to age 25.

69. High needs funding is intended to support the most appropriate provision for each individual, taking account of parental and student choice, providing appropriate provision in a range of settings, and to avoid perverse incentives. It is also intended to support good quality alternative provision for pupils who cannot receive their education in schools.

70. Local authorities are responsible for implementing the SEND reforms, which will also see colleges (general FE colleges, sixth form colleges, approved specialist post-16 institutions¹ and 16-19 academies) taking on significant new legal duties. These include the duty to cooperate with the local authority on arrangements for children and young people with SEN (with a reciprocal duty on the local authority) and to admit a young person if the institution is named in an Education Health and Care (EHC) plan.

71. Collaboration between local authorities and institutions to agree a pupil's or student's support package and timely agreement of funding, placements and contracting will help lead to more efficient ways of working and better outcomes for young people and their parents and carers.

72. The funding system has two aspects: place funding (sometimes known as elements 1 and 2 for post-16 institutions, except special schools and special academies) and top-up funding (sometimes known as element 3 for post-16 institutions).

73. Place funding includes the funding which pupils and students at an institution attract for their core education and basic programmes and funding to meet additional

¹ Approved by the Secretary of State under s41 of the Children and Families Act 2014

support costs up to the specified threshold.² Place funding is to provide a base level of funding for the institution, and funded places should not be reserved for a specific pupil or student, or local authority.

74. Top-up funding is that which is required over and above place funding, to enable a pupil or student with high needs to participate in education and learning. The EFA makes an allocation to local authorities for high needs as part of the dedicated schools grant (DSG). This is not ring-fenced and local authorities decide how much to set aside in their high needs budget, which they then use to pay top-up funding to institutions.

75. Place funding reflects the number and distribution of places in the system and provides institutions with a guaranteed budget for the year that gives them a degree of financial stability (especially specialist institutions). It will not necessarily match the exact number of places that are taken up. Place funding is not withdrawn if an individual does not occupy the place.

76. A place is defined as:

- A place to be occupied by a 0-25 year old with high needs, i.e. one who will require additional top-up funding from a commissioning local authority (or from a school in the case of a pupil occupying an alternative provision place);
- Pre-16: a place applies only to special schools and special academies, pupil referral units (PRUs) and alternative provision academies, non-maintained special schools, and designated resourced provision and special units within mainstream schools and academies. Pre-16 pupils with high needs in mainstream schools and academies are eligible for top-up funding but do not occupy funded high needs places; and
- Post-16: a place applies to all kinds of institutions, including specialist institutions, general FE colleges and mainstream schools and academies.

77. As with 2014-15, where aspects of high needs provision are not arranged in the form of places – for example, specialist support for pupils with sensory impairments, or tuition for pupils not able to attend school for medical or other reasons – local authorities may fund this provision from their high needs budget as a separate arrangement. Where such services are delivered directly by or commissioned from schools or other institutions, the authority may devolve the funds to the institutions under appropriate service level agreements.

² The average funding per student varies at different institutions under the post-16 national funding formula. This is because the formula takes account of differences in the mix and balance of provision and differences in the socio-economic circumstances of a student. The national formula provides additional funding for vocational provision which requires specialist facilities and equipment and to support institutions serving communities with high levels of economic disadvantage and/or low levels of prior attainment at 16 in English and maths.

Summary of changes for 2015-16

78. Our aim for 2015-16 is consistency, consolidation and, where possible, simplification. It is not our intention at this stage to make significant changes to the overall high needs funding system. So, the EFA has adapted the 2014-15 process to respond to two key messages from local authorities and institutions:

- If possible, complete the process in time to allow the announcement of final high needs block allocations with the rest of the DSG settlement in December 2014; and
- As far as possible simplify the process – ideally by moving to a lagged data driven system, but more importantly by removing the burden of a full high needs place review.

79. The quality and timeliness of the data available from the school census and individualised learner record that colleges complete, in the autumn of 2014, will not allow us to make accurate allocations in time for the 2015-16 DSG settlement. So, the EFA will roll forward the published 2014/15 academic year place numbers as the basis for 2015-16 allocations. We know that institutions and local authorities put a great deal of effort into a full review of place numbers last year, so we expect this to be a reasonable basis for 2015-16 allocations.

80. However, we do recognise that there might be some exceptional cases where using 2014-15 published places as the basis for place funding in 2015-16 could fail to provide the place funding that institutions need. Further details on the exceptional cases process are provided below at paragraphs 83-84, and this document will be updated and re-issued by September 2014 to confirm the full details of the exceptions process.

81. Using 2014-15 place funding allocations as the basis for 2015-16 is a step towards a lagged funding system because we are using the latest data available to us, rather than commissioning a full review of places. However, we are not yet in a position to use in-year data recorded by institutions as the basis for place funding and we will continue to consider how best to move in this direction in future years. Moreover, even for future years, we have identified that there may need to be a trade-off between using the latest available in-year data and how that could be reflected in time for the high needs block allocations in December.

82. The Department also plans to increase the funding of alternative provision places from £8,000 to £10,000 per place per annum from September 2015, to give PRUs, academies, free schools and other institutions offering AP places more in their guaranteed budget for the year, and therefore more stability. Further details are provided below at paragraph 107.

Exceptional cases for amending the published place number

83. The EFA will consider exceptional cases where local authorities and institutions demonstrate that:

- The actual number of high needs pupils and students in 2014-15 are so much higher than the published places that the place funding for institutions is not enough; and
- There are a significant number of new places resulting from infrastructure changes (e.g. new schools or special units).

84. Full details of how to submit an exceptional case if needed will be announced by September 2014. The window for submitting cases will run from September to October 2014, which should allow the EFA to make an assessment in time to finalise the high needs allocations with the DSG settlement in December 2014.

Additional funding

85. When we knew that we were in a position to distribute additional funds for 2014-15, we decided – after meeting the additional demand for high needs places – to distribute the majority of additional funds to local authorities by applying a flat rate per capita of population, using the 2 to 19 year old age range. We expect there will be some additional high needs funding in 2015-16, and will use this methodology to distribute it, i.e. first allocating additional place funding for any agreed exceptional cases, and then distributing funds to local authorities using a flat rate per capita calculation. There will not be a separate post-16 calculation for distributing that element of funding in 2015-16.

Mainstream schools and academies

86. In considering their funding formula for mainstream schools and academies, and the appropriate level of delegation of SEN funding, local authorities must make sure that the budget shares of schools and academies have an appropriate amount that enables them to contribute to the costs of the whole school's additional SEN support arrangements, up to the mandatory cost threshold of £6,000 per pupil. This is a notional amount of funding, and should not be regarded by schools and academies as a substitute for their own budget planning and decisions about how much they need to spend on SEN support, or as a fixed budget sum for spending by schools. The overall percentage of formula allocations which were designated as notional SEN budget across all authorities was 10%. Further information on authorities' notional SEN budgets can be found in the published [Schools block funding formulae 2014 to 2015 data](#).

87. Local authorities will, nevertheless, need to take a view on the level of additional support costs that can be met from each school's notional SEN budget in order to make sure that schools have sufficient resources to meet those costs up to the £6,000

threshold, and to determine which schools might need additional funds from their high needs budget.

88. Where individual pupils require additional support that costs more than £6,000, the excess over £6,000 should be met by top-up funding associated with the individual pupil with high needs. Top-up funding rates are for local authorities to agree with the schools and academies making the provision, and can reflect both the needs of the individual and the cost of meeting those needs in the school or academy.

89. Local authorities should continue to provide additional funding outside the main funding formula for mainstream schools and academies on a consistent and fair basis where the number of their high needs pupils cannot be reflected adequately in their formula funding and they should define the circumstances in which additional funding will be provided from their high needs budget.

90. Similarly, additional funding can also be provided where there are a disproportionate number of pupils with a particular type of SEN. For example, a primary school may have developed a reputation for meeting the needs of high achieving pupils with autistic spectrum disorder, or pupils with physical disabilities, where it is not possible to target additional funding to the school through the prior attainment or other factors.

91. Based on local authorities' experience of distributing such additional funding to their schools and academies in 2014-15, local authorities should develop a formula or criteria, agreed with schools well in advance of the next financial year, and should include a description of this on the APT. For their formula or criteria, local authorities may consider the number of high needs pupils for whom the school received top-up funding in the previous academic year, and will wish to make sure that their approach does not create perverse incentives for schools to identify additional high needs or SEN pupils solely to generate additional funds for the school. In all cases the formula or criteria should be simple and transparent, and should be devised so that additional funds are targeted only to a minority of schools which have particular difficulties because of their disproportionate number of high needs or SEN pupils or their characteristics. Annex 3 includes some examples of the methodologies that some local authorities have set out in their APT for 2014-15, which may be a helpful starting point.

Special units, resourced provision and sixth forms in mainstream schools and academies

92. Special units and resourced provision are funded according to the number of places that have been agreed by the local authority designating the provision, taking into account the places likely to be used by other authorities. It is also possible, however, depending on the range of services they offer, for such provision to be funded as a centrally funded service commissioned by the local authority, normally under a service level agreement with the school or academy. Either way, this specialist provision is not funded through the main school funding formula: the place funding comes from the high needs funding block rather than the schools block.

93. Consequently, the number of pupils aged under 16, on which the pre-16 formula funding for the mainstream school is based, should exclude those pupils in the provision. This should be calculated by reference to the number of places in the provision which are used by pupils in the school (as opposed to pupils on the rolls of other schools) excluding places occupied by under 5s and pupils aged 16 to 19, although authorities can use a different basis if this is agreed by the EFA.

94. High needs places for post-16 students in such units will continue to attract basic programme funding through the sixth form grant according to the national formula that applies to all post-16 provision in secondary school sixth forms. In addition, such places – in special units as well as sixth forms - will continue to attract high needs funding of £6,000 through the sixth form grant. Local authorities should be aware that the national 16-19 formula includes prior attainment and deprivation factors that enable funding to be targeted to schools and academies so that they can meet the costs associated with lower level additional learning support in school sixth forms.

95. For pre- and post-16 pupils with high needs, whether they attend a special unit or resourced provision, or are more integrated into the mainstream setting, top-up funding is payable by the local authority responsible for placing the pupil in that school or academy.

Special schools and academies

96. We are not changing the value of the pre-16 funding per place for maintained and non-maintained special schools, and for special academies and free schools. This will remain at £10,000 per place per annum.

97. Although a level of protection is given to maintained special schools and special academies through the place funding, which is being held at 2014/15 levels and is guaranteed for a year whether or not the places are filled, we will be continuing to offer the additional protection that is being given in 2014-15.

98. Through a condition of grant attached to local authorities' DSG allocations, local authorities, in deciding on top-up funding rates for the pupils they will place in special schools maintained by the authority and special academies formerly maintained by the authority, must ensure that the rates for each school are set no lower than at such a rate or rates that, if all the pupils in the school or academy were placed by the authority, and the total number and type of places remained the same in the two financial years, the school or academy's budget would reduce by no more than 1.5% in cash between 2014-15 and 2015-16.

99. The way to do the calculation is to look at 2014-15 in this way:

- Number of places of different types
- Top-up funding for each type of place from the authority
- Assume all the places are full and add the base funding to the top-up funding

100. Then for 2015-16, keep the place numbers and types the same. Reduce the total budget by 1.5% to calculate the minimum top-up rates for 2015-16 and compare this to the budget calculated using the proposed 2015-16 rates. If the proposed top-up rates would result in a budget reduction greater than 1.5%, then the top-ups need to be adjusted until they at least meet the minimum level. Finally the revised top-up rates are applied to the new number and mix of pupils. So, the changes in numbers therefore come at the end of the calculation and can flow through as is the case with pupil number changes in the mainstream MFG calculation

101. Where there are changes to bandings, authorities should use the 2014-15 pupil numbers and types for each school, then apply the new bandings, and see whether any special school/academy loses more than 1.5%. If they do, then it would be necessary to adjust the bandings or apply for an exemption.

102. As in 2014-15, the protection calculation should ignore all the top-up funding rates that apply to pupils from other local authorities. The protection only applies to top-up funding from the maintaining local authority or, in the case of an academy, the authority that previously maintained it. The calculation assumes that all the pupils in the school or academy are placed by the authority. In many cases local authorities in a region will have agreed to use the maintaining authority's rates for cross border placements, and carrying on with such a collaborative approach will give added protection to their special schools and academies.

103. In calculating this protection local authorities should make sure that they are comparing like with like, and adjustments can be made for changes in the nature of the provision. For example, if 2014-15 top-up funding rates included an element – say, £1,000 – for residential accommodation that all pupils could use on an occasional basis, but that will be closed in 2015, the 2014-15 rates would be reduced by £1,000 before a further maximum reduction of 1.5% was applied in calculating the minimum rates for 2015-16.

104. It will continue to be possible for local authorities to apply for exemptions from this condition of grant. In applying for exemptions, local authorities will be expected to demonstrate that the relevant changes have the support of those schools and academies affected. Examples of such exemptions might be:

- where it is impracticable to compare the top-up funding rates in 2015-16 with those in 2014-15, despite the allowable adjustments referred to above, because of significant changes resulting from larger scale reorganisation of special school provision or the introduction of a different banding arrangement across all schools and academies in the authority
- where a group of local authorities is negotiating a set of common top-up funding tariffs.

105. Some special schools and academies have asked about extending their provision for young people aged 19 to 25, in the light of the new arrangements for Education,

Health and Care plans, and how that would be funded. In the 2014-15 allocations process, the EFA did not allocate any funding for high needs places for this age group at schools and academies. We will say more about the position on 19-25 year olds in special schools and academies – and any resulting funding arrangements for 2015-16 - when we update this operational information in September.

Independent schools

106. We are planning to bring some independent special schools and special post-16 institutions within the high needs funding system of place and top-up funding. Those on a new list of approved institutions, established under section 41 of the Children and Families Act 2014, will be in scope. We will say more about this as soon as we can.

Pupil referral units (PRUs) and alternative provision (AP) academies

107. When we introduced the new high needs funding arrangements in 2013 we said that we would keep the level of funding for AP places under review. Two years on we have reflected on whether the current level of place funding provides the right balance between stability for institutions offering AP places and flexibility for commissioners to identify the right provision for an individual pupil. Subject to consultation on the draft regulations that specify the amount per place for PRUs, we intend to increase the funding of AP places, from £8,000 to £10,000 per place per annum, from September 2015. This new funding level should be applied to all AP places, and must include those which schools can commission directly as well as those that the local authority can commission.

108. This funding is, of course, base funding only and PRUs and AP academies are likely to receive top-up funding for specific pupils, and may receive additional funding for commissioned services. However, if the increase in place funding is confirmed in the final regulations, we will expect to see reductions in the top-up funding (with that funding transferring to the EFA in cases where it directly funds institutions), so that this adjustment is cost-neutral overall.

109. Shifting the balance of place and top-up funding in favour of the former will give PRUs, and academies and free schools offering AP places, more in their guaranteed budget for the year.

110. As in 2014-15, local authorities will continue to have flexibility to fund AP in a variety of ways, depending on how it is organised locally. PRUs and AP academies and free schools plan their budgets taking account of all the income they are due to receive: not only the place funding and top-up funding, but also – if they deliver services, commissioned and paid for by authorities and schools – from other income. It is important that local authorities provide information locally so that the commissioning and funding arrangements are clear to all institutions involved, including the level and source of funding of the following types:

- The place funding of £10,000 per place should form the delegated budget share for maintained PRUs. Local authorities are legally required to delegate a budget share for maintained PRUs. AP academies and free schools receive their place funding from the EFA according to the agreed number of places. The places funded should include those commissioned by schools, and we plan to change the regulations to make this clearer;
- The top-up funding follows the principles which apply to all top-up funding and can be paid by the local authority or school that commissions the place for an individual pupil. If the school commissions the place, they pay the top-up funding either from funds delegated to them through their local funding formula, or from funds devolved to them from the authority's high needs budget. These funding arrangements should work alongside the finance regulations (regulation 23 of the current School and Early Years Finance (England) Regulations 2013) that provide for adjustments to maintained school budget shares to take account of pupils permanently excluded, or otherwise leaving the school, where the local authority makes and funds the required AP. Most academies have clauses in their funding agreements which require them to take part in the same transfer of funding for excluded pupils as for maintained schools, if the authority requests them to do so;
- Funding for other AP services commissioned and funded by local authorities – for example, support for pupils with behavioural issues in schools, or home tuition services – or by schools directly.

111. Local authorities should clarify for all maintained PRUs and AP academies formerly maintained by them, how they expect the funding routes to work and how much funding they expect will flow to the institutions, and should assist with their PRUs' budget planning as appropriate.

112. No changes will be made to local authorities' high needs allocations on account of local changes to AP, except in the case of hospital education where there will be an opportunity to identify changes in provision, and where free schools offer AP (see paragraph 113). There is a wide range of locally determined approaches to the use of AP. Changes to the scale and nature of AP should be met by local authorities, schools and academies within their existing funding envelope.

Free schools

113. AP places in free schools will be funded from a central departmental budget for the first and second year the free school is open. From the third year the cost of the place funding will be met by deductions from the relevant local authorities' DSG, so that the AP they offer is fully integrated into local planning and funding arrangements. In exceptional circumstances the EFA will review the application of this rule.

Post schools provision (FE institutions, commercial and charitable providers and specialist post-16 institutions)

114. There will be no changes to the way place funding works for post schools institutions in the 2015/16 academic year. We will continue to exclude post schools place funding from the calculation of local authority budgets as we did in 2014-15. This will again mean that no deductions will be made from local authority budgets to account for post schools places, and these places will continue to be funded directly in post schools institutions by the EFA.

Hospital education

115. Hospital education is defined in the current regulations as “education provided at a community special school or foundation special school established in a hospital, or under any arrangements made by the local authority under section 19 of the 1996 Act [i.e. the Education Act 1996] (exceptional provision of education), where the child is being provided with such education by reason of a decision made by a medical practitioner”. We do not intend to change this definition in 2015-16.

116. In 2014-15 hospital education is being funded either on an amount per place, or as a centrally funded local authority service. An example of the latter is where the authority employs teachers directly to offer home tuition to pupils who are confined to their home because a medical practitioner has decided that is where they should be, rather than their mainstream school, for medical reasons. Some local authorities commission such services through hospital schools or PRUs. In all cases local authorities should clarify from the outset how hospital education is provided and funded locally.

117. Hospital education places can be found in maintained special schools (usually a particular type of special school known as a hospital school), maintained PRUs (sometimes known as medical PRUs), special and AP academies and free schools. Often these institutions will have a combination of hospital education places and other high needs (AP and SEN) places. The requirement in the current regulations is for hospital education places in maintained schools and PRUs to be funded in 2014-15 at the same level per place as in 2013-14, which is effectively the same level per place as the institutions received in 2012-13 before the new high needs funding arrangements started. We intend to carry forward this requirement into the regulations that apply in 2015-16.

118. Local authorities’ duties may require them to commission hospital education from independent providers. In these circumstances local authorities would be expected to pay the costs of this education from their high needs budgets. Local authorities may not be legally required to commission a particular education provider in order to discharge their duties, though decisions about education provision should not unnecessarily disrupt a child or young person’s education or treatment.

119. Hospital education places for students aged 16-19 will be funded in the same way as pre-16 places. Medium secure adolescent psychiatric forensic units, which cater

mainly for young people aged 16 and over, are being funded in 2014-15 on the same hospital education funding methodology of an amount per place that is equal to their funding in 2013-14, and this approach will be carried forward to 2015-16 as well. Such education provision exists in maintained schools and academies, where the funding will come from the local authority and EFA respectively, and also in units operated by charitable organisations and mental health trusts funded directly by the EFA.

120. Local authorities' and institutions' high needs allocations will not be adjusted for any changes in respect of hospital education places or expenditure, including any corrections as a result of mistakes in the reporting of information in previous years, unless there is clear evidence of a change in hospital education activity where institutions have funded places, or local authorities fund discrete services, that are for children and young people living outside as well as inside the local authority area. More information about this exceptions process will be published by September 2014.

Under-5s provision

121. As in 2014-15, we are not implementing the high needs funding system in 2015-16 for those institutions that cater solely for children aged under 5, such as nursery schools. It is for each local authority to decide how high needs places and children in these institutions are funded, from their early years and high needs budgets.

Top-up funding

122. The top-up funding will continue to be administered by local authorities in 2015 -16 from their high needs budgets, in line with their commissioning of places for children and young people with high needs for whom they have responsibility.

123. Top-up funding rates should mainly reflect the additional support costs in excess of £6,000 relating to individual pupils and students. They can also reflect costs that relate to the facilities provided (e.g. residential accommodation or a hydrotherapy pool in a special school) either to individuals or on offer to all, and can take into account expected occupancy levels and other factors. Accordingly, some local authorities set top-up funding rates that are specific to each institution. Others have opted for a more uniform approach so that funding for particular types of need is the same, or within bands. And others combine these two approaches.

124. We do not intend to be more prescriptive about the approach to be taken in 2015-16.

125. It is clearly sensible, however, for local authorities to understand what approach their neighbouring local authorities are taking and to collaborate on common funding methodologies.

126. There are some constraints on the top-up funding rates that can be adopted. They have to comply with the protection arrangements for special schools and academies

outlined in paragraphs 97-104. Where there is additional delegation of funds to mainstream schools and academies, for services that can be de-delegated, top-up funding should be enhanced proportionately so that special schools and academies can buy back into those services, if they wish to do so and the service is offered to them, or can make alternative arrangements.

127. The top-up funding paid to an institution should relate to the period that the pupil or student is at the institution. We are not prescriptive about whether this is calculated on a daily, weekly, monthly or longer basis, but the local authority will wish to avoid arrangements that entail double funding when a pupil or student has moved from one institution to another, so should not enter into agreements with institutions that commit top-up funding for long periods after the pupil or student has left.

128. As in 2014-15, there will be a condition of grant attached to the DSG allocations that requires local authorities to make top-up payments to institutions for high needs pupils in a timely fashion and on a basis agreed with the institution. Payments should be monthly unless otherwise agreed (e.g. termly in advance). This does not mean that payment arrangements have to be administratively cumbersome. Local authorities are adopting various methods of administering their top-up funding and there are examples of streamlined arrangements – such as payment on the basis of simple schedules, rather than payment on receipt of individual invoices for each pupil – that should be adopted more widely.

129. For 2015-16 we would encourage authorities to develop their processes for administering top-up funding so as to minimise bureaucracy for schools, colleges and other providers.

Completing the Authority Proforma Tool (APT)

130. The formula will be reported on a combined modelling tool and proforma, the Authority Proforma Tool (APT). EFA will calculate academy budgets based on the formula set out in the proforma. While authorities can use their own spreadsheet modelling for their formula we would strongly recommend that the APT is populated alongside their own models to ensure consistency between them and avoid unnecessary delay in the submission process.

131. Having agreed the formula, authorities should submit the APT, containing information about their formula, to the EFA by 31 October 2014. This will be checked for compliance with the regulations and there may then need to be a further dialogue between authority and EFA. Earlier submission of the APT will of course allow the process to be completed earlier and enable the authority to continue with its preparations.

132. We will reissue the APT to authorities in December 2014, updated to contain October 2014 census based data for the formula factors for each school, for them to use to make their final submission. The authority will need to submit their final version of the APT by 20 January 2015 once the October pupil numbers are confirmed and the DSG settlement announced. The only changes between the provisional and final versions should be for the unit values; the factors used should remain the same.

133. The APT is an integrated tool which contains a range of information, including the underpinning data for school level allocations, details of how split site and PFI allocations have been calculated, and the methods used for de-delegation of services. The APT contains a range of validation checks to identify inconsistencies in the data authorities have entered and to highlight where required data and information may be missing. Local authorities should ensure that all validation checks are passed before submitting the APT. We will separately be issuing [detailed written guidance](#) on how to use the APT, which will provide more information.

134. We intend to issue the provisional tables to authorities at the same time as this guidance document. We strongly recommend that authorities use the APT for their initial modelling because it will also be used for the final submission of the formula.

135. Local authorities must ensure that they have built in the relevant political approval into their planning as the deadlines shown below are critical to achieving the advantages of issuing earlier budgets. We appreciate that formulae often have to be approved by the authority's Cabinet or lead member, so it is important that the forward plan takes account of this. To speed up the approval process in January once the DSG and pupil numbers are known, we strongly advise that authorities obtain earlier approval (in the autumn) for the principles they will use to balance the budget if pupil numbers turn out differently to the estimates they used. Examples could include scaling back the basic per pupil entitlement across all key stages or carrying forward any shortfall on DSG to the following financial year.

Timetable

136. The timetable for the data checking and calculation of the blocks is shown below:

Date	DFE/EFA	Local authorities (LAs)
July 2014	Details published on 5-16 mainstream and high needs implementation for 2015-16. APT issued to LAs.	
30 September 2014		Deadline for submitting requests for: <ul style="list-style-type: none"> • MFG exclusions • exceptional premises factors • sparsity factor variations • lump sum variations for amalgamating schools • pupil number variations
2 October 2014	School Census Day	
Mid-October 2014		Schools Forum consultation / political approval required for provisional 2015-16 funding formula
October 2014		Deadline for submission of exceptional cases for amending the place funding baseline
October / November 2014	DfE and LAs check and validate School Census	
31 October 2014		Deadline for submission of provisional 2015-16 authority proforma tool to EFA
27 November 2014	School Census data base closed	
28 November 2014	Census data available	
Mid-December 2014	APT re-issued to LAs, containing October 2014 census-based pupil data and	Able to estimate local 2015-16 DSG Schools Block allocation

Date	DFE/EFA	Local authorities (LAs)
	factors.	
Week commencing 15 December 2014	Publication of DSG Schools Block allocations for 2015-16 (prior to academy recoupment)	
31 December 2014		Deadline for submitting final window requests in exceptional circumstances only for: <ul style="list-style-type: none"> • MFG exclusions • exceptional premises factors • sparsity factors • Lump sum variations for amalgamating schools • Pupil number variations
Mid-January 2015		Schools Forum consultation / political approval required for final 2015-16 funding formula
20 January 2015		Deadline for submission of final 2015-16 authority proforma tool to EFA
27 February 2015		Deadline for confirmation of schools budget shares to maintained schools
31 March 2015	Deadline for confirmation of general annual grant to academies open by 11 January 2015	
April 2015	First DSG payments to LAs based on 2015-16 allocations, net of academies recoupment (DSG allocations updated termly for in year academy conversions).	
June 2015	Early Years Block updated for January 2015 Early Years pupil	

Date	DFE/EFA	Local authorities (LAs)
	numbers	
April 2016	Early Years Block updated for January 2016 Early Years pupil numbers (pro rata 7/12ths as this relates only to the period September 2015-March 2016).	

Table 6: The timetable for the data checking and calculation of the blocks

137. Where a local authority makes additional funding available to schools during the course of the year from central funds outside the formula – for example, to settle equal pay liabilities – it must treat academies in the same way as maintained schools.

Additional support

138. We will continue to offer support to local authorities where possible as they continue to implement the funding reforms. We are interested in seeing local authority proposals as they are developed and are happy to offer advice through the process.

139. Questions about the detail and practical implications of implementation, together with applications for MFG exclusions, exceptional factors, disapplication of the regulations etc. should to be sent to:

ReformTeam.funding@education.gsi.gov.uk

140. EFA values the regional meetings of local authority finance officers which provide the opportunity to discuss practical issues and share best practice. Please make every effort to attend and we will ensure that officials continue to attend these meetings.

Annex 1: split site criteria

A local authority formula can include a factor to provide additional funding to schools which operate on and own more than one site. Criteria for providing extra funding should be clear and transparent, incorporating clear and objective trigger points and a clear formula for allocating additional funding. All schools and academies which meet the criteria will be eligible for split site funding if they meet the criteria. Schools sharing facilities, federated schools and schools with remote sixth forms are not eligible for split site funding.

Examples of clear trigger points are:

- The sites are at least X metres / kilometres / miles apart as the crow flies and the sites are separated by a public highway.
- The provision on the additional site does not qualify for an individual school budget share through the Dedicated Schools Grant.
- The school has remote playing fields, separated from the school by at least X kilometres / miles and there is no safe walking route for the pupils.
- X% of staff are required to teach on both sites on a daily basis in order to support the principle of a whole school policy and to maintain the integrity of the delivery of the national curriculum.
- At least x% of pupils are taught on each site on a daily basis.

Examples of a clear formula for funding schools with split sites are :

- A lump sum payment of £x
- £x per pupil
- £x per square metre of the additional site

Values for primary and secondary schools may be different. There may be one rate of payment for the first additional site and a separate rate for each additional site. Payment rates may be stepped, for example as the distance between sites increases.

Annex 2: PFI schools funding criteria

Methodologies for funding PFI schools must be objective and clear and capable of being replicated for academies. The purpose of the factor is to fund the additional costs to a school of being in a PFI contract, not necessarily the full cost as some costs may be covered within other factors. An acceptable methodology would generally contain some of the features set out below and these are intended to help local authorities formulate a clear process for funding. It is unlikely that a local authority would need to incorporate all of the features into its own policy. If a PFI factor is used, then all PFI schools must receive funding on an equivalent basis.

Examples are:

- Allocations are in accordance with an original Governors' agreement.
- Allocations reflect the difference between the PFI contractual cost and the grant received by the local authority, less any local authority contribution.
- Methodologies for calculating allocations could include:
- X% of the school's budget share.
- £x per pupil.
- £x per square metre of floor area.
- Historical lump sum previously agreed and indexed by x% per year.

Annex 3: targeted support above the notional SEN budget

Local authorities should continue to provide additional funding outside the main funding formula for mainstream schools and academies on a consistent and fair basis where the number of their high needs pupils cannot be reflected adequately in their formula funding and where it would be unreasonable to expect them to pay for the costs of the first £6,000 of additional support for all high needs pupils. Targeted support can also be provided where there are a disproportionate number of pupils with a type of SEN that is not able to be reflected in the local formula, even where the costs of meeting their needs are less than the £6,000 threshold. Criteria for allocating such support should be clear and as simple as possible, should apply to a minority of the authority's schools and academies (the formula should address the majority) and should avoid creating perverse incentives. Some examples of local authority criteria have been provided below as an aid to local authorities which are still formulating their criteria. Where authorities are considering modelling their own criteria on these examples, we would recommend that they contact the appropriate contributor to understand how the process has worked in practice.

Cheshire West and Chester

Additional funding from the high needs budget will be distributed under the following criteria. A school's notional SEN budget must be sufficient to meet the first £6,000 of the cost of additional support for each high needs pupil on roll recognising any part year effect of starters and leavers. For schools up to and including 150 pupils, the notional SEN budget must also be sufficient to cover £6,000 for every 1:50 pupils. Therefore, additional funding will be made available from the high needs block if notional SEN < (number of high needs pupils * £6,000) + (£6,000 for every 1:50 pupils for schools with 150 or fewer pupils). Reviews will be carried out on a termly basis.

Derbyshire

In order to qualify for additional funding, a school's shortfall must be significant and in excess of 1% of the school's overall school budget and estimated income (i.e. Schools Block, EYSFF, Post 16 EFA formula and Growth Fund: KS1 Class Size funding), including balances brought forward. The school will self-fund the equivalent of the first 1% of this overall figure. shortfall.

There are 5 contextual considerations that are taken into account, as appropriate, for every contingency claim:

1. The level of actual brought forward school balances and estimated year end school balances are insufficient to reasonably support the anticipated funding shortfall
2. A 2 or 3 Year Budget Plan is not an appropriate way forward
3. Redundancy is not the more appropriate option

4. For claims that relate to an AEN/SEN issue, Special Educational Needs Teaching Assistant Training and Advice (SENTA) provision on a two to one (or greater if appropriate) ratio must be considered and demonstrated to be unsuitable. Schools do not have to provide the first 9.5 hours of a statement (deemed to be equivalent to the £6,000) on a one to one basis and it MAY be that the school is able to save funding by having two to one arrangements in some cases.

5. The school must identify how it has spent/will spend the published ‘Notional SEN Budget’

One other consideration specific to SENTA claims is that the total number of statemented SENTA hours <9.5 for pupils in Reception to Year 11 (i.e. the overall requirement for multiples of £6,000), when expressed as a proportion of all Reception to Year 11 pupils at the school, must be in the upper quartile for the whole sector.

Example: 4 pupils in a school of 100 have statements for more than 9.5 hours each.

(4 x 9.5hrs) = 38 divided by 100 = 0.38 hours per all pupils

Gloucestershire

Schools & Academies will be expected to contribute the first £6,000 of the additional educational support provision for high needs pupils and students from their delegated budget - this is over and above the cost of standard teaching and learning (which is funded by the age weighted pupil unit (AWPU). The number of high needs pupils for whom schools are expected to contribute will be restricted to one for every 75 pupils on roll, rounded to the nearest whole number. The £6,000 and 1 in 75 numbers will be adjusted for any pupils not present for the full year.

E.g. If NOR is 200 and the school have 4 high needs pupils who have each been assessed with additional high needs (above the AWPU) of £15,000. Then the responsibility for costs is:

For first 3 pupils (200 NOR ÷ 75 & rounded) the school pays £18,000 (3 X £6,000) and the LA pays the rest as a high needs top up £27,000 (3 X £9,000).

For the 4th pupil the LA pays £15,000 (both the £6,000 element and the £9,000 element) as a high needs top up.

Hackney

Additional funding is allocated to any primary school which has a higher than the threshold of pupils with statements. The threshold is the borough average + 1.03%. The data is taken from a count in each January, taken as a percentage of the previous October roll. The allocation is number of pupils over the threshold x £6,000 x 55% for a 1 FE; x 30% for a 2 FE and x 20% for a 2.5 FE school

Herefordshire

A process has been agreed to help mitigate the impact on schools of having to fund the first £6,000 for each Band 3 & 4 pupil. For example, four band 4 pupils in a school would lead to additional expenditure of £24,000 (i.e. 4x £6,000).

An “MFG” style protection scheme based on limiting additional school expenditure on Band 3 & 4 pupils to 1.5% per pupil has been agreed. The average per pupil funding for primary pupils is approximately £4,000 and using this figure as a standard for all schools this per pupil funding amount converts to a maximum reduction of £60 per pupil at the MFG percentage of 1.5% in 2013/14. It is proposed to limit any primary school’s extra SEN costs as follows:

Number of primary pupils	Maximum cost of “£6,000” SEN – primary schools
50	£3,000
100	£6,000
150	£9,000
200	£12,000
250	£15,000
300	£18,000
400	£24,000
500	£30,000
600	£36,000

Table 7: MFG protection in Herefordshire

The cap on schools gaining through the funding formula will be reduced slightly in order to fund the costs of protection and a budget transfer will be made to the high needs block.

Kirklees

The high needs budget will make additional support allocations to those schools which evidence disproportionality between the notional high needs funding assumed to be within their schools block formula allocation and the costs of providing for those high needs pupils. Such disproportionality will initially be defined as where the number of high needs SEN statement children comprises more than 2% of the school's overall number on roll and the school's notional SEN budget figure is less than 80% of the amount calculated by multiplying their number of high needs statement children by the expected £6,000 school contribution per child. Once a school is 'flagged up' by this method its

budget position will be scrutinised to firstly ensure that their high needs top-up funding accurately reflects the pupils' current needs and then to determine whether the school can meet its SEN responsibilities within its available resources. If the need for additional high needs budget support is proven then that allocation will be based upon the identified difference between that school's notional SEN funding amount and the result of multiplying their number of SEN statement children by £6,000. E.g. the school has a notional SEN budget figure of £47,523 and eleven statemented children on roll ($11 \times £6,000 = £66,000$). The difference would be rounded down to the next lowest multiple of £6,000 so the support allocation in this case would be £18,000. It is intended that the existing high needs budget would stand the cost of such allocations.

South Gloucestershire

This allocation is based on a threshold of statemented support pupils (over a determined level of need), compared to the October 2013 school census number on roll, excluding resource base pupils. South Gloucestershire resident pupils and pupils resident in other local authorities are included in this calculation.

The threshold of high needs pupils to pupils on roll is currently set at 1.25% and at a rate of £6,000 per notional pupil.

For example, a school with 4 pupils over 106 units and 275 pupils as at the October 2013 census would receive the following:

4 pupils as a % of 275 = 1.4545%

Less 1.25% = 0.2045%

October 2013 pupil x 0.2045% = 0.56pupil

0.56 pupils x £6,000 = £3,375 per year or £281.24 per month

High incidence funding will be recalculated when actual pupils are known.

Southend

Additional funding will be allocated to those schools which indicators suggest are experiencing the very highest incidence of low cost SEN in relation to all schools in the borough. The indicators to be used are the SEN register and the low attainment data used in setting the Local Formula, both are expressed as a percentage of the pupil population in a school. The two % scores will be averaged to produce a 'combined score'. Those schools whose 'combined score' exceeds thresholds expressed as % to be set at the 85th, 90th and 95th percentiles of the total population of Primary and Secondary schools will be deemed to be experiencing HILC SEN relative to the group. Funding will be awarded on a taper, where the 'combined score' will be multiplied by the NOR and rounded to the nearest whole pupil. The number of pupils between the first and second thresholds (set at the 85th and 90th percentiles) will attract £600/£350 each; primary/secondary, the number of pupils between the second and third thresholds (90th

and 95th percentiles) will attract £800/425, and the number of pupils exceeding the final threshold (95th percentile) will attract £1000/500.

Annex 4: growth criteria

Local authorities may topslice the DSG in order to create a Growth Fund to support schools which are required to provide extra places in order to meet basic need within the authority, including pre-opening and reorganisation costs. The growth fund may not be used to support schools in financial difficulty (any such support for maintained schools would be provided from a de-delegated contingency) or general growth due to popularity. Criteria for allocating growth funds should contain clear objective trigger points for qualification and a clear formula for calculating allocations. Compliant criteria would generally contain some of the features set out below:

- Support where a school or academy has agreed with the authority to provide an extra class in order to meet basic need in the area (either as a bulge class or as an ongoing commitment)
- Additional support where a school has extended its age range (the majority of funding would be paid through the funding formula where the local authority should seek a variation in pupil numbers)
- Support where a school has temporarily increased its PAN by X or more pupils in agreement with the authority.
- Support for KS1 classes where overall pupil numbers exceed a multiple of 30 by X or fewer pupils.
- Pre-opening costs / initial equipping allowance for new maintained schools and recoupmment academies, including new academies where the school is opening in response to basic need.

Local authorities should request a variation to pupil numbers where there is a more permanent and significant change to numbers and where it is appropriate for the change to be reflected in all relevant formula factors and not just a marginal cost or AWPU only allocation.

Methodologies for distributing funding could include:

- A lump sum payment with clear parameters for calculation (usually based upon the estimated cost of making additional provision for a new class or the estimated start-up costs).
- £x per pupil (usually based on AWPU) and reflecting the proportion of the year which is not funded within the school's budget share.
- £x per pupil, with a maximum ceiling

Where growth funding is payable to academies, the local authority is required to fund the increase for the period from the additional September intake through until the following August. Local authorities should enter the cost of growth funding for the April – August

period on the recoupment tab of the APT so that the recoupment calculation can be adjusted accordingly.

Where schools have agreed an expansion in pupil numbers with the local authority, they should ensure that they understand the methodology for funding the increase and are content that the expansion is deliverable within the funding available.

Some examples of local authorities' compliant criteria are shown below (these do not mean we are endorsing the amounts used):

Ealing primary schools

£60,000 per additional FE (pro-rata for 0.5 FE) for Reception increases agreed by the LA for the September intake (for infant and primary schools) and Year 3 (Junior Schools);

Where building works are required and agreed by the LA costing in excess of £2m, £15,000 a year for two financial years, the timing of the release of funding will be following the approval of statutory proposals or the increase in the school's planned admission number where statutory proposals are not required. Funding may be released earlier at the discretion of the LA.

Ealing high schools

£75,000 per FE for planned expansion in places agreed by the LA.

Where building works are required and agreed by the LA costing in excess of £2m, £15,000 a year for two financial years, the timing of the release of funding is following the approval of statutory proposals or the increase in the school's planned admission number where statutory proposals are not required. Funding may be released earlier at the discretion of the LA.

In both sectors, in exceptional cases, for example where additional furniture, learning resources or support staff costs are required which cannot be charged to capital, a case may be made to the LA for additional revenue funding up to a maximum of £15,000 one-off payment.

Solihull

Qualification for funding through the pupil growth scheme is based upon a set of principles as follows:-

Additional funding will be made available to schools and academies in circumstances where:

- The Council carries out a formal consultation and approves to increase the capacity of a school.
- A school/academy carries out a formal consultation at either the request of the Council or supported by the Council.

- The Council requests a school/academy to increase their PAN to meet localised demand.
- A school/academy admits a significant increase in pupils to meet demand from new housing developments at the request of the Council.

Additional funding will be made in relation to the number of additional pupils taken or the number of agreed places purchased. Reference may be made to the number of classes required and may include consideration of the number of pupils leaving the school in that year.

Any allocation will be based on the teacher element of the AWPU, and will reflect the period September to March only (as additional funding will then flow through the October pupil count) for maintained schools and September to August for academy schools (as additional funding does not flow through until the start of the next academic year).

Additional funding may be made available for pupil resources where the provision is a significant expansion of provision, particularly where a new key stage is being provided.

No allocation will be made to a school/academy where the school/academy:

- Has surplus places and then takes additional children up to the PAN
- Admits over PAN at their own choice.
- Admits extra pupils where those pupils have a reasonable alternative school place.
- Is directed and/or requested to admit additional pupils as a result of errors, appeals, fair access protocol, SEN, LAC etc. as these numbers will be extremely low on an individual school basis.
- Provides an additional infant class to meet class size legislation

Staffordshire

Growth funding would be provided to a primary school where:

- the County Council agree that exceeding PAN (temporarily) or increasing the PAN (permanently) is necessary to meet population growth (not simply popularity growth or one school's desire to increase capacity);
- the County Council agree that the creation of an additional class is necessary and is directly related to exceeding PAN;
- the class is additional if it requires a change in the school's current or historical class organisation or number of classes;
- Schools that have historically operated mixed age classes or have a PAN in a multiple of 15 would be normally expected to operate some mixed-age classes. (The growth funding cannot be used only to reduce class sizes).

- A school's compulsory school-age range is increased the additional classes created would be funded. (e.g. when an infant school is converted into a primary school, it would be funded for each additional junior class created).

Funding would be provided only for the first academic year that an additional class is created.

Where one additional class was needed in an area but agreement cannot be reached to fund one school, the funding allocation may be split between two or more schools.

Assuming that the additional class is created in September, the primary school would receive funding equivalent to:

- 7/12ths salary cost of a 1 FTE teacher (Main Scale 6)
- 7/12ths salary cost of a 0.5 FTE teaching assistant (Grade 4)
- £3,000 towards the cost of resources and materials
- If the class is created between September and April, the amount would be reduced by a 1/7th for each whole month that the class is not needed.

Schools must comply with the infant class size legislation (and any school funded would not also receive separate infant class size funding).

Start-up funding for new schools:

Where a new school or academy is established in response to basic need for pupil places, funding will be made available in recognition of costs incurred before the school opens. A one-off payment of £50,000 will be made for a two form entry (or larger) primary school, or £25,000 for smaller than two-form entry schools.

Funding is also available to support diseconomies of scale when a school or academy opens without a full complement of year groups. Payments will be made over two years in accordance with the table shown below, with 50% paid in the year of opening and the remaining 50% the following year.

- Academy is more than 90% full £0
- Gradual build-up of pupils after Academy starts off 80-90% full £10k
- Gradual build-up of pupils after Academy starts off 70-80% full £35k
- Gradual build-up of pupils after Academy starts off 60-70% full £60k
- Gradual build-up of pupils after Academy starts off 50-60% full £85k
- Gradual build-up of pupils after Academy starts off 40-50% full £105k
- Gradual build-up of pupils after Academy starts off 30-40% full £135k

Worcestershire

Additional funding will be made available in circumstances where:

- The LA carries out a formal consultation and approves to increase the capacity of a school.
- The LA requests schools to increase their PAN and the school has the capacity.
- The LA requests schools to admit significant additional pupils as a consequence of a school closure.

Additional funding will be made in relation to the number of additional pupils taken.

Funding will be given on a 7/12 basis to cover September to March each year. (The period April to August will be covered by the schools budget based on numbers from the October census).

Any allocation will be based upon the AWPU and will be relevant to the key stage.

No allocation will be made to a school that has not been the subject of a consultation where a school:

- Has surplus places and then takes additional children up to the PAN.
- Admits over PAN at their own choice.
- Is directed and/or requested to admit additional pupils as result of errors, appeals, fair access panel, SEN, LAC, etc. as these numbers will be extremely low on an individual school basis.

Funding will be allocated on the increase in actual numbers on the difference in pupils leaving and joining. For example in a primary school between the numbers leaving Year 6 and numbers entering Reception for 7 years from date of increased capacity.

Annex 5: Falling rolls criteria

Local Authorities may topslice the DSG in order to create a small fund to support good schools with falling rolls where local planning data show that the surplus places will be needed in the near future. Criteria for allocating falling rolls funding should contain clear objective trigger points for qualification and a clear formula for calculating allocations. Compliant criteria would generally contain some of the features set out below:

- Support is available only for schools judged Good or Outstanding at their last Ofsted inspection (note that this is a mandatory requirement).
- Surplus capacity exceeds x pupils or x% of the published admission number
- Local planning data shows a requirement for at least x% of the surplus places within the next x years
- Formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort
- The school will need to make redundancies in order to contain spending within its formula budget

Methodologies for distributing funding could include:

- £x per vacant place, up to a specified maximum places (place value likely to be based on AWPU)
- A lump sum payment with clear parameters for calculation (e.g. the estimated cost of providing an appropriate curriculum, or estimated salary costs equivalent to the number of staff who would otherwise be made redundant)

Some examples of local authorities' compliant criteria are shown below:

Devon

Schools judged good or outstanding at last Ofsted inspection; there is a reduction in numbers when comparing the October School census with the previous October census that results in substantial disruption to the provision of education in the school; admissions demographic data evidences that the reduction is temporary; the school's roll includes at least 80% of the pupils that live within its area; the reduction in numbers due to pupil migration to other local schools is not eligible. Schools will be expected to cover the temporary funding shortfall from existing carry forward balances prior to application to the Falling Rolls Fund; funding will be allocated up to the AWPU rate for the difference between the current year October number on roll and the lower of number on roll at the previous October census and the forecast number on roll using admissions data.

Dorset

- School requesting support to mitigate the short-term financial impact of falling rolls must be graded Outstanding or Good by OFSTED on the date of approval.

- Falling rolls will only be calculated on the normal year(s) of transfer (YR, Y3, Y5, Y7 and Y9 depending on whether Infant, First, Junior, Primary, Middle, Secondary or Upper School). Schools which normally have more than one age of transfer, due to differences in neighbouring schools transfer age, may have more than one calculation/payment.
- Surplus capacity in affected year group(s) exceeds 24 pupils or 20% of the number of pupils expected (whichever is the lower), based on the average* of the January census figures for the normal year of transfer for the previous 5 years. (*The average will remove any anomalies such as bulge classes or managed changes in area provision).
- Local planning data for the pyramid shows a requirement for at least 70% of the surplus places within the following 3 academic years. This is calculated as the 5yr average for the year group less the number on roll for the year group * 70% added to NOR for the year group, must be the predicted NOR for the year group in the school within the next 3 years;
- It must be demonstrated that formula funding available to the school will not support provision of an appropriate curriculum for the remaining cohort (e.g. evidence will need to be provided to show the impact on meeting basic curriculum requirements or on the pupils being unable to continue part completed examination courses)
- Any MFG the school receives will be deducted from the grant amount (as with our policy on pupil growth)
- In the first instance any shortfall in funding due to falling rolls should be made up from any school surplus above 1.7% for a secondary school, 2.7% for a primary or special school or £20,000 whichever is the higher, (as it is anticipated that the school will have been planning for this eventuality) and this will be taken into account when considering an application.
- Schools will be funded at 100% of AWPU for the agreed number of pupils (through determining the difference between the average from the historic model and the actual level) beyond 24 pupils/20% in the relevant cohort.
- Funding provided will be a one off payment and not a continuing payment as the cohort moves through the school.

Payment

- In the academic year when falling rolls occur, the school will receive 7/12's of funding at the previous census level. The falling rolls payment will therefore be made in the later part of the academic year – the next financial year. (A falling roll intake in 2013 will be a claim in the financial year 2014-2015 and the surplus will be the carry forward into that financial year). Academies will be required to provide

the LA with details of their financial position to demonstrate whether or not there is a surplus to take into account.

Havering

Support is available only for schools judged Good or Outstanding at their last Ofsted inspection (this is a mandatory requirement).

Surplus capacity as the October count date exceeds 15% of the published admission number in the following year groups:

Financial Year	2014/15	2015/16	2016/17	2017/18	2018/19
Year Group	7	7 & 8	7, 8 & 9	7, 8, 9 & 10	7, 8, 9,10 & 11

Table 8: Surplus capacity support in Havering

Local planning data shows a requirement for at least 90% of the surplus places within the next 5 years.

Formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort.

The school will need to make redundancies in order to contain spending within its formula budget.

Formula for distributing funding:

- 85% of the appropriate AWPU x per vacant place below 85% of the PAN. e.g.
- First Year of Funding - PAN: 192; 85%: 163
- Year 7 NOR October 2013: 70
- Difference between 85% of PAN and Yr7 NOR: 93
- $93 \times \text{KS3 AWPU} \times 85\% (\text{£4,551.86} \times 85\% = \text{£3,869}) = \text{£359,824}$
- Second Year of Funding - PAN: 192; 85%: 163
- Year 7 NOR October 2014: 120
- Year 8 NOR October 2014: 70
- Difference between 85% of PAN and Yr7 NOR: 72
- Difference between 85% of PAN and Yr8 NOR: 93
- Total difference = 165
- $165 \times \text{KS3 AWPU} \times 85\% (\text{£4,551.86} \times 85\% = \text{£3,869}) = \text{£638,398}$

Herefordshire

The Fund has the following eligibility criteria:

The school/academy has fewer than 550 pupils (excluding sixth form) in the October census prior to the start of the financial year

The number of places offered by the school across year groups 7 to 11, if full, is greater than 550.

The authority has forecast that at least 110 places will be required from the school in year 7 (year 9 for upper schools) by Autumn Term 2017, otherwise there will be an absolute shortfall of capacity in the relevant planning area.

The school is Good or Outstanding. The date at which Ofsted category data will be taken will be 31 August prior to the start of the financial year to which funding relates, except that a school which becomes Good or Outstanding during the subsequent Autumn term prior to the start of the financial year shall also be eligible.

The allocation formula takes account of the size of the school but also incorporates a ceiling on allocations. It also takes into account any MFG protection funding the school receives in its budget share to avoid duplicating it.

The formula for determining an allocation to an eligible schools is:

- KS3 calculation: 330 – actual number of KS3 pupils on roll x KS3 AWPU x 50%
- KS4 calculation: 220 – actual number of KS4 pupils on roll x KS4 AWPU x 50%
- Sum of the result of lines i)and ii) capped at £250,000
- Deduct any MFG protection funded received by the school
- Equals the allocation from the Fund

Portsmouth

The fund is only available to Primary and Secondary maintained schools or Academies in Portsmouth.

Financial support will only be available for schools:

- Judged Good or Outstanding at their last Ofsted inspection
- The school or academy has seen a reduction in pupils between the October 2012 census and the October 2013 census of 30 or more pupils or has surplus capacity 20% of the published admission number.
- Local planning data shows a requirement for at least 50% of the surplus places within the next 3 financial years
- Formula funding available to the school will not support provision of an appropriate curriculum for the existing cohort

- The school will need to make redundancies in order to contain spending within its formula budget
- Where the school does not have a surplus revenue balance as at the 31st March 2014 in excess of 5% (secondary) or 8% (primary) of its school budget share for the previous funding period (or the relevant academic years in the case of academies)

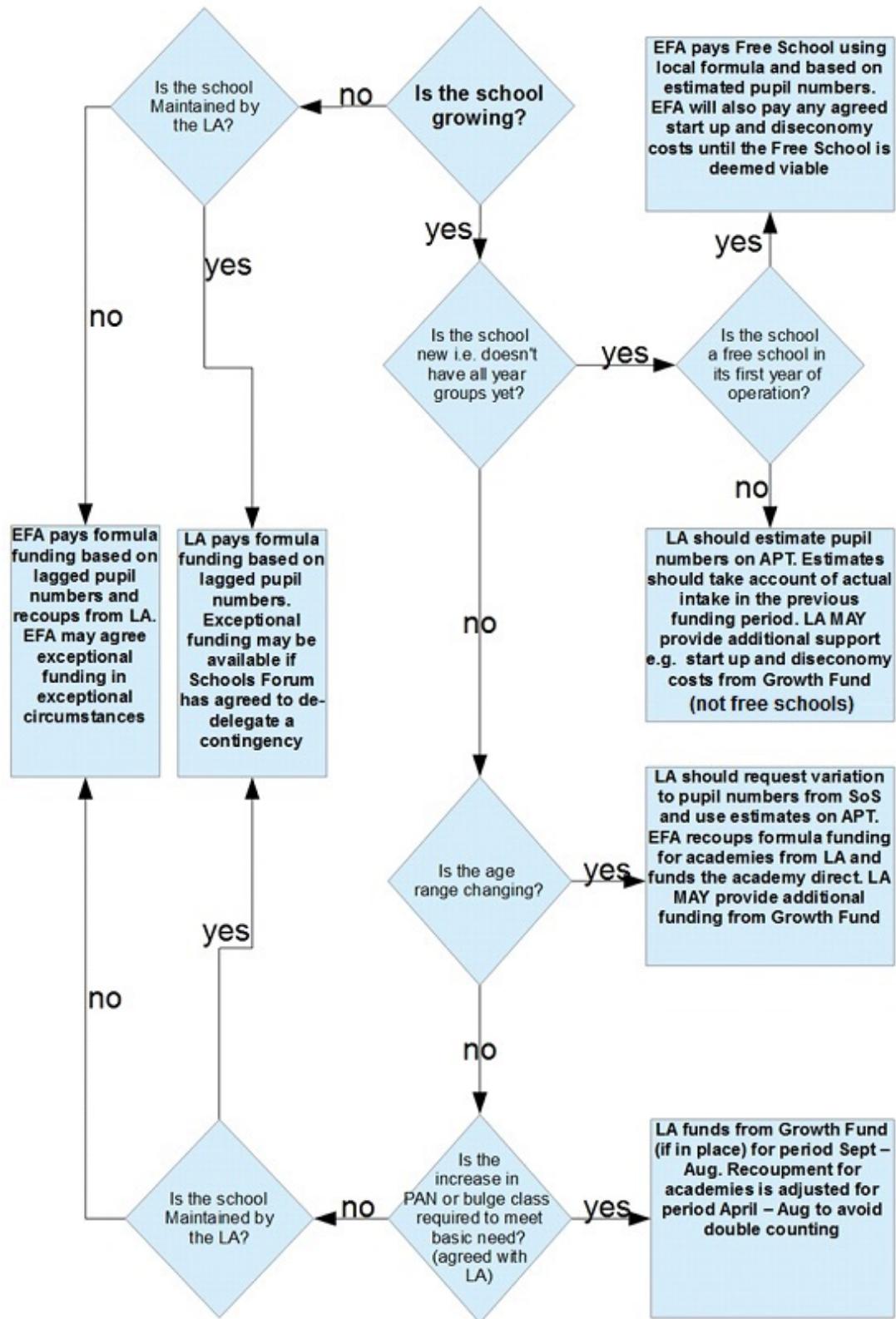
Schools and academies who believe they meet the above criteria in 2014-15 must submit a request for financial support to the Finance Manager for Education and Children's Services by 15 April 2014.

Funding will be issued using the following formula:

The decrease in the number on roll between October 2013 and October 2014 census, multiplied by the value of the 2014-15 basic per pupil entitlement factor. For secondary schools the basic per pupil entitlement factor for key stage 3 will be used.

The maximum allocation to a school or academy from the fund will be limited to £300,000.

Annex 6: Funding flow chart for growing schools



Annex 7: High needs funding matrix

The table on the next two pages sets out the responsibilities for funding high needs provision in different types of provider for both pre and post 16 children. The matrix represents the position from September 2014 onwards.

	Pre-16		Post-16	
Type of provision	Core funding	Top up funding (real time)	Core funding	Top up funding (real time)
Mainstream schools	First £6,000 of additional need delegated within base funding (in addition to the AWPU)	HN above first £6,000 paid by commissioning LA. LA can provide additional funds where it would be unreasonable to expect school to fund from within notional SEN budget	Element 1 (NFF) plus Element 2 (£6,000) based on places commissioned by LAs	Agreed per-pupil top-up paid by commissioning LA
HN Units in mainstream schools	£10,000 per place based on agreed places	Agreed per-pupil top-up paid by commissioning LA	Element 1 (NFF) plus Element 2 (£6,000) based on places commissioned by LAs	Agreed per-pupil top-up paid by commissioning LA
HN units in mainstream academies				
Maintained special schools	£10,000 per place based on agreed places	Agreed per-pupil top-up paid by commissioning LA	£10,000 per place based on agreed places	Agreed per-pupil top-up paid by commissioning LA
Special academies				
Non maintained special schools				
Independent Schools	N/A	Agreed per-pupil funding paid by commissioning	N/A	Agreed per-pupil funding paid by commissioning

	Pre-16		Post-16	
Type of provision	Core funding	Top up funding (real time)	Core funding	Top up funding (real time)
		LA		LA
Maintained AP providers Academy AP providers	£8,000 per place based on agreed places, rising to £10,000 per place from 1 st September 2015	Agreed per-pupil top-up paid by commissioning school or LA	£8,000 per place based on agreed places, rising to £10,000 per place from 1 st September 2015	Agreed per-pupil top-up paid by commissioning school or LA
Further Education Colleges Post 16 Independent Specialist Providers	N/A	N/A	Element 1 (NFF) plus Element 2 (£6,000) based on places commissioned by LAs	Agreed per-student top-up paid by commissioning LA

Annex 8: Version control

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Schools Forum 17th September 2014

**Report from the Strategic Director of
Children & Young People**

For Consultation

Scheme for Financing Schools & Schools Financial Regulations

1.0 Scheme for Financing Schools 2014-15

- 1.1 Local Authorities are required to publish schemes for financing schools which clearly sets out the financial relationship between the Local Authority and the schools they maintain.
- 1.2 When making changes to the scheme, Local Authorities are required to consult all schools within their remit, and to obtain approval from the Schools Forum prior to implementation. Only Schools Forum members representing maintained schools can approve changes. All changes have been made in line with statutory guidance issued by the DfE, which has been attached as a Background Paper.
- 1.3 Please note that since the last update of this guidance, Pupil Referral Units (PRUs) are now covered by this guidance due to legislative changes, and are required to comply with this guidance.
- 1.4 Within this guidance any reference to the LA refers to London Borough of Brent/Brent Council as the Local Authority, and all references to the Act refers to the School Standards and Framework Act 1998. The reference to schools throughout this guidance refers to the Governing Body of each school, unless authority has been delegated to the Head Teacher of that school.
- 1.5 The changes to the previous scheme that are being consulted on are:
(Where changes are not substantial, these have not been listed, e.g. where wording has changed, or where slightly more explanations have been provided)

Section 1: Introduction

- 1.2.1 Application of the Scheme – *Updated:* To include all maintained schools, including PRUs, but does not apply to academies.
- 1.3 Publication of the Scheme – *Updated:* There is now a requirement to publish the scheme on the council's website which is accessible to the

general public, and it should be clear what date the scheme comes into effect.

- 1.5 Delegation of Financial Powers to the Head Teacher – *Updated*: Whilst Brent has no desire to impose uniformity on schools, this section now includes a list of suggestions on good practice regarding the levels of delegation of authority that should be considered to be given to Head Teachers by the Governing Body.
- 1.7 Community Facilities in Schools – *Removed*: This section has been removed as per the new guidance.

Section 2: Financial Controls

- 2.1.2 Provision of Financial Information and Reports – *Updated*: To reflect the requirements that schools are already complying with – a monthly FIN1, a termly budget monitoring and quarterly VAT returns. Also explains when more frequent submissions may be required.
- 2.1.3 Payment of Salaries; Payment of Bills – *New*: This explains the requirement for schools in relation to paying bills and salaries.
- 2.1.4 Control of Assets – *Updated*: To provide more detailed guidance.
- 2.1.6 Writing off of Debts – *Updated*: This now reflects the council policy on the writing off of bad debt. Debts should only be written off with the approval of the full Governing Body, and where this debt exceeds £1k approval must be sought from the Chief Finance Officer. If the debt exceeds £3k this will also be reported to the LA's Cabinet.
- 2.4 Efficiency and Value for Money – *Amended*: Previously a statement of Best Value was required to be submitted with the annual budget. Instead, this section explains that schools must seek to achieve efficiencies and value for money, and that they are able to demonstrate that they are following best value principles in their expenditure, if required.
- 2.10 Purchasing, Tendering and Contracting Requirements – *Updated*: To provide more detailed information on when schools should seek quotes, tenders or approval from the council's Cabinet in the procurement of supplies, services and works. The values that determines high value contracts for which approval must be sought from the LA's Cabinet prior to starting the procurement process have been updated to reflect the council's policy - £250k for supplies and services and £500k for works.
- 2.16 Schools Financial Value Standard – *Amended*: This replaces the previous section on Financial Management Standard. All maintained schools with delegated budgets are required to submit this to Brent before 31st March each year.
- 2.17 Fraud – *New*: This explains that schools must have a robust system of controls in place to prevent fraud and to prevent the improper use of public funds and assets.
- 2.2.1 Consistent Financial Reporting – *Removed*: This section has been removed as per the new guidance.

Section 3: Instalments of the Budget Share; Banking Arrangements

- 3.1 Frequency of Instalments – *Updated*: This now reflects that schools are no longer on the Brent Payroll system, and now all instead use

- external payroll providers. All references to central payroll and the frequency of such payments have therefore been removed.
- 3.2 Proportion of Budget Share payable – *Separated*: This has been separated from 3.1 above and explains the pattern of payment and how schools can request a variation to this.
 - 3.3 Interest Clawback – *New*: This explains that the LA reserves the right to charge schools in relation to loss of interest incurred by making funds available in advance, where a school has requested a variation to their standard monthly payment profile.
 - 3.3.1 Interest on Late Budget Share Payments – *New*: This confirms that the LA will pay interest to schools where budget share instalments are made late as a result of an error made by the LA.
 - 3.6 Borrowing by Schools – *Separated*: This has been separated from 3.5 and explains the restrictions on borrowing by schools.
 - 3.7 Other Provisions – *New*: This section explains that schools retain their delegated income and the basic requirements for accounting for non-official (private or voluntary) funds.

Section 4: The Treatment of Surplus and Deficit Balances Arising in Relation to Budget Shares

- 4.6.2 Financial Assessment and Challenge – *Removed*: This section has been removed as per the new guidance. This is no longer relevant.
- 4.6.3 Use of School Standard Grant – *Removed*: This section has been removed as per the new guidance. This is no longer relevant
- 4.8 Balances of Closing and Replacement Schools – *Updated*: This explains that when a school closes, any balance will revert to the LA, *except* where the school becomes an academy where the surplus balance will transfer to the new academy.
- 4.9 Licensed Deficits – *Updated*: This now reflects the revised Licensed Deficit Policy agreed by the Schools Forum in June.
- 4.10.1 Credit Union Approach – *New*: This explains that schools can group together to utilise balances if it so wishes, but that they must provide the LA with audit certificates.

Section 5: Income – No changes

Section 6: The Charging of School Budget Shares – No changes

Section 7: Taxation – No changes

Section 8: The Provision of Services and Facilities by the LA – No changes

Section 9: PFI Schemes

Worked examples and calculations have been removed, as these are not relevant to most schools in Brent.

Section 10: Insurance – No changes

Section 11: Instalments of the Budget Share; Banking Arrangements

- 11.7 Delegation to New Schools – *Removed*: This section has been removed as per the new guidance. This is no longer relevant.
- 11.8 Optional Delegated Funding – *Removed*: This section has been removed as per the new guidance. This is no longer relevant.

- 11.8 Interest on Late Payments – *New*: This explains that schools are required to ensure compliance with legislation regarding interest on late payments, with an explanation of the legislation.
- 11.11 Redundancy/Early Retirement Costs – *New*: This section makes it clear when the LA will or won't fund school's redundancy costs, and is supplemented by the Schools Redundancy Funding Policy approved by the Schools Forum in June.
- 11.12 School Meals – *Removed*: This section has been removed as per the new guidance.
- 11.13 General Teaching Council Fees – *Removed*: This section has been removed as per the new guidance. This is no longer relevant.

Section 12: Responsibility for Repairs and Maintenance – No changes

Section 13: Community Facilities – No changes

Annex A: This is the list of all schools maintained by Brent, as at 1st September 2014, to which this guidance applies.

- 1.6 The Schools Forum is asked to approve the revised Scheme for Financing Schools in its entirety. If approved, this will come into effect immediately and will be distributed accordingly to schools for their awareness and implementation.

2.0 Schools Financial Regulations 2014-15

- 2.1 The Schools Financial Regulations are supplementary to the Scheme for Financing Schools and the Council's own Financial Regulations, and must be in line with both. These regulations have therefore been updated to reflect these, and to be more comprehensive.
- 2.2 The objective of this guidance is to provide more detailed financial guidance to the Scheme for Financing Schools and to specify the procedures and key control measures that must be implemented in schools to ensure public accountability and reductions of financial risk. The Regulations also sets out the responsibilities of the LA in relation to schools, and of the Governing Body and Head Teachers where delegated.
- 2.3 The Regulations cover:
 - Budget Management;
 - Leasing, Loans & Financial Arrangements;
 - Accounting Responsibilities;
 - Income and Expenditure Controls;
 - Risk Management and Control of Resources;
 - Procurement and Contracts;
 - Investments and Trust Funds;
 - Custody of Third Party Property;
 - Estates;
 - Retention of Documents;
 - Non-Official Funds;
 - Information Systems.

- 2.4 The Schools Financial Regulations will be submitted to the LA's Cabinet for approval, following this consultation with the Schools Forum. The Schools Forum is therefore asked to comment on the revised regulations.
- 2.5 Where additional policies or documents have been referenced, other than statutory national guidance, these will be included in the Schools Finance Manual to be issued later in the financial year.

3.0 Recommendations and Consultation points

- 3.1 The Schools Forum is requested to:
 - a. Approve the Scheme for Financing Schools 2014-15.
 - b. Comment on the Schools Financial Regulations 2014-15.

Appendices

- A. Scheme for Financing Schools 2014-15
- B. Schools Financial Regulations 2014-15

Background Papers

1. Schemes for Financing Schools: Statutory Guidance for Local Authorities – February 2014
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/284968/Schemes_for_financing_schools.pdf

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SCHEME FOR FINANCING SCHOOLS

2014-15

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(Updated July 2014)

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ANNEX A: List of Maintained Schools (to which this scheme applies as at September 2014)

SECTION 1: INTRODUCTION

1.1. The Funding Framework

The funding framework is set out in the legislative provisions in s.45 – s.53 of the School Standards and Framework Act 1998 (the Act).

Under this legislation, the local authority (LA) will determine for itself on an annual basis, the size of the schools budget and their non-schools education budget – although at a minimum an LA must appropriate its entire Dedicated Schools Grant (DSG) to the schools budget.

The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on the LA's maintained schools except for capital and certain miscellaneous items.

Las may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the LA annually, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the schools budget remaining after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB).

Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

Las must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the Governing Body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s.51 of the Act.

The financial controls within which delegation works are set out in Brent Council's Scheme for Financing Schools (this document), and also in Brent Council's Schools Financial Regulations 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 forum rejecting a proposal or approving it subject to modifications that are not acceptable to the LA.

Subject to the provisions made by or under the scheme, Governing Bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school* and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (*s.50 has been amended to provide that amounts spent by a Governing Body on providing community facilities or services under s.27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s.50(3A) of the Act.)

An LA may suspend a school's right to a delegated budget if the provisions of this scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the

budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (s.17 to the Act) but in that case there is no right to appeal.

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

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State, but each school must receive a copy of each year's budget and outturn statements so far as they relate to that school or central expenditure. Brent's section 251 budget and outturn statements detailing this information can be found on the council's website at <http://www.brent.gov.uk/your-council/transparency-in-brent/performance-and-spending/budgets-and-finance/section-251-statements/>.

Regulations also require a local authority to publish their scheme and any revisions to it on a website accessible to the general public, by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

1.2. The Role of the Scheme

This scheme sets out the financial relationship between the LA and the maintained schools which it funds. The schools maintained by Brent as at September 2014, and therefore covered by this scheme, are listed in Annex A.

This scheme contains requirements relating to financial management and related issues and is binding on both the LA and on schools.

1.2.1. Application of the Scheme to the LA and maintained schools

This scheme applies in respect of all community, nursery, voluntary, foundation (including trust), community special or foundation special schools and pupil referral units (PRUs) maintained by the LA, as listed for information in Annex A. It does not apply to schools situated in Brent which are maintained by another LA, nor does it apply to academies.

1.3. Publication of the Scheme

Schools will be notified of any changes to this scheme, via the Schools Extranet, and a full copy will be placed on the Schools Extranet.

In addition, this scheme will be published on the council's website which is accessible to the general public together with a statement stating the date the revised scheme comes into force.

1.4. Revision of the Scheme

Any proposed revisions to the scheme will be the subject of consultation with the Governing Body and Head Teacher at every Brent maintained school prior to seeking approval from the Schools Forum.

All proposed revisions will be submitted to the schools forum for approval by the members of the Schools Forum representing maintained schools. If the Schools Forum does not approve the changes or approves the changes subject to modifications which are not acceptable to the LA, the LA may apply to the Secretary of State for approval.

1.5. Delegation of Financial Powers to the Head Teacher

Governing Bodies should consider the extent to which they wish to delegate their financial powers to the Head Teacher, and must record their decision (and any revisions to that decision) in the minutes of the Governing Body.

The Head Teacher and Governing Body are responsible for producing an annual budget plan for each financial year which must be approved by the Governing Body or by a sub-committee of the Governing Body and submitted to the LA by the deadline set by the LA.

Whilst Brent has no desire to impose uniformity on schools, the following are suggestions on the levels of delegation that should be considered:

- To ensure the effective management of resources, Governing Bodies are advised to delegate the responsibility for day to day financial management to the Head Teacher, subject to the establishment of appropriate arrangements for the exercise of that delegated authority.
- The Head Teacher should present the first formal budget plan for each financial year to the Finance Committee and subsequently to the full Governing Body for approval prior to submission to Brent.
- The Governing Body should ensure that the Head Teacher reports progress on a regular basis to the full Governing Body or a finance committee of the Governing Body.
- Financial limits should be defined for the authorisation of orders, invoices and virements between budget heads by the Head Teacher. The level of these limits will depend to a large extent on the size of the school budget and the pattern of expenditure. The limits should not inhibit day to day financial management, but should not place undue responsibility on the Head Teacher.
- The Head Teacher is responsible to the Governing Body for the maintenance of financial controls within the school. The Head Teacher should ensure that the financial controls are maintained in the absence of key staff and should ensure that all staff are adequately trained. The Head Teacher should be responsible for amending and updating financial procedures in line with Audit, Brent or government recommendations. Such changes should be reported back to the Governing Body.
- The Head Teacher should ensure that recommendations arising from Internal Audit reports are addressed in accordance with the agreed action plan and that all reports are reviewed by the Governing Body or relevant sub-committee.
- The Head Teacher should oversee the administration of the personnel function within the school and ensure that an adequate division of duties exists.
- The Head Teacher should ensure that effective procedures exist for the backing up of computer-based systems and that they are followed. The Head Teacher should also ensure that adequate security measures are in place to protect financial data.
- The Head Teacher should liaise with the LA, its agents or insurers over matters relating to insurance, and report back to the Governing Body on important issues.

- The Head Teacher should ensure that stocks are secure, maintained at a reasonable level or independently stock-checked on a periodic basis. Valuable items should also be secured and checked regularly.
- The Governing Body should establish a charging policy for the provision of goods and services. The Head Teacher is responsible to the Governing Body for carrying out this policy and accounting for the income generated. Discretion over the provision of goods and services should lie with the Head Teacher in consultation with the Governing Body.
- The Head Teacher should ensure the security of money held on the premises and ensure that such money is banked on a weekly basis. If money is not banked daily, then money should be held securely and should not exceed insurance limits e.g. in a safe or a locked drawer.
- The Governing Body should agree an appropriate level of petty cash and the Head Teacher is responsible to the Governing Body for the proper management of the petty cash.

1.6. Maintenance of Schools

The LA is responsible for maintaining the schools covered by the scheme, and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary aided school where some of the expenses are, by statute, payable by the Governing Body). Part of the way a LA maintains its schools are through the funding system put in place under s.45 – s.53 of the Act.

SECTION 2: FINANCIAL CONTROLS

2.1. General Procedures

2.1.1. Application of Financial Controls to Schools

In managing their delegated budgets schools must abide by the LA's requirements on financial controls and monitoring as contained in this scheme and the Schools Financial Regulations.

2.1.2. Provision of Financial Information and Reports

Schools are required to provide the LA with details of anticipated and actual expenditure and income, in a form determined by the LA and by the deadlines set by the LA which will be issued annually in the year end closing of accounts guidance. The format provided by the LA will take account of Consistent Financial Reporting (CFR) framework.

In addition, schools are required to submit a monthly FIN1 return (bank reconciliation), a termly budget monitoring report showing clearly the forecasted year end position and quarterly VAT returns in the format prescribed by the LA. Where schools are experiencing cashflow difficulties, they may submit monthly VAT returns to help with management of their cashflow. For schools in deficit, budget monitoring reports are required each month. These must all be reviewed and signed by the Head Teacher in a timely manner and all supporting/backing documents should be submitted at the same time as the return.

The timetable for the submission of all financial returns will be notified to schools via the Schools Extranet.

The LA will discharge its monitoring role and ensure that schools are effectively managing the resources delegated to them by the monitoring of these returns and by the review of internal audit reports.

In the event that any of the required returns are not being received by the LA in a timely manner, the LA reserves the right to send in their officers to provide the required information, which may also result in a *Note of Concern* issued as set out in section 2.15 below.

2.1.3. Payment of Salaries; Payment of Bills

Schools are responsible for the correct payment of all salaries, bills and relevant taxes relating to its budget share unless the LA has agreed to perform this on behalf of the school through a separate service level agreement.

Schools should ensure that payments for invoices are made within 30 days of the invoice date. This is both a central government and a council policy. Where an invoice is disputed, the query should be raised with the supplier as soon as known. The invoice should subsequently be cleared promptly for payment once the query has been resolved or a credit note has been received. All invoices should be cleared, or queries raised, prior to long holiday periods.

Any costs including penalties, legal or administrative costs incurred as a result of a school's non or late payment of bills or salaries are chargeable to the school's budget share.

2.1.4. Control of Assets

Inventories must be maintained by all schools. The inventories must contain an adequate description of furniture, fittings, equipment, plant and machinery and other moveable non capital assets held for the purposes of the school, including items purchased, donated, leased or on loan/hired from other schools or other sources.

Asset registers are useful both as a deterrent to theft (through the annual checks) but also as a prime document in the event of an insurance claim. The importance of keeping records and ensuring their accuracy should therefore be acknowledged by schools.

DfE guidance suggests that all items which have a purchase price above £1,000 (ex VAT) should be included in the inventory. However, Brent strongly suggests that schools record all items above £100. This guidance is notwithstanding any specific requirements relating to the retention of records for areas such as grant conditions, insurance or leases. Head Teachers should use their discretion in deciding whether to include items of a lesser value, although a register must be kept in some form for such items. Schools should give particular consideration to recording 'portable and desirable' items (e.g. digital cameras) that may fall below the recommended levels referred to above.

Head Teachers should keep a separate record of inventory items taken off the school premises. Head Teachers are responsible for the control and proper use of all items on the inventory and for arranging that a check is carried out at not greater than annual intervals to ensure that all items are accounted for. Head Teachers should ensure that the inventory is certified by the individual responsible for performing the check.

Head Teachers are responsible for ensuring that proper records are kept in relation to the accounts and custody of any stocks and stores in the school for which the Chief Finance Officer requires such controls to be established.

Head Teachers are responsible for maintaining proper security for all buildings, stocks, stores, furniture, vehicles, equipment, plant, money, sensitive data etc. under their control. Keys to safes and similar receptacles shall be carried on the person of those responsible at all times; the loss of any such keys must be reported to the Strategic Director of Children & Young People without delay.

2.1.5. Accounting Policies (including Year End Procedures)

The Chief Finance Officer is responsible for determining the Council's accounting policies. Each Head Teacher is responsible for ensuring that these policies are adhered to and applied consistently in units' accounts. The underlying principles include:

- The accounts should be a fair presentation of the school's financial position and transactions in respect of that financial year.
- Income and expenditure should relate to the services provided in the same accounting period (the financial year). In revenue accounts, provision must be made for income and expenditure earned/used irrespective of when the amounts are actually paid or received.

- The accounts should be prepared on a prudent basis with income only being included to the extent that it is likely to be received; proper allowance should be made for all known liabilities and losses.

Schools must abide by the procedures issued annually by the LA for the year end closing of accounts procedures and other accounting policies.

- The year end procedures are set out in the Schools Closing Guidance issued every year in January which includes a closedown timetable which must be adhered to.
- The financial information system of the LA will be the statutory accounts for each school and will be used to assess financial performance.
- Head Teachers must ensure that accounting procedures and financial records are maintained accurately and kept up to date.

2.1.6. Writing off of Debts

Debts in respect of income due to the schools delegated budget and collected by them which are found to be irrecoverable, may be written off only by resolution of the Governing Body in accordance with the Schools Financial Regulations. The write-off of property, i.e. stocks and surplus assets, should be treated in the same way. All write-offs should be initiated by a written report from the Head Teacher, and should be formally considered and approved by the full Governing Body and recorded in the minutes of the meeting. This cannot be delegated to a committee of the Governing Body.

The amount of any debt written-off will be borne by the delegated budget of the school to which the income would have been due. All appropriate budgets/forecasts should be amended to reflect this.

Where the invoice exceeds £1k the Governing Body must notify and obtain approval from Chief Finance Officer before writing off the debt. Any proposed write-off that exceeds £3k will also be reported to the LA's Cabinet. All requests for approval must be submitted to the Schools' Finance Team.

All write-offs must be correctly recorded in the accounts, by reversal of the original income transaction. All documentation relating to the write-off and approval of this should be retained by the school. No property that has been written-off can be sold or otherwise disposed of.

2.2. Basis of Accounting

Schools are free to use any accounting software they choose, providing any reports are submitted to the LA in the required format, and provided that they meet the costs of modification to provide output required by the LA. Schools may therefore account for expenditure and income during the financial year on their internal systems using either a cash or accruals basis. Reports submitted to the authority in accordance with this scheme must however be amended, where necessary, at the year end to an accruals basis in order to comply with the LA's requirements.

2.3. Submission of Budget Plans

Each school is required to submit a formal budget plan approved by the Governing Body, no later than 1st June each year. The LA would however consider it good practice for Governing Bodies to agree their budget plan prior to the start of the new financial year.

The budget plan must show the school's intentions for expenditure in the current and the following two financial years, and details of any assumptions made underpinning the budget plan. In determining the budget plan, schools are required to take into account any estimated surplus or deficit at the previous financial year end to 31st March. The budget plan should be a numerical reflection of the school's development plan (SDP) and should be prepared to reflect the full year effect of decisions made in the current year, the estimated effect of pupil number increases and decreases and any other development issues.

The Governing Body is not permitted to set a budget which plans for a cumulative deficit at the end of any of the financial years, except where the LA has authorised such a budget.

The format of the budget plan and any supporting documents shall comply with the budget template provided and the *Budget Preparation Guidelines* issued by the LA each year, which takes into account the Consistent Financial Reporting (CFR) framework and the desirability of compatibility with that.

Evidence of approval must be submitted at the same time as the budget plan. A Budget Approval form is issued by the LA each year which needs to be signed by the Head Teacher and the Chair of Governors. An extract of the minutes of the Governing Body meeting can also be submitted for further evidence.

The LA will supply schools with all income and expenditure data which it holds which is necessary to efficient planning by schools and an annual plan showing when this information will be available.

2.3.1. Submission of Financial Forecast

As part of budget management, schools are required to undertake regular forecasts of outturn against budget. Schools are required to provide a full year forecast as at the end of September and December as part of the budget monitoring submissions to the Schools Finance Team.

These forecasts will be used to confirm if schools are undertaking effective financial planning and to identify any potential budgetary problems in future years. In addition, these will be used as evidence to support the LA's assessment of the Schools Financial Value Standards (SFVS).

2.4. Efficiency and Value for Money

Schools must seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning. Schools must do so whilst taking into

account the LA's purchasing, tendering and contracting requirements outlined in section 2.10.

Head Teachers and governors are required to determine how to secure better value for money for their school. There are significant variations between similar schools, and so it is important for schools to review their current expenditure, compare it to other schools and think about how to make improvements.

Given that school's delegated budgets account for a very high proportion of LA spending, it is important that schools are able to demonstrate that they are following best value principles in their expenditure.

2.5. Virement

A virement is the transfer of funds from one budget line to another. It is an administrative exercise that provides a degree of flexibility in spending a budget to deal with changing circumstances and/or unexpected developments.

Provided overall spending is contained within the total delegated budgets, schools may vire freely between budget heads in the expenditure of their budget share. However there needs to be appropriate control arrangements established, and Governing Bodies are advised to establish criteria for virements and financial limits above which the approval of the governors is required, in their Schemes of Delegation. Decisions should be recorded in Governing Body minutes.

2.6. Audit: General

All maintained schools fall within both the internal and external audit regime determined by the LA, and schools are required to co-operate with both of these.

The LA's maintained schools will be the subject of regular internal audit to review the management of the school's finances and its stewardship of public money on behalf of the LA. Internal audit of schools will be based on a rolling programme, it is expected that each school will be subject to an internal audit review approximately once every 2-3 years.

Schools must allow internal and external auditors access, for the purpose of programmed internal audit or adhoc investigations, to such premises, documents and assets, as the auditors consider necessary. The school staff must provide auditors with any explanations they consider necessary.

The Head Teacher should consider and respond promptly to recommendations in audit reports and report to the Governing Body on the results of audits and any actions required by the school.

The Head Teacher should immediately notify the internal auditors and the Schools Finance team of any suspected irregularities involving fraud, bribery, theft or corruption of cash, stores, stocks or any other property held for the purposes of the school or in any other way affecting school finances or any breach of financial regulations.

2.7. Separate External Audits

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

2.8. Audit of Voluntary and Private Funds

Schools are also required to provide annual audit certificates to the LA's internal auditors in respect of voluntary and private funds held by them together with the accounts of any trading organisations which they control. A school refusing to provide audit certificates to the LA as required by this scheme is in breach and the LA may choose to take action on that basis.

Both voluntary and private funds come under the definition of *non-official funds* or *school funds*. Such funds are those funds which do not contain official monies/ delegated funding from the LA and is controlled wholly or in part by the Head Teacher by reason of his/her employment by the school. Although such funds are not public money, parents and other benefactors are entitled to the same standards of stewardship in regard to them.

An audit of these funds should be carried out annually by an auditor appointed by the Governing Body, as minuted in Governing Body minutes. In the interests of accountability, the auditor should not be an employee and should be independent of the school. A report of the audit must be submitted to the Governing Body.

Governors have responsibility for the oversight of the management of these funds. The Head Teacher should be held accountable for the good management of these funds. It is therefore recommended that governors should be kept informed about these funds, and therefore in addition to the annual report received, governors should also receive interim reports. These reports should include details of income received, major items of expenditure and the balance of the funds, supported by certified reconciliations.

Official (delegated funding) and non-official (voluntary and private funds) should never be mixed. Any income which properly relates to the school's delegated budget should not be credited to a non-official fund.

Voluntary and private funds are not eligible to reclaim VAT on expenditure, unless separately registered for VAT.

2.9. Register of Business Interests

The Governing Body of each school must have in place a register that lists for each member of the Governing Body, the Head Teacher and staff, any business interests they or any member of their immediate family have. The register must be kept up to date with notification

of changes and through annual review of entries, or when a new governor is appointed or elected. This also needs to be done when the term of office of an existing governor expires and he/she is re-appointed/re-elected, and should be made available for inspection by governors, staff, parents and the LA. Declaration of any pecuniary interests should be raised as a standing agenda item at every full Governing Body and finance committee meeting and such declarations should be minuted.

Governors, the Head Teacher and any member of staff must refrain from the decision making process or taking any action where they or any member of their immediate family has a business or pecuniary interest.

Further guidance can be found with the Register of Business & Personal Interest form.

2.10. Purchasing, Tendering and Contracting Requirements

Schools are required to abide by the LA's financial regulations and standing orders in purchasing, tendering and contracting matters, including leasing. This includes a requirement to assess in advance, where relevant, the health and safety competence of contractors, taking account of the LA's policies and procedures. Nothing within these requirements shall be construed as requiring schools to:

- a) do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive;
- b) seek LA officer countersignature for any contract for goods or services;
- c) select suppliers only from an approved list;
- d) seek fewer than three tenders or quotations in respect of any contract with a value exceeding £20,000 in any one year, subject to specific listed exceptions.

The Governing Body/ Head Teacher must ensure that they consider quality, economy and efficiency when making agreements for the purchase of supplies, goods, equipment, services and works.

Although Governing Bodies are empowered to enter into contracts in their own right (Education Act 2002, Paragraph 3 of Schedule 1), and also may do so where they have a clear statutory obligation (e.g. contracts made by Aided or Foundation Schools for the employment of staff), in most cases they do so on behalf of the Local Authority as maintainer of the School and the owner of the funds in the budget share. It is a particular government requirement that all Schools shall approve and abide by both Financial Regulations and Contract Procedure Rules. In Brent, the Scheme for Financing Schools requires all Schools to adopt the corporate models of these governance documents, which have been formulated to account for the particular financial and operational arrangements that exist within Schools.

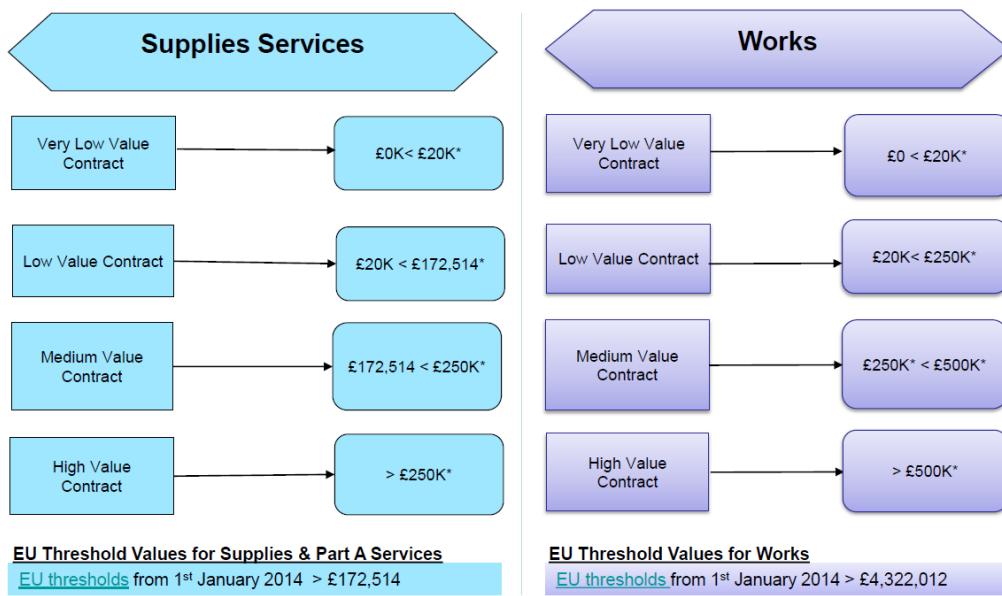
All procurement by schools maintained by the LA must therefore comply with EU Public Procurement Legislation (the Public Contracts Regulations Act 2006 as amended), the Council's Financial Regulations and Contract Standing. Each Head Teacher shall maintain and supply the Chief Finance Officer with such information as is required for corporate compliance with these rules.

An electronic version of the Council's Constitution encompassing the Financial Regulations and Contract Procedure Rules can be obtained here: <http://www.brent.gov.uk/your->

The table below defines the size of the contract (over the life of the contract, including any possible extension) for Supplies Services and Works.

Contract Value

*It is a mandatory requirement to estimate a contract value at the start of a procurement. The value of the contract must be calculated over the entire length of the contract including any period of extension(s) anticipated



- **Very Low Value Contract** – Schools must demonstrate value for money by seeking and obtaining three competitive written quotes.
- **Low Value Contract** – Schools are required to seek at least three written quotations from potential providers and record the quotes sought and/or obtained for audit and probity purposes.
- **Medium Value Contract (Supplies & Services)** – Schools are required to undertake a competitive tendering exercise. This tendering exercise must be commenced by placing a contract notice (advert) in OJEU (Official Journal of the EU) depending on the classification of the goods and services to be procured, if the Public Contract Regulations 2006 apply in full to the procurement. Where the Public Contract Regulations do not apply in full, there is a requirement to advertise in a local newspaper and relevant trade journal, or alternatively advertise on the LA's e-Tendering system, subject to prior agreement, in accordance with the LA's Contract Standing Orders. Please refer to the Schools Financial Regulations for further detail.
- **Medium Value Contract (Works)** – Schools must seek a minimum of three written quotations to ensure best value. Schools are however encouraged to seek additional quotes to secure wider competition and value for money.
- **High Value Contract** – Schools must seek and obtain Cabinet approval before the procurement process is started (including authorising the invitation of expressions of interest, the criteria for short listing and evaluation) and the subsequent award of the contract.

When valuing a rolling contract with no defined termination date, the contract should be valued over a period of 48 months.

The fact that an authority contract has been let in accordance with the Public Contract Regulations 2006 (as amended) does not in itself make it possible to bind a school into being part of that contract. For the purposes of EU Public Procurement Directives schools are viewed as discrete units. Moreover, schools can also consider collaboration arrangements with other schools in the area, e.g. via the use of framework agreements, joint procurements, etc. to realise economies of scale.

For further details please refer to Brent's Schools Finance Regulations 2014-15.

2.11. Application of Contracts to Schools

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

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

Schools have the right to opt out of LA arranged contracts. Schools are only bound into LA arranged contracts through scheme provisions. Without such cover they are free to leave an LA arranged contract at any time. Schools will be bound by any internal contract they have freely entered into with the LA.

2.12. Central Funds and Earmarking

The LA can make sums available to schools from central funds, in the form of allocations which are additional to and separate from the schools' budget shares. Such allocations 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 LA itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share. This will also include allocations for pupils with statements of Special Educational Need.

Such earmarked funding from centrally retained funds can only be spent 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. Schools must be able to demonstrate that this requirement has been complied with in their accounts.

Any earmarked funds must be returned to the LA if not spent within any period stipulated by the LA over which schools are allowed to use the funding.

Under no circumstances will the LA deduct interest from schools in relation to payments of devolved specific grants.

2.13. Spending for the purposes of the school

Governing Bodies are free (in accordance with s.50(3) of the Act) to spend budget shares *for the purposes of the school* to include pupils at other maintained schools, academies and community facilities, subject to regulations made by the Secretary of State and any provisions of the scheme.

By virtue of s.50(3A) (which came into force on 1st April 2011), amounts spent by Governing Bodies on community facilities or services under s.27 of the Education Act 2002 will be treated as if spent for any purposes of the school to include pupils on roll at other maintained schools, academies and community facilities.

Governing Bodies may not incur expenditure from the school budget for purposes which are properly the responsibility of other agencies.

2.14. Capital Spending from Budget Shares

Governing Bodies can 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 Act.

Capital expenditure is money spent to acquire, improve or upgrade physical assets such as buildings and machinery which provides benefits for a period exceeding one year. This may include work on the school site, playing fields, buildings, vehicles or other equipment.

The LA applies a de-minimis limit of £5,000, below which items of expenditure are not capitalised. If the expected capital expenditure from the budget share in any one year is expected to exceed £25,000 in Primary and Special Schools or £50,000 in Secondary Schools, the Governing Body must notify the LA prior to committing funds and take into account any advice from the Strategic Director of Children & Young People as to the merits of the proposed expenditure.

Where the premises are owned by the LA or have voluntary controlled status, then the Governing Body should seek the consent of the LA to the proposed works, but such consent by the LA can only be withheld only health and safety grounds. This includes the extension of buildings, any internal or external alterations to existing buildings, the construction of new buildings and any external works impacting on play areas or playing fields.

These provisions ensure compliance with the current School Premises Regulations and the DfE Construction Standards, and health and safety regulations. In addition, these provisions will not affect expenditure from any capital allocation made available by the LA outside the delegated budget share.

2.15. Notice of Concern

The LA may issue a *Notice of Concern* to the Governing Body of any school it maintains where, in the opinion of the Chief Finance Officer and the Strategic Director of Children & Young People, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the LA or the school.

Such a notice will set out the reasons and evidence for it being made and may place on the Governing Body restrictions, limitations or prohibitions in relation to the management of funds delegated to it. These may include:

- Insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- Insisting that an appropriately trained/qualified person chairs the finance committee of the Governing Body;
- Placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly budget monitoring reports to the LA which clearly shows current income and expenditure and a projected full year forecast;
- Insisting on monthly financial monitoring meetings at the school attended by LA officers;
- Requiring a Governing Body to buy into the LA's Schools Finance packages and services;
- Imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

The rationale for issuing a notice and determining the requirements included within it, are to safeguard the financial position of the LA or the school. Where the LA issues a *Notice of Concern*, the notice will be withdrawn once the Governing Body has complied with the requirements it imposes. The circumstances in which a notice may be issued would include:

- Schools in deficit, where the school has failed to take appropriate and timely action to address the deficit and to follow the requirements of a licenced deficit, and to keep the LA informed on the progress in achieving the deficit recovery plan submitted;
- Schools having consistently high carry forward balances, with no relevant plans for using these;
- Schools failing to complete the SFVS as required;
- Schools with limited or nil assurance audit opinions who have failed to take appropriate and timely action regarding the issues identified in relation to financial management within the audit report issued.

Any dispute between the LA and the school issued with a *Notice of Concern*, regarding any aspect of the notice, will be referred to the LA's Chief Finance Officer for resolution.

2.16. Schools Financial Value Standard (SFVS)

All LA maintained schools (including nursery schools and PRUs that have a delegated budget) must demonstrate compliance with the 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.*

All maintained schools with a delegated budget must submit the form to the LA before 31st March each year.

2.17. Fraud

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

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

Where a Head Teacher or Governing Body becomes aware of any type of fraud, suspected fraud or attempted fraud, this must be reported to the LA's Chief Finance Officer via the Audit & Investigations Service.

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

The LA has adopted the CIPFA Code of Practice for Treasury Management.

For the purposes of this section, the budget share includes any place-led funding for special schools and PRUs.

3.1. Frequency of Instalments

The centrally funded PRUs, as non-bank account schools, may draw on their entire budget shares from the start of the financial year, and will not be subject to the instalment arrangements.

For all other schools, the annual sum allocated to each school's bank account will be the total of its individual school's budget. From April 2013 all schools are required to administer their own payroll – schools administering their own payroll shall be advanced their delegated budget on a monthly basis.

3.2. Proportion of Budget Share payable at each Instalment

Schools will receive their monthly payments as follows:

- By 1st April – 1/36th;
 - By 15th of each month (April to February) – 1/12th;
 - By 15th March – 1/12th minus 1/36th.

Where schools are experiencing cashflow difficulties and require a different monthly profile, this shall be requested on the Cash Advance Request form to the Schools Finance Team. If such a change results in Brent incurring a loss of interest, then an interest charge will apply as described in 3.3.

Top up payments for pupils with high needs will be made with budget share for pupils on roll as at the end of December and termly in arrears for in year changes that occur from 1st January unless alternative arrangements have been agreed with the provider.

3.3. Interest Clawback

Where the LA's normal proportion of budget share instalments are being used, there will be no deduction made from the school budget share instalments for the estimated loss of interest. However, where a school has requested a variation to the standard monthly payment profile, the LA reserves the right to apply an interest charge to the last payment in March, in relation to the loss of interest incurred by the LA in making funds available in advance.

The interest clawback will be calculated using the Bank of England base rate for each day during the relevant time period. School will be notified in advance of the amount of any clawback, with full supporting calculations as confirmation.

3.3.1. Interest on Late Budget Share Payments

The LA will add interest to late payments of budget share instalments, where such late payment is the result of an LA error. The interest calculation will be the same as the Interest Clawback calculations, i.e. the Bank of England base rate at the relevant period, calculated on the number of days for which the instalment was delayed.

3.4. Budget Shares for Closing Schools

The budget shares of schools for which approval for discontinuation has been secured, will be made available until closure on a monthly basis net of estimated pay costs, if the LA deems this to be appropriate.

3.5. Bank and Building Society Accounts

All maintained schools have external bank accounts into which their budget share instalments (as determined by other provisions) are paid. Schools are allowed to retain all interest payable on their bank accounts and shall be subject to any bank charges arising.

If a school did not previously have an external bank account and then opens one, the LA will, if the school desires, transfer immediately to the account an amount agreed by both the school and the LA as the estimated surplus balance held by the LA in respect of the school's budget share, on the basis that there will then be a subsequent correction when accounts for the relevant year are closed.

3.5.1. Restrictions on Accounts

Where a school wishes to change its banking arrangements, it must notify the Strategic Director of Children & Young People of the new arrangements before they come into effect. The LA must approve all new banking arrangements, but no reasonable proposals will be refused. In particular, if a school wishes to change to another bank, the approval of the LA must be sought. This is to protect the school's resources from investment in an inappropriate institution and again refusal will only occur in exceptional circumstances. Any reasonable banking arrangements will be approved automatically. The LA's Treasury Management policy requires that only the following banks and their group members can be used for schools banking arrangements: HSBC, Barclays, Lloyds, RBS and Nationwide Building Society.

Schools may have accounts for budget share purposes which are in the name of the school rather than the LA. However, if a school has such an account, it is required that the account mandate shows that the LA is the owner of the funds in the account and is entitled to receive statements. The LA should also be able to take control of the account if the school's right to a delegated budget is suspended by the LA. Budget share funds paid by the authority and held in school accounts remain LA property until spent (s.49(5) of the Act).

School governors who are not members of staff must not be signatories to any school bank account containing LA provided funds but LA employees and school employees (including employee governors) can be signatories, subject to the principle of division of duties being met.

3.6. Borrowing by Schools

Governing Bodies may borrow money *only with the written permission of the Secretary of State*, and the LA must be notified in advance by any school of its intention to make such application since the LA's own credit requirement would be likely to be reduced to compensate.

The restrictions on borrowing include overdraft facilities, credit cards and finance leases.

The use of procurement cards is encouraged, as they can be a useful means of facilitating electronic purchasing and will enable schools to benefit from significant discounts.

Operating Leases are permitted with the prior approval of the LA Chief Finance Officer. Any such requests should be made in the first instance to the Schools Finance Team who will request approval from the relevant delegated officer.

The above does not, however, apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. These debts may not be serviced directly from the delegated budgets, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing. Governing Bodies do not act as agents of the LA when repaying loans.

This provision does not apply to loan schemes run by the LA, which includes licensed deficits and capital loans.

3.7. Other Provisions

Keeping Balances

Schools will be allowed to retain delegated budget income and pay directly into their respective bank accounts.

Accounting for Non-Official funds

Where a Head Teacher or a member of staff, by virtue of his/her official position, is responsible for money or goods which are the property of a school's non-official fund:

- Monies and goods belonging to the non-official funds must be separate from other monies or goods;
- Monies and goods are properly recorded separately as belonging to the non-official fund;
- An auditor with suitable qualifications should be appointed to independently verify these funds, with audited annual accounts being submitted to governors.

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

4.1. Right to Carry Forward Surplus Balances

Schools will carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year. Surplus balances are however subject to restrictions shown in 4.2 below. Any deficits must be the subject of licensed deficits as explained in 4.4 below.

Where a school transfers into the London Borough of Brent from another LA, its brought forward balance on the first day of its operation under its new LA shall be equal to its carry forward balance on the last day of its operation under its previous LA.

4.2. Controls on Surplus Balances

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

- a) The LA shall calculate by 31st May each year the surplus balance, if any, held by each school as at the preceding 31st March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework (CFR);
- b) The LA shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance, and any unspent grants for the previous financial year where the grant conditions allow carry forward to a future financial year;
- c) The LA 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 LA, and which the LA 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 LA. In considering whether any sums are properly assigned the LA 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, or £10,000 (where that is greater than either percentage threshold), then the LA will consider the excess balances by review and may recommend the clawback of any excessive surplus or direct the use of these funds within the school for specific purposes in future financial years.

Funds deriving from sources other than the LA will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise. The total of any amounts deducted from schools' budget shares by the LA under this provision will be applied to the Schools Budget of the LA.

The LA has regard to the principle that schools should be moving towards greater autonomy, should not be constrained from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and should not be burdened by bureaucracy. The mechanism will

therefore only be focused on those schools which have built up significant excessive uncommitted balances and/or where some level of redistribution would support improved provision across a local area. Any such redeployment of funds would only be considered with the agreement and approval of the Schools Forum.

To assist the LA in carrying out its financial monitoring role, schools are asked to complete the Surplus Balances Breakdown form when requested by the LA annually, on the use the school intends to make of any surplus balances, in cases where the total balance exceeds 5% for secondary schools or 8% for primary and special schools. Relevant evidence must be submitted to support this response and may comprise of minutes to Governing Body meetings, three year school development plans (SDPs), or any other relevant information. Any surpluses should be earmarked for specific future needs to ensure that pupils benefit from a planned approach to spending that does not deprive them of required educational resources in any given year.

4.3. Interest on Surplus Balances

No interest will be paid to schools on balances held by the LA on their behalf. Interest generated by schools' own bank accounts will be retained by the school.

4.4. Obligation to Carry Forward Deficit Balances

Revenue deficit balances held by schools as permitted under this scheme, must be carried forward.

4.5. Planning for Deficit Balances

Schools that are not currently in deficit must not plan for a deficit under any circumstances. See 4.9 below.

4.6. Charging of Interest on Deficit Balances

The LA will not charge interest on deficit balances.

4.7. Writing Off Deficits

The LA cannot and will not write off the deficit balance of any school.

4.8. Balances of Closing and Replacement Schools

When a school closes any cumulative balance (whether surplus or deficit) reverts to the LA. This cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus transfers to an academy where a school converts to academy status under s.4(1)(a) of the Academies Act 2010. However, where the closure is purely a technicality to enable the merger of an Infant and Junior

school, the LA's funding formula will enable a sum equal to the combined closing balances of the Infant and Junior schools to be allocated as the opening balance of the new school.

4.9. Licensed Deficits

Schools should only apply for a Licensed Deficit in exceptional circumstances where they cannot set a balanced budget without seriously impacting on the educational provision at the school.

The purpose of the Licensed Deficit process is to enable schools to:

- Identify and acknowledge the problem;
- Agree with the LA a plan of action and to monitor progress against this plan;
- Take strategic action to improve the long term financial situation at the school;
- Balance their budget over a period of time – maximum three years.

The Licensed Deficit process is used by the LA to provide schools with an appropriate level of challenge and support to help them set a balanced budget or, if this is not achievable, to prepare a recovery plan that sets out the action the school will take to achieve a sustainable balanced financial position over an agreed period of time. The LA will not therefore unreasonably reject an application for a Licensed Deficit and will consider the following in reaching a decision:

- The nature of the circumstances which gave rise to the deficit and specifically whether they could have been foreseen;
- The school's track record in financial management;
- The robustness of the deficit recovery plan and the appropriateness of the timescales proposed;
- Any other mitigating circumstances.

To apply for a Licensed Deficit:

- A school must complete a Licensed Deficit Application & Agreement Form, which must be signed by the Head Teacher and the Chair of Governors;
- This must be accompanied by a detailed deficit recovery plan which includes staffing details.

A licensed deficit must receive approval from the Chief Finance Officer and the Strategic Director of Children & Young People, or their representatives, and therefore the following conditions must be met:

- A licensed deficit will only be agreed where circumstances affecting the school have changed in ways that could not be reasonably foreseen and the school needs a period in excess of one financial year to enact a reduction in its annual level of expenditure or an increase in its annual level of income sufficient to eliminate the deficit;
- The maximum length of time over which a school can plan to come out of deficit, will be three years;
- Progress against this plan will be reviewed each month by the Schools Finance Team through budget monitoring reports and/or monthly update meetings with the school;
- A recovery plan must be formally revisited each year with the submission of budgets – but the plans submitted must be reduced by the length of time the school has already been in deficit – e.g. the recovery plan submitted in Year 2 of a licensed deficit should be for no longer than 2 years;

- Under no circumstances will the period of recovery be extended and schools will therefore need to adjust their plans accordingly if the financial position of the school worsens during this period;
- The school will be subject to all conditions set out in the Licensed Deficit application form.

Please see refer to the *Deficit Recovery Plan – Guidance for Schools* for further information.

4.10. Loan Schemes

Schools Loans Scheme – Improvement Projects

Schools may seek approval from the LA for planned building improvement work (i.e. meeting suitability and/or sufficiency needs rather than condition) to be financed under this section of the School Loans Scheme (“Improvement Projects”). All Improvement Projects will require the approval of the Strategic Director of Children & Young People and the Chief Finance Officer. Please refer to the Annex B for further details and application forms.

Cash Advances

Schools that apply for a cash advance due to cashflow difficulties, will be offered a loan with a formal repayment plan where the repayment crosses financial years or where the amount requested exceeds £100k. Please refer to the *Cash Advance – Guidance for Schools* for further information.

4.10.1. Credit Union Approach

Schools may wish to group together to utilise externally held balances for a credit union approach to loans. Where schools choose to operate in such a way then they must provide the LA with audit certificates.

SECTION 5: INCOME

Schools will normally retain any income earned by the school, except in certain specified circumstances.

5.1. Income from Lettings

Schools will retain all income from the letting of the school premises, which would normally accrue to the LA unless a clause in a specific joint use or Private Finance Initiative (PFI) specifically precludes this.

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 educational achievement and there is no net cost to the budget share. However, schools should have regard to directions issued by the LA as to the use of school premises.

Income from lettings of school premises should not be payable into non-official funds (voluntary or private funds) held by the school.

5.2. Income from Fees and Charges

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

Income from boarding charges is collected on behalf of the LA and should not exceed that needed to provide board and lodging for the pupils concerned.

5.3. Income from Fund-Raising Activities

Schools will retain income from fund-raising activities.

Where such activities have created a charge against the school budget, this charge must be reimbursed first, before the balance of income is credited to any non-official fund.

5.4. Income from the Sale of Assets

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

5.5. Administrative Procedures for the Collection of Income

All income received by schools must be banked promptly and in its entirety.

Procedures should be approved by the Governing Body which ensure adequate monitoring and reconciliation of income due and received. Income due to the school must identify VAT, where appropriate. All VAT income received must be itemised correctly for HM Revenue and Customs purposes.

No personal cheques may be cashed out of money received and under no circumstances must amounts due to the LA be paid into non-official funds temporarily or permanently.

Schools operating their own school meals provision should ensure that income received and expenditure incurred are appropriately accounted for separately in the school's accounting system, and not applied to the accounts net.

Schools are reminded to take account of VAT advice and liaise with the LA's Senior Finance Officer (Tax) Officer with regards to charging VAT on lettings, any services that lead to fees and charges, and the VAT implications of funding raising activities and the sale of assets.

5.6. Purposes for which Income may be used

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

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1. General Provision

The budget share of a school may be charged by the LA without the consent of the Governing Body *only* in circumstances expressly permitted by the scheme in 6.2 below. The LA will consult with the relevant schools as to the intention to so charge, and will notify schools when it has been done.

Schools are reminded that the LA will not act unreasonably in exercise of this scheme, as the LA may be then subject of a direction under s.496 of the Education Act 1996.

Should a school wish to challenge such a charge they must set out their objections in writing to the Strategic Director of Children & Young People, submitted via the Schools Finance Team, who will make the final decision.

For the avoidance of doubt, the LA may de-delegate funding for permitted services without the express permission of the Governing Body, provided this has been approved by the appropriate phase representatives of the Schools Forum.

6.1.1.Charging of Salaries at Actual Cost

The LA must charge salaries of school based staff to school budget shares at actual cost.

6.2. Circumstances in which Charges may be made

Charges may be made to the budget share of a school by the LA, without the consent of the school, in the following circumstances:

- 6.2.1. Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA).
- 6.2.2. Other expenditure incurred to secure resignations where the school had not followed LA advice.
- 6.2.3. Awards by courts and industrial tribunals against the LA, or out of court settlements, arising from action or inaction by the Governing Body contrary to the LA's advice.
- 6.2.4. Expenditure by the LA in carrying out health and safety work or capital expenditure for which the LA is liable where funds have been delegated to the Governing Body for such work, but the Governing Body has failed to carry out the required work.
- 6.2.5. Expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the LA or the school has voluntary controlled status.
- 6.2.6. Expenditure incurred by the LA in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the LA.
- 6.2.7. Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement, and the result is that monies are owed by the school to the LA.

- 6.2.8. Recovery of penalties imposed on the LA by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs, Teachers' Pensions, the Environment Agency or other regulatory authorities as a result of school negligence.
- 6.2.9. Correction of LA errors in calculating charges to a budget share (e.g. pension deductions).
- 6.2.10. Additional transport costs incurred by the LA arising from decisions by the Governing Body on the length of the school day, and failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
- 6.2.11. Legal costs which are incurred by the LA because the Governing Body did not accept the advice of the LA (see also section 11).
- 6.2.12. Costs of necessary health and safety training for staff employed by the LA, where funding for training had been delegated but the necessary training not carried out.
- 6.2.13. Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
- 6.2.14. Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge to be the minimum needed to meet the cost of the LA's compliance with its statutory obligations.
- 6.2.15. Costs incurred by the LA 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 low cost high incidence SEN and/or specific funding for a pupil with High Needs.
- 6.2.16. Costs incurred by the LA due to submission by the school of incorrect data.
- 6.2.17. Payments in respect of National Non Domestic Rates and Insurance where the LA has incurred the expenditure on behalf of the school and has not received reimbursement.
- 6.2.18. Costs incurred by the LA in obtaining and verifying statutory information that schools are legally obliged to provide but have failed to submit by the due deadline.
- 6.2.19. Recovery of amounts spent from specific grants on ineligible purposes.
- 6.2.20. Costs incurred by the LA as a result of the Governing Body being in breach of the terms of a contract.
- 6.2.21. Costs incurred by the LA or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- 6.2.22. Costs incurred by the LA as a result of failure to comply with pension regulations.

SECTION 7: TAXATION

7.1. Value Added Tax

In order to be able to utilise the LA's ability to reclaim VAT on expenditure relating to non-business activity, schools will need to submit a quarterly return to the Schools Finance Team. Schools experiencing cashflow difficulties, may submit monthly returns where this has been agreed with the Schools Finance Team. All amounts so reclaimed will be passed back to the school.

Schools must comply with the tax legislation and should follow the procedures set out in any relevant procedure issued by the Finance Department with regard to the following matters:

- Recording and reclaiming of VAT;
- Deduction of income tax in relation to staff employed in schools;
- Construction Industry Taxation Scheme (CIS).

Schools are responsible for their own unofficial funds and these do not fall under the scope of the LA's VAT registration.

7.2. Construction Industry Tax Scheme (CIS)

Schools must abide by the procedures issued by the LA in connection with CIS.

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

8.1. Provision of Services from Centrally Retained Budgets

The LA will determine on what basis services from centrally retained funds will be provided to schools. The definition of services includes existing Premature Retirement Compensation (PRC) and redundancy payments, which may not ordinarily be thought of as services.

However, the LA will not discriminate in its provision of services on the basis of categories of schools except where funding has been delegated to some schools only, or such discrimination is justified by differences in statutory duties.

8.2. Provision of Services Bought back from the LA using Delegated Budgets

The term of any arrangement with a school to buy services or facilities from the LA will be limited to a maximum of three years from the date of the agreement, and periods not exceeding five years for any subsequent agreement relating to the same services. However, schemes may contain an extension to five and seven years respectively for contracts for supply of catering services.

Services and facilities provided for which expenditure is not retainable centrally by the LA under Regulations made under section 45A of the Act, shall 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.

Centrally arranged services such as premises and liability insurance and Capita SIMs licences, are excluded from these requirements.

8.2.1. Packaging

The LA may provide any services for which funding has been delegated. Where the LA is offering the service on a buy-back basis, this will be provided in a way which does not unreasonably restrict schools' freedom of choice among the services available. Where practicable this will include provision on a service-by-service basis as well as packages of services.

8.3. Service Level Agreements

Service level agreements must be in place by 1st April to be effective for that financial year, and schools must have at least one month to consider the terms of agreements. All agreements must be entered via purchase on BESTBrent (www.bestbrent.co.uk).

If 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.

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

Centrally arranged premises and liability insurance are excluded from these requirements as these limitations may be impractical for insurance purposes.

8.4. Teachers' Pensions

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

The conditions only apply to Governing Bodies of maintained schools that have not entered into an arrangement with the LA to provide payroll services.

A Governing Body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the LA to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the LA which the LA requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The LA will advise schools each year of the timing, format and specification of the information required. A Governing Body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the LA within the time limit specified in the AVC scheme. The Governing Body shall meet any consequential costs from the school's budget share.

A Governing Body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the LA which the LA requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The LA will advise schools each year of the timing, format and specification of the information required from each school. A Governing Body shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the LA within the time limit specified in the AVC scheme. The Governing Body shall meet any consequential costs from the school's budget share.

SECTION 9: PFI SCHEMES

This section will only apply if and when a Facilities Management (FM) PFI scheme comes into operation.

The LA shall have the power to issue regulations from time to time relating to PFI projects. Amongst other issues these may deal with the reaching of agreements with the Governing Bodies of schools as to the basis of charges to schools' budget shares relating to such schemes; and the treatment of monies withheld from contractors due to poor performance. Such variations may be scheme variations and require approval.

SECTION 10: INSURANCE

10.1. Insurance Cover

Where funds for insurance are delegated to any school, the LA may require the school to demonstrate that cover relevant to an LA's insurable interests, under a policy arranged by the Governing Body, is at least as good as the relevant minimum cover arranged by the LA if the LA makes such arrangements, either paid for from central funds or from contributions from schools' delegated budgets - see 6.2.6. The LA will have regard to the actual risks which might reasonably be expected to arise at the school in question in operating this requirement, and not apply an arbitrary minimum level of cover for all school.

Head Teachers must give prompt notification to the Chief Finance Officer via the Insurance Team, of all new risks, properties, or vehicles which are required to be insured by the LA, and any alterations affecting existing insurances. Head Teachers must also notify promptly of any loss, liability, damage or other event likely to lead to an insurance claim.

SECTION 11: MISCELLANEOUS

11.1. Right of Access to Information

In addition to specific requirements elsewhere within this scheme, Governing Bodies must also supply all financial and other information that might reasonably be required to enable the LA to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the LA (e.g. earmarked funds) on the school.

11.2. Liability of Governors

Schools are reminded that the Governing Body is a corporate body, and because of the terms of s.50(7) of the Act, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith. An example of behaviour that is not in good faith is the carrying out of fraudulent acts.

11.3. Governors' Expenses

The LA may delegate to the Governing Body of a school yet to receive a delegated budget, funds to meet governors' expenses. In order for an individual governor to make a claim the Governing Body must formally adopt a Governor Allowances (Scheme of Paying) Policy. The LA will set the amount of such allowances.

Under section 50(5) of the Act, only allowances in respect of purposes specified in regulations made under s.19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. Payment of any other allowances is forbidden. Schools must not make payments of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

11.4. Responsibility for Legal Costs

Costs of legal actions (including costs awarded against the LA) which are incurred by the Governing Body, although the responsibility of the LA as part of the cost of maintaining the school, unless they relate to the statutory responsibility of voluntary aided school governors for buildings, may be charged to the school's budget share unless the Governing Body acts in accordance with the advice of the LA. If there is a potential conflict of interest between the LA and the Governing Body, the school should seek independent legal advice.

Please refer to section 6. The effect of this is that a school cannot expect to be reimbursed with the cost of legal action against the LA itself (although there is nothing to stop an LA making such reimbursement if it believes this to be desirable or necessary in the circumstances).

These costs referred to do not include the costs of seeking legal advice.

11.5. Health & Safety

In expending the school's budget share, Governing Bodies shall have due regard to duties placed on the LA in relation to health and safety, and the LA's policy on health and safety matters in the management of the budget share.

11.6. Right of Attendance for Chief Finance Officer

Governing Bodies must permit the Chief Finance Officer of the LA (or any officer of the LA nominated by the Chief Financial Officer) to attend meetings of the Governing Body at which any agenda items are relevant to the exercise of his or her responsibilities. (The Chief Finance Officer's attendance will normally be limited to items which relate to issues of probity or overall financial management; such attendance will not be regarded as routine). Wherever practical, the LA shall give prior notice of such attendance.

11.7. Special Educational Needs

Schools are required to use their best endeavours in spending their budget share to secure the special educational needs of their pupils who require such support. Schools must also ensure that they meet all the requirements of the SEN Code of Practice.

As this is a statutory requirement, the LA reserves the right to suspend delegation if a breach of this requirement occurs and the situation is deemed serious enough to warrant such action.

11.8. Interest on Late Payments

Schools are required to ensure compliance at all times with legislation in relation to interest on late payments.

The *Late Payment of Commercial Debts (Interest) Act 1998* introduced a statutory right for businesses to claim interest on the late payment of commercial debts. Late payment is defined as being payment received after the contracts credit period has expired, or the credit period in accordance with trade custom and practice. Where no credit period is stated in a contract, the Act sets a default of 30 days from delivery of either the invoice for payment or of the goods/service, whichever is later. The rate of interest is the official dealing rate of the Bank of England (the base rate) +8%. The base rate used is that on the day on which the contract states that payment is to be made. If the purchaser does not pay the interest, the supplier can pursue the claim through the courts. It is therefore imperative that all invoices are paid within the time laid down in the credit terms to avoid incurring any additional costs.

11.9. 'Whistleblowing'

Where a school employee or governor wishes to complain about the financial management or financial propriety at the school this should be carried out in accordance with the school's Whistleblowing Policy and Procedures. The school is strongly advised to adopt the LA's Whistleblowing Policy & Procedures. All concerns will be treated in confidence and will be investigated by a delegated representative of the Chief Finance Officer.

11.10. Child Protection

Governing Bodies must allow staff to attend child protection case conferences and other relevant events where the LA requires it in order to fulfil its statutory duty. Funding relating to supply cover and training costs for child protection is already part of the provision contained in the weighted pupil element of the formula, and the costs in relation to these will therefore be borne by the school.

11.11. Redundancy/Early Retirement Costs

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

The default position is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the LA's budget except in locally determined circumstances.

The LA will not fund under the following circumstances, in line with DfE guidance:

- If the school is making staffing reductions which the LA does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit;
- If the staffing reductions arise from a deficit caused by factors within the school's control;
- If the school has a surplus balance with no agreed plan for its use;
- If the school has refused to engage with the LA's redeployment policy;
- If the school is acting outside the LA's policy and does not act on LA advice given;
- If the school has decided to offer more generous terms than the authority's policy, the LA will not fund the excess.

Please refer to the Schools Redundancy Funding Policy for further information, and for details on how to apply for this.

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

12.1. Funding

All funding for repairs and maintenance is delegated to schools as part of the school budget share.

12.2. Defining Capital

Only capital expenditure is retained by the LA. For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the LA for financial accounting purposes in line with the CIPFA Code of Practice on LA accounting.

The de-minimus level the LA uses for the definition between capital and revenue in the financial accounts is £5,000. Therefore items of less than £5,000 will not be considered capital expenditure.

12.3. Voluntary Aided (VA)Schools

VA governors will continue to be eligible for grant from the DfE in respect of their statutory responsibilities and in addition they will have responsibility for other repair and maintenance items on the same basis as Community and Foundation schools. VA governor responsibilities are set out in full detail in the DfE document *Voluntary Aided and Special Agreement Schools – Determination of Financial Liability*.

For VA schools, the liability of the LA for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools. However, eligibility for capital grant from the Secretary of State for capital works at VA schools depends on the de minimis limit applied by DfE to categorise such work, not the de minimis limit used by the LA.

SECTION 13: COMMUNITY FACILITIES

13.1. Introduction

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

However, under s28(1), the main limitations and restrictions on the power will be those contained in the maintaining LA's scheme for financing schools made under s.48 of the Act as amended by paragraph 2 of Schedule 3 to the Education Act 2002. This amendment extended the coverage of schemes to include the exercise of powers of Governing Bodies to provide community facilities.

Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools.

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

13.2.

As with Budget Share funds, mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.

13.3. Consultation with the LA – Financial Aspects

The Governing Body is required to consult the LA and have regard to advice from the LA in relation to any proposed arrangement for community facilities, as required by s.28(4) of the Education Act 2002.

13.4.

Schools are likely to benefit from informal contacts and advice from relevant officers with required professional expertise well before the formal consultation commences. It would also be helpful to all parties if schools gave the LA notice of their intent in advance of the formal consultation itself.

Formal consultation with the LA will commence when the full consultation material has been submitted in writing. The response period will begin from receipt of the full material.

Details of funding agreements with third parties must be sent to the LA for its comments as part of the consultation process and will be subject to the same time frame for response.

13.5.

Brent will provide formal advice in writing within a maximum period of 6 weeks.

Schools should subsequently inform the LA of the action taken, or proposed to be taken, in response to the advice given by the LA.

13.6. Funding Agreements – LA Powers

The provision of community facilities in many schools may be dependent on the conclusion of a funding agreement with a third party which will either be supplying funding or supplying funding and taking part on the provision. A very wide range of bodies and organisations may potentially be involved.

13.7.

Any funding agreements with third parties (as opposed to funding agreements with the LA itself) should be submitted to the LA for comment and advice. Such draft agreements should form part of the consultation with the LA. Schools must take regard to this advice.

Although the LA has no power of veto, if an agreement is concluded without the agreement of the LA or against its wishes and the LA considers it to be seriously prejudicial to the interests of the school or the LA, this may constitute grounds for suspension of the right to a delegated budget.

As a general principle, the LA would suggest that most schemes should put the onus for meeting expenditure on the third party and that the school just has a share of any profit for allowing their premises to be used. That keeps it simple and minimises any possible calls on Council and school resources if things go wrong.

13.8. Other Prohibitions, Restrictions and Limitations

The Governing Body should endeavour to protect the financial interests of the LA. The LA may require that in a specific instance of use of the community facilities power, the Governing Body concerned shall make arrangements to protect the financial interest of the LA. Arrangements for protection may include the setting up of a limited company formed for the purpose or obtaining indemnity insurance for risks associated with the project in question, as specified by the LA.

13.9.

S.28 provides that the exercise of the community facilities power is subject to prohibitions, restrictions and limitations in the *Scheme for Financing Schools*. The LA respects and welcomes the right of schools to provide community facilities. Schools are however reminded that they must not discriminate on the grounds of race, nationality or ethnic origin or disability on the terms that they offer out halls and rooms to members of the public or in respect of any contract they enter into with third parties for the provision of community facilities. Governors of schools must not provide community facilities, whether for payment or not, to any individuals or groups which are racist or sexist or otherwise oppressive or whose aims would be counter to the policies on equality and diversity of their school or of the LA. Governors should take particular care not to provide facilities to individuals or groups whose aims are counter to the well being of children or young people.

13.10. Other Prohibitions, Restrictions and Limitations

Schools must provide the LA every six months with a summary statement, in a form determined by the LA, showing the income and expenditure to the school arising from the facilities (actual for previous six months, estimate for the following six months).

13.11.

If the LA has cause for concern, it may require these statements every three months.

13.12. Audit

The school must grant access to their records and provide information connected to the community facilities for the purposes of both internal and external audit and any investigation conducted by the LA of relevant income and expenditure.

13.13.

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

13.14. Treatment of Income and Surpluses

Schools may keep all net income derived from the facilities, except where otherwise agreed with a funding provider.

13.15.

Schools can also carry forward retained net income from one financial year to the next and either add it to any Budget Share surplus or retain it as a separate surplus for the community facility.

If the school is a community or community special school and the LA ceases to maintain it, any surplus from community facilities will revert to the LA.

13.16. Health & Safety

Health and safety requirements of the main scheme are extended to the facilities.

13.17.

The Governing Body are responsible for the costs of securing Disclosure and Barring Service (DBS previously carried out by CRB) clearance for all adults involved in community activities taking place during the school day. Governing Bodies would be free to pass on such costs to a funding partner as part of an agreement with that partner.

13.18. Insurance

The Governing Body must ensure adequate insurance arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary.

13.19.

The LA can carry out its own assessment of the insurance arrangements made by the school and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school.

13.20. Taxation

Schools can only make use of the LA's VAT reclaim facility on expenditure on community facilities when this is from LA funds and not expenditure from other funds. Advice should be obtained from the LA's VAT officer.

13.21.

If any member of staff employed by the school or LA in connection with community facilities at the school and is paid from funds held in a school's own bank account (whether a separate account is used for community facilities or not), the school is likely to be held liable for payment of income tax and National Insurance, in line with HMRC rules.

13.22.

Schools must abide by the procedures issued by the LA in connection with CIS.

13.23. Banking

The school must either keep separate bank accounts for Budget Share and community facilities or have adequate internal control to ensure adequate separation of funds.

13.24.

The requirements in relation to banks, requirements for signing of cheques etc. will be the same as for the Budget Share account

13.25.

Schools are reminded that they cannot borrow money without the written consent of the Secretary of State. This requirement does not however extend to monies lent by the maintaining LA.

ANNEX A – LIST OF MAINTAINED SCHOOLS (at 1st September 2014)

NURSERY (4)

COLLEGE GREEN
CURZON CRESCENT
FAWOOD
GRANVILLE PLUS

PRIMARY (55)

ANSON
BARHAM
BRAINTCROFT
BRENTFIELD
BYRON COURT
CARLTON VALE INFANTS
CHALKHILL
CHRIST CHURCH BROND CE
CONVENT OF J&M RC INFANTS
DONNINGTON
ELSLEY
FRYENT
FURNESS
HARLESDEN
ISLAMIA
JOHN KEBLE CE
KILBURN PARK JUNIORS
KINGSBURY GREEN
LEOPOLD
LYON PARK INFANTS
LYON PARK JUNIORS
MALOREES INFANTS
MALOREES JUNIORS
MICHAEL SOBELL SINAI
MITCHELL BROOK
MORA
MOUNT STEWART INFANTS
MOUNT STEWART JUNIORS
NEWFIELD
NORTHVIEW
OAKINGTON MANOR
OLIVER GOLDSMITH
OUR LADY OF GRACE RC INFANTS
OUR LADY OF GRACE RC JUNIORS
OUR LADY OF LOURDES RC
PARK LANE
PRESTON PARK

PRINCESS FREDERICA CE

ROE GREEN INFANTS
ROE GREEN JUNIORS
SALUSBURY
ST ANDREW & ST FRANCIS CE
ST JOSEPH'S RC
ST JOSEPH'S RC INFANTS
ST JOSEPH'S RC JUNIORS
ST MARGARET CLITHEROW RC
ST MARY MAGDALEN'S RC
ST MARY'S CE
ST MARY'S RC
ST ROBERT SOUTHWELL RC
STONEBRIDGE
TORAH TEMIMAH
UXENDON MANOR
WEMBLEY
WYKEHAM

SECONDARY (3)

JFS
NEWMAN
ST GREGORY'S RC

SPECIAL (3)

MANOR DAY
PHOENIX ARCH
THE VILLAGE

PRUS (2)

HNES
KS3/4



SCHEME FOR FINANCING SCHOOLS:

SCHOOLS FINANCIAL REGULATIONS

2014-15

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(Updated July 2014)

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(to which this scheme applies as at September 2014)

A. INTRODUCTION

A.1 What These Regulations Cover

- A.1.1 These regulations form part of the Scheme of Delegation, and apply to all schools that have a delegated budget under the School Standards and Framework Act 1998. These regulations supplement the Brent Scheme for Financing Schools, s. 43 – 53 of the School Standards and Framework Act 1998 and s. 14 to the Act as approved by the Secretary of State. It also ensures that schools comply with the requirements of s. 151 of the Local Government Act 1972, Contract Procedure Rules, and the Accounts and Audit Regulations.
- A.1.2 The objective of these regulations is to specify a number of procedures and key control measures which ensure the public accountability and high standards of financial integrity to be exercised in the use of public funds and in reducing financial risk.
- A.1.3 The regulations therefore cover the following fundamental areas of financial management and control:
- Setting, monitoring and controlling the revenue budget;
 - Accounting responsibilities;
 - Income and Expenditure controls;
 - Risk management and control of resources;
 - Procurement;
 - Retention of documents.
- A.1.4 The regulations also identify the responsibilities of the Chief Finance Officer, Governing Bodies, Head Teachers and all relevant staff in schools. The Chief Finance Officer's responsibilities in relation to schools are mainly exercised through the Schools Finance Team. The Schools Finance Team is therefore the first and primary point of contact on all financial matters.
- A.1.5 For the purposes of this document, the Chief Finance Officer is the officer appointed by the LA in accordance with s.151 of the Local Government Act 1972.

A.2 Application of These Regulations

- A.2.1 These regulations must be followed by all Governing Bodies and school officers of schools maintained by Brent, whether they are directly employed, contracted, employed through an agency or volunteer in their conduct of financial and related matters.
- A.2.2 Failure to comply with these regulations may constitute misconduct and lead to formal disciplinary action.
- A.2.3 A list of schools maintained by Brent at September 2014, and therefore covered by these regulations, is included in Annex A.

A.3 Responsibilities

- A.3.1 The following describes the overall framework and the main roles and responsibilities in respect of these regulations. This is not an exhaustive list and there are also likely to be some overlap in roles. Ultimately all Governing Bodies and school officers are responsible for complying with all regulations.
- A.3.2 In discharging their duties and responsibilities all school officers must comply with Brent's Scheme for Financing Schools and any associated regulations including these, and where appropriate financial procedures and standing orders. Where there is inconsistency between these, the relevant Acts shall prevail.
- A.3.3 Under the Scheme of Financing Schools, schools do not have any power to borrow money, including no power to enter into any type of lease purchase arrangements.
- A.3.4 The Chief Finance Officer:
- is the responsible officer for the proper administration of the financial affairs of the LA under s. 151 of the Local Government Act 1972;
 - is required to approve all accounting procedures, systems and records of the LA, including schools, under his s. 151 duties and the Accounts and Audit Regulations;
 - is therefore responsible for reviewing these regulations and reporting any breaches to the Cabinet or Full Council;
 - puts in place financial standards and practices across the LA including schools, to deliver a framework for financial control, provide accurate, timely and consistent monitoring information, and sound advice on financial decisions to be made by officers and members;
 - has the right to attend (or a delegated officer) any meeting of a Governing Body to provide advice or report on major financial matters which in his opinion affects the probity and regularity of the LA's financial activities.

The Chief Finance Officer's statutory responsibility for the administration of the LA's affairs cannot be overridden by anything in a Scheme of Delegation or in any set of financial procedures.

Further details of roles and responsibilities are set out in Part 4 of the Constitution
<http://www.brent.gov.uk/your-LA/about-brent-LA/LA-structure-and-how-we-work/our-constitution/>

A.3.5 Other Officers

- A.3.5.1 The Schools Finance Team:
- is the main point of contact for all financial matters;
 - collates financial information;
 - monitors implementation of the financial control framework;
 - supports the Governing Body, Head Teachers and school finance officers in their financial responsibilities; and

- provides assurance to the Chief Finance Officer, Strategic Director of Children & Young People and Members that adequate controls exist to produce sound financial administration.

A.3.5.2 The Audit & Investigations Service:

- provides the LA's internal audit function and anti-fraud services;
- assists the Chief Finance Officer and Strategic Director of Children & Young People to discharge their statutory duties;
- provides Head Teachers with advice and guidance on the system of internal control;
- is responsible for investigations into financial irregularities across all LA services, including schools.

A.3.6 Governing Bodies:

- are responsible for the overall financial management of delegated school budgets. Although some powers can be delegated to Head Teachers with formal approval, the Governing Body will retain overall responsibility for any actions taken;
- must maintain a written record where their powers have been delegated to members of staff;
- shall provide the LA with any reasonable information for the effective discharge of the LA duties and responsibilities;
- should ensure that all existing and new employees of the school are informed of their responsibilities under financial regulations and are familiar with these documents;
- should ensure that all financial regulations or contracts and award procedures are followed by everyone in the school;
- should ensure that relevant records are maintained and retained;
- must consult with the Chief Finance Officer on any matter which is liable to materially affect the finances of the LA, before any provisional or other commitment is incurred or a bid for external funding is made;
- are responsible for securing value for money and compliance with the principles of best value in relation to their activities.

A.3.7 Head Teachers:

- must ensure that their school promotes, enacts and monitors adherence to the necessary financial control framework and keeps spending within budget, indicating where necessary, conflicts between current service policy and plans and resource allocation;
- are required to keep accurate financial records, comply with the financial control framework and take timely action to keep spend within budget.

The Governing Body may delegate some of its powers to Head Teachers, but the Governing Body shall retain responsibility for the actions. Many of the requirements of the Governing Body within these regulations, may therefore apply to Head Teachers instead, where the relevant powers have been delegated to them.

A.3.8 Schools' Finance Officers:

- collate the financial information about their school;
- provide financial advice to the Governing Body and the Head Teacher of their school;
- provide financial information to the Schools Finance Team;
- support Head Teachers in their financial responsibilities;
- help to implement the financial control framework;
- ensure sound financial administrative systems are in place.

In practice this may be a School Business Manager, Bursar or Finance Officer.

A.4 Application of Changes

A.4.1 Changes to these regulations may be necessary from time to time to ensure relevance and consistency with the Financial Procedure Rules in the context of a school environment. Any changes required will only be implemented after:

- the agreement of the Chief Finance Officer and the Strategic Director of Children & Young People;
- consultation with the Schools Forum;
- the approval of the LA's Cabinet.

A.5 Other Guidance

A.5.1 These regulations are supplemented by, and should be read in conjunction with:

- Technical Standards setting out more detailed requirements for financial arrangements, which may change from time to time;
- Guidance notes on financial management practice which may be issued periodically by the Chief Finance Officer or delegated officers – usually by the Schools Finance Team;
- Schools Finance Manual;
- Budget Preparation Guidelines issued annually;
- Schools Closing Guidance issued annually;
- The Scheme for Financing Schools updated annually.

B. BUDGET MANAGEMENT

A *Budget* is the numerical representation of an action plan for a specified time period. In the context of a school, this is a numerical statement of the school's development plan (SDP) – a numerical statement of the school's policy, aims, objectives and strategies in financial terms.

B.1 The Importance of Effective Budget Management

- B.1.1 Budget management ensures that resources are used for their intended purposes and that these resources are properly accounted for. Each school is expected to manage their own expenditure within the budget allocated to them to ensure that the school does not overspend against this. Regular reporting of income and expenditure against approved budgets ensures that governors are aware of, and highlights situations where, any actions may be required to ensure spending remains within the budget allocation.

B.2 Budgetary Role

- B.2.1 The Governing Body shall be responsible for approving a 3 year budget each year and ensuring that the budget plan is a numerical reflection of the school's SDP and fully reflect the estimated effect of pupil changes and any development decisions.
- B.2.2 The Governing Body shall be responsible for reporting without delay to the Schools Finance Team where it appears that the total budget for the school may be exceeded, and taking appropriate action to bring the budget back into balance.
- B.2.3 The Head Teacher shall be responsible for maintaining a proper system of budgetary control and preparing all estimates for submission to the Governing Body, Chief Finance Officer and Strategic Director of Children & Young People. These functions shall be discharged in accordance with any guidelines or Codes of Practice issued from time to time by the Chief Finance Officer and the Strategic Director of Children & Young People.
- B.2.4 Neither the Governing Body, an individual Governor, nor the Head Teacher shall commit the school to any expenditure for which there is not sufficient budget provision or which will cause an overall budget deficit.

B.3 Setting the Budget

The budget is the school's SDP in numerical form and therefore should be a reflection of the school's policies, aims and actions to be implemented in the duration of the budget period.

- B.3.1 Each school shall be given a budget share calculated in accordance with the formula for funding schools, before the beginning of the financial year.

- B.3.2 The 3 year budget shall be proposed by the Head Teacher and agreed and set by the Governing Body. Budgets must be produced in accordance with the Budget Preparation Guidelines issued annually. The format for submission of the 3 year budget plan and the requirements for supporting documents and evidence of approval are also provided annually at the same time and schools must also comply with these. The Governing Body is not permitted to set a budget which plans for a cumulative deficit at the end of any of the financial years, except where the LA has authorised such a budget.
- B.3.3 The Head Teacher shall submit the approved budget to the Schools Finance Team by 1st June each year, along with the required supporting documents and evidence of approval. Any extension to the deadline can only be granted in exceptional circumstances because of particular difficulties.
- B.3.4 The school's Finance Officer shall enter the approved submitted budget plan on to the school's computerised financial system within a month of its approval, and ensure that the budget is fixed on the system. This will allow an audit trail for any changes made during the year, which should be appropriately approved and documented.

B.4 Monetary Limits

The monetary limit of a school is the amount of money available to spend.

- B.4.1 The inclusion of money in the school's budget approved by the Governing Body shall authorise the Head Teacher to spend up to that sum plus any available school balance brought forward from previous years. The Head Teacher is not authorised to exceed the approved budget.
- B.4.2 Each Head Teacher shall deliver the curriculum and other school services within the resources agreed.

B.5 Budget Virements

A virement is the transfer of funds from one budget line to another. It is an administrative exercise that provides a degree of flexibility in spending a school's budget, and allows for changing circumstances and/or unexpected developments.

- B.5.1 The Governing Body may agree to transfer resources between budgets provided they follow the advice provided by the Chief Finance Officer and Strategic Director of Children & Young People.
- B.5.2 The Governing Body is advised to establish appropriate criteria for virements and financial limits in their Schemes of Delegation, above which the approval of the Governing Body is required. Any such decisions should be recorded in the Governing Body minutes.
- B.5.3 Where additional funds have been allocated to a school for a specific purpose, they shall only be used for that purpose.

B.6 Budget Monitoring

Budget Monitoring is the examining of the school's monthly spend and income against the budget that has been set.

It is important that schools undertake regular budget monitoring, as this:

- *is essential for effective financial management;*
- *allows Governing Bodies and Head Teachers to maintain financial control by reviewing the current position and taking any remedial action necessary;*
- *is a requirement under the Schools Financial Value Standards (SFVS);*
- *enables reasons for significant variances to be established/investigated and reported;*
- *may highlight forecasted overspends and ensure that senior management are able to decide upon a course of action and reassess priorities in the SDP where necessary.*

- B.6.1 Once a budget is agreed, the Governing Body and subject to the school's Scheme of Delegation, the Head Teacher and other staff, must ensure that it is strictly monitored.
- B.6.2 The Governing Body shall be responsible for setting performance measures linked to the SDP and reviewing progress and outcomes for the resources allocated.
- B.6.3 The Governing Body and the Head Teacher must be able to demonstrate that the budgets devolved to the school has been spent on the purposes for which they were delegated.
- B.6.4 The Head Teacher shall provide termly budget monitoring returns to the Schools Finance Team in the format requested. These returns must have been reviewed and signed by the Head Teacher and shall clearly show the income and expenditure to date against the approved budget, and a forecasted year end position. For schools that are in deficit, budget monitoring reports shall be submitted to the Schools Finance Team termly.
- B.6.5 Although budget monitoring returns are required termly to the Schools Finance Team, schools are strongly advised that these should be completed and reviewed and signed by the Head Teacher at least monthly. These should also be submitted to the Governing Body or a sub-committee of the Governing Body, at least termly or half-termly. The format and frequency of submission to the Governing Body shall be determined by the Governing Body, but must clearly show the necessary full year forecasts to facilitate decisions.
- B.6.6 The Head Teacher shall submit a monthly FIN1 return (bank reconciliation) to Schools Finance Team in the format requested. These returns provide assurance that appropriate banking controls are in place, and must be reviewed and signed by the Head Teacher in a timely manner. All supporting/backing documents must be submitted to the Schools Finance Team at the same time as the return.

B.7 Budget Control

Budget control is a continual process enabling the school to review and adjust its budget plans during the financial year. It also provides a mechanism to hold budget holders accountable for defined elements of the budget. By identifying and explaining variances against budgetary targets, the school can identify changes in resource requirements at the earliest opportunity.

The key controls for managing and controlling the revenue budget are:

- *All elements of budgeted expenditure and income are allocated to a named budget holder;*
- *Budget holders accept accountability for their budget allocations and the level of service to be delivered;*
- *Budget holders adhere to the approved procedures for the ordering and certifying for payment the purchase of goods and services used in the provision of their service and for the collection of income;*
- *Income and expenditure is completely, accurately and promptly recorded and accounted for;*
- *Service delivery performance levels are monitored in conjunction with financial performance and that necessary action is taken to align service outputs and budget resources.*

B.7.1 Each Governing Body shall be responsible for maintaining a proper system of budgetary control.

B.7.2 Strict financial discipline must be maintained and once decisions have been made on the budget for a year, the Head Teacher must seek to ensure that the budget plan is met.

B.7.3 The Governing Body shall make arrangement to ensure that significant variances from approved budgets are investigated and reported by Head Teachers regularly.

B.7.4 Each Governing Body shall determine the extent of powers that are to be delegated to the Head Teacher in respect of financial delegation.

B.7.5 The Governing Body and Head Teacher must complete the DfE's Schools Financial Value Standard (SFVS) and submit to the Schools Finance Team by 31st March each year.

B.8 Budget Overspends

An overspend occurs when the school has spent more than is available to spend. An overspend may occur on individual budget heads.

B.8.1 Overspends in school budgets are not acceptable. An overspend must be dealt with by decisive action of some kind, even if this means changing policy, service levels, and staffing levels.

B.8.2 The Governing Body and the Head Teacher shall take responsibility for their school budgets and shall examine their own capacity to fund new proposals or overspends.

- B.8.3 Each Head Teacher must notify the Schools Finance Team immediately if it appears that their overall budget is likely to overspend because approved expenditure is forecasted to be exceeded or income will not be achieved.
- B.8.4 The Head Teacher will need to detail the action being proposed to rectify the overspend. This shall include specific and costed proposals, and any service implications must be fully stated. If details are not provided, then the action will not be regarded as satisfactory by the Chief Finance Officer or the Strategic Director of Children & Young People.
- B.8.5 Each Governing Body shall ensure that their schools does not have a deficit balance except in exceptional circumstances with prior permission through a licensed deficit approval. This process is detailed in the Licensed Deficit Policy. The Governing Body shall ensure that any deficit balance at the year end is carried forward to the new financial year and taken into account in spending plans.

B.9 Budget Underspends

An underspend occurs when a school doesn't use all the resources available for the school.

- B.9.1 Schools shall carry forward any unspent balance of their budget share at the year end.
- B.9.2 The Governing Body shall monitor underspends carefully to ensure that the funds available to spend are being used effectively towards the educational outcomes of pupils.

B.10 Withdrawal of Delegation

The Governing Body of a school has delegated powers in relation to schools finances. This means that although these funds are owned by the LA, the responsibility for looking after these funds appropriately falls to the Governing Body. Withdrawal of Delegation means that the LA withdraws the powers from a Governing Body to look after these funds, and takes control of the school's finances.

- B.10.1 Where a school has a delegated budget, the Strategic Director of Children & Young People and the Chief Finance Officer retains the right to suspend delegation, giving one month's notice, where it is considered that the Governing Body:
- has substantially or persistently failed to comply with any requirements of the borough's Scheme for Financing Schools;
 - is not managing the expenditure satisfactorily.
- B.10.2 Financial delegation shall be withdrawn immediately in the event of gross mismanagement of school resources on the part of the Governing Body and/or Head Teacher.
- B.10.3 Where financial delegation has been withdrawn, this shall be reviewed annually.

C. LEASING, LOANS & FINANCIAL ARRANGEMENTS

C.1 General Requirements

- C.1.1 In order to ensure compliance with the prudential framework, the Governing Body may not enter into any leasing agreements or any other loan or financing arrangements for the acquisition of property, vehicles, plant or equipment without the prior written consent of the Chief Finance Officer.
- C.1.2 The Governing Body may not borrow money without the written permission of the Secretary of State. The LA must be notified in advance by any school of its intention to make such an application.
- C.1.3 This however does not fully apply to trusts and foundations provided that these debts are not serviced from the school's delegated budgets. In this instance, the Governing Body is not acting as an agent of the LA in repaying these debts.

C.2 Leasing

A lease is a contract where a party being the owner of an asset (lessor), provides the asset for use to a school through a rental agreement for a defined period of time.

A finance lease is a leasing contract in which the school takes ownership of the asset and is responsible for all maintenance and insurance, but pays for the asset over a period of time. This is effectively a borrowing agreement.

An operating lease is a leasing contract in which the ownership for an asset remains with the lessor and they remain responsible for maintenance, insurance and repairs. This is effectively a rental agreement.

- C.2.1 The Governing Body shall not legally enter into any finance leasing arrangement, as this would constitute borrowing.
- C.2.2 The Governing Body may enter into operating leases only with the written permission of the Chief Finance Officer. Any such requests must be made in the first instance to the Schools Finance Team who will make the appropriate approval request from the relevant delegated officer.
- C.2.3 The Governing Body must take the relevant due diligence before submitting to the Schools Finance Team for approval. Any application to enter into a leasing agreement shall be approved by the Governing Body. The Governing Body shall firstly satisfy itself that the Schools Contract Procedure Rules have been fully complied with and that the proposed leasing agreement represents value for money.

C.3 Loans

A loan is a form of borrowing, usually cash. This is usually repaid over a period of time, subject to interest.

- C.3.1 The Governing Body cannot legally enter into any type of external loan agreement.
- C.3.2 This provision however does not apply to loan schemes run by the LA, such as licensed deficits and capital loans.

C.4 Credit Cards and Other Financial Arrangements

A credit card is a card authorising purchases on credit, chargeable at a predetermined interest rate.

An overdraft is an amount that can be spent when there are no funds available in a bank account, and therefore constitutes a form of borrowing.

A procurement card is similar to a debit card, allowing schools to make purchases against funds within a bank account.

- C.4.1 The restrictions on borrowing also includes the use of overdraft facilities and credit cards.
- C.4.2 School bank accounts are not permitted to go overdrawn at any time, and overdraft facilities may not be negotiated. Where schools are experiencing cashflow difficulties, schools should refer the Cash Advance Policy.
- C.4.3 The Governing Body is encouraged to use procurement cards as an alternative means of facilitating electronic purchasing, and to allow schools to benefit from significant discounts. Procurement cards should be used and monitored in the same manner as debit cards - refer to section F.6: Money and Banking for further details on compliance.

D. ACCOUNTING RESPONSIBILITIES

Proper accounting records are one of the ways in which the LA discharges its responsibility of stewardship of public resources. The LA has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year.

D.1 Accounting Systems and Procedures

- D.1.1 The Governing Body is free to use any accounting software they choose, providing they can produce reports in the format required by the LA and other agencies.
- D.1.2 Where the Governing Body plans to change the financial system in use, the Governing Body is required to inform the Schools Finance Team of the change. Schools are strongly advised to only change systems at the beginning of a financial year and to consult with the Schools Finance Team and Audit and Investigations Service prior to implementation.
- D.1.3 Each Governing Body shall establish a scheme of authorisation identifying officers authorised to act on their behalf with respect to payments, income collection and placing of orders, showing limits to their authority.
- D.1.4 The Governing Body shall regularly review their accounting systems to ensure that they report outputs in a timely, accurate, clear and convenient manner which is readily understood by users.
- D.1.5 The Governing Body shall be responsible for ensuring that officers involved in operating accounting systems and undertaking financial procedures receive proper assessment of their financial skills and learning and development needs. This will ensure that the school is not exposed to any administrative or financial risk due to insufficient training or skills, or in the event of the absence of key staff.
- D.1.6 The Governing Body shall ensure all funds are properly accounted for and are only spent on the purposes for which they were established.

D.2 Accounting Policies

- D.2.1 The Chief Finance Officer is responsible for determining the LA's accounting policies. Each Governing Body and Head Teacher, subject to delegation, is responsible for ensuring that these policies are adhered to and applied consistently in the school's accounts.
- D.2.2 All accounting policies shall ensure that:
 - accounts are a fair presentation of the school's financial position and the transactions in respect of that financial year;
 - income and expenditure relate to the services provided in the same financial year, and that provision is made for income and expenditure earned/used irrespective of when the amounts are actually paid or received;

- accounts are prepared on a prudent basis with income only being included to the extent that it is likely to be received, and that proper allowance is made for all known liabilities and losses.
- D.2.3 The Schools Finance Team will prepare and issue to all schools annually a Budget Preparation Guidelines and Schools Closing Guidance which will detail all year end reporting requirements as specified by the Chief Finance Officer and the Strategic Director of Children & Young People. Each Governing Body is responsible for ensuring compliance with these.
- D.2.4 Other accounting and financial guidance will be issued from time to time as required via circulars on the Schools Extranet. Each Governing Body and Head Teacher must ensure that they access and act on these documents.
- D.3 Accounting Records**
- D.3.1 The Governing Body are required to maintain and securely hold complete and accurate accounting records of all the financial transactions under their control, and ensure that there is a audit trail leading from income/expenditure through to the accounting statements.
- D.3.2 The Governing Body shall ensure that VAT, Income Tax and other statutory additions and deductions are properly calculated and accounted for on all transactions where appropriate, and must supply the LA with such details of statutory additions/deductions as are required to meet the appropriate accounting requirements and enable the submission of statutory returns.
- D.3.3 The Governing Body shall ensure that all journal entries (adjustments to the accounts) are properly documented to incorporate adequate explanatory narrative and are cross-referenced to proper working papers. These should be signed by the originator.
- D.3.4 The Governing Body shall ensure that all public funds, grants or donations received by the school, and all associated expenditure, is accounted for appropriately within the CFR framework. Earmarked expenditure shall be clearly identified within budget records and only used for approved purposes, and the CFR framework shall be fully complied with.
- D.3.5 The Governing Body shall ensure that all accounts are supported by full documentation, which is retained for inspection for a period complying with the rule on retention of documents as detailed in *K: Retention of Documents*. Where documents or records fall due for disposal this shall be undertaken with due regard to confidentiality and Data Protection legislation, according to the nature of the documents or records being disposed of.
- D.3.6 The Governing Body shall ensure that adequate procedures are in place to enable accounting records to be reconstructed in the event of system failures.
- D.3.7 The Governing Body shall ensure that key reconciliation procedures are carried out on a regular basis and shall provide evidence as required by the Chief Finance Officer and/or the Strategic Director of Children & Young People. As a minimum:

- All bank accounts must be reconciled monthly and signed for confirmation of review.
- All accounts, including debtors and creditors, must be reconciled on a monthly basis and at the end of each financial year.
- Unofficial funds must be accounted for in accordance with the Scheme for Financing Schools.

D.4 Final Accounts – Year End Requirements

- D.4.1 The Chief Finance Officer is responsible for ensuring that the annual statement of accounts is prepared in line with the requirements of the 2011 Accounts and Audit Regulations, the current Code of Practice on Local Authority Accounting in the UK and the Audit Commission Act 1998, except where specifically stated in the Statement of Accounting Policies.
- D.4.2 The Governing Body shall be responsible for producing detailed final accounts after the end of each financial year (1st April to 31st March) produced in accordance with codes of practice and agreed timetables and shall provide such information as is required by the Chief Finance Officer and the Strategic Director of Children & Young People to meet statutory accounting requirements.
- D.4.3 The Governing Body shall reconcile and close its accounts and submit its Consistent Financial Reporting (CFR) return by the notified deadline each year, duly authorised by the Head Teacher subject to delegation from the Governing Body.
- D.4.4 The Governing Body shall ensure that year end accounts are produced in accordance with the accruals accounting concept, unless otherwise notified as part of the request for information.
- D.4.5 The Governing Body must maintain full supporting documentation and audit trail to justify all figures contained in their accounts and be able to present for internal and external audit as required.

E. INCOME AND EXPENDITURE CONTROLS

Income

Income may be derived both from the provision of supplies and services to customers and from contributions and grants. Income can be a vulnerable asset and effective collection systems ensure that all income due is identified and that all collections are receipted, banked and properly accounted for. It is preferable to obtain income in advance of supplying goods or services as this improves the school's cashflow and avoids the time and cost of administering debts.

E.1 Income – General

- E.1.1 The Governing Body is responsible for setting a charging policy, conditions of hire and scale of charges for school supplies and services. Where applicable, The Governing Body shall consider the introduction of charges where no charge previously existed the Governing Body and Head Teacher shall review their charges at least annually. Such reviews shall ensure that the costs incurred by the school are recovered.
- E.1.2 The Governing Body is responsible for the:
- collection of all income due to the school in respect of services provided by that school;
 - safe custody of all income;
 - effective recovery action;
 - establishment of performance management systems to monitor the recovery of income;
 - maintaining all records relating to income collection and debt write-offs.
- E.1.3 The Governing Body shall ensure that income is collected prior to or at the point of delivery of service. Where invoices are issued for the collection of debts these shall be issued promptly and all action taken for recovery of that debt.
- E.1.4 The Governing Body shall ensure the appropriate charging of VAT.
- E.1.5 The Governing Body shall ensure that all income received on behalf of the school is paid into the appropriate bank account without delay. Cash shall be held in a secure place until cashed. All income shall be banked intact – third party and personal cheques must not be cashed from money held on behalf of the school.
- E.1.6 The Governing Body shall ensure that a numbered receipt is issued for all items of income collected on behalf of the school. A copy of all receipts must be kept and all forms of receipts must be treated as controlled stationery, i.e. numbered and kept in a secure place with all issues recorded. All receipts must be properly accounted for and accounts reconciled on a regular basis. Any major discrepancies in income collected against that banked must be immediately investigated and notified to the Audit and Investigations Service.

E.2 Income – Bad Debts/Write Offs

A bad debt is an amount owed to the school which is found to be irrecoverable and needs to be written off.

- E.2.1 The Governing Body is responsible for the write-off of debt, property, stock and surplus assets. All write offs should be initiated by a written report from the Head Teacher, and should be formally considered and approved by the full Governing Body, and recorded in the minutes of the meeting. This cannot be delegated to a sub-committee of the Governing Body.
- E.2.2 The Governing Body must notify and obtain approval from the Chief Finance Officer before writing off any debt exceeding £1k. Debts exceeding £25k will also be reported to the LA's Cabinet.
- E.2.3 The delegated budget of the school shall bear the amount of any debt written off, and all appropriate budgets/forecasts shall be amended to reflect this.
- E.2.4 All documentation and evidence relating to the write off must be retained by the school and must be available for inspection by internal and external audit where required.

Expenditure

Public money should be spent with demonstrable probity and in accordance with the LA's policies. The LA's procedures should help to make sure that services can receive value for money in their purchasing arrangements.

E.3 Expenditure – General

- E.3.1 The Governing Body and the Head Teachers are responsible for ensuring that all expenditure under their control is incurred lawfully, is within budget provision and that the best value has been obtained in procuring goods and services.
- E.3.2 The Governing Body shall ensure that there are effective internal controls over the payment process. There must be a clear division of duties between placing orders, authorising payments and signing cheques/payment authorisations. The Governing Body must keep a record of the officers responsible for these functions and the limits of their authority.
- E.3.3 The Governing Body shall ensure that the following principles apply to the allocation of duties in order to safeguard financial propriety.
 - The duty of providing information regarding sums due to or from the school and of calculating, checking and recording these sums shall be separated as completely as possible from the duty of collecting or disbursing them.
 - Employees charged with the duty of examining and checking the accounts of cash transactions, shall not themselves be engaged in any of these transactions.
 - The procedures in place and the responsibility of officers should be in writing and available for examination.

- E.3.4 The Governing Body shall ensure that there is a system of authorising payment from bank accounts, which is sufficient to prevent fraudulent or inaccurate payments being made.
- E.3.5 The Governing Body shall maintain an up-to-date list of authorised staff to sign official orders, certify invoices for payment, petty cash claims, timesheets and payroll changes. This list should include specimen signatures and clearly identify the limits of the each signatory's authority.
- E.3.6 Every governor and school officer must declare any links or personal interests which they have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the school. This must be declared at the start of joining followed by annually.
- E.3.7 The Governing Body shall ensure that only costs relating to the school's delegated budget are charged to the school. The LA however reserves the right to make additional charges in particular circumstances as detailed in 6.2 of the Scheme for Financing Schools.

E.4 Expenditure – Orders

- E.4.1 The Governing Body shall ensure that official orders are issued for all work, goods or services to be supplied to the school. Official orders are not required for utilities, i.e. the supply of gas, electricity, telephone or water supplies, or periodical payments such as rent and petty cash purchases. These must however be paid based on actual readings, at least once a year.
- E.4.2 The Governing Body shall take appropriate steps to ensure value for money in the purchasing of all goods and services and must comply with the procurement regulations – see section G: *Procurement and Contracts*.
- E.4.3 The Governing Body shall ensure that authorisation of official orders are made by officers authorised to do so. A copy of each official order shall be retained. Any subsequent variation or amendment to an order shall be made only by those staff authorised to sign orders and should be noted on the copy of the order.
- E.4.4 The Governing Body shall ensure that the function of placing an order (i.e. determining the supplier and issuing a physical order for the supply) should, as far as possible be separated from the function of receiving and inspecting the supply.
- E.4.5 The Governing Body should be satisfied that a contractor is technically competent and has sufficient financial standing to carry out the work or produce the work, goods and services to the required quality, before placing any contracts or orders for work to be undertaken.
- E.4.6 The Governing Body must ensure that:
- unique pre-numbered official orders are used for all goods and services (except for supplies of utilities and periodical payments such as rent and petty cash purchases);

- orders are only used for goods and services provided to the school and not by individuals for obtaining goods and services for their private use.
- E.4.7 The Governing Body must ensure that ordering books are treated as controlled stationery and are retained securely when not in use.
- E.4.8 School officers authorising orders must be satisfied that:
- the goods and services ordered are appropriate and needed;
 - the purchase is necessary for the educational purposes of the school;
 - adequate budgeting exists;
 - the necessary quotations or tenders for the purchase have been sought and retained.
- E.4.9 The Governing Body and Head Teacher shall ensure that work is not sub-divided to avoid compliance with regulations, i.e. to avoid the obtaining of adequate quotations or tenders.

E.5 Expenditure – Paying Invoices

- E.5.1 The Governing Body shall make arrangements for the payment of properly authorised accounts. No payment shall be made unless supported by an invoice or payment request.
- E.5.2 The Governing Body shall ensure that there is a clear division of responsibility between placing orders and paying invoices and those authorising payment and signing cheques must be satisfied that the expenditure is valid.
- E.5.3 School officers authorising payment shall firstly satisfy themselves that such sums are legally and properly payable, and that budgetary provision exists to cover the payment.
- E.5.4 The Governing Body must put in place arrangements which ensure that:
- invoices are matched to orders raised. This should be done as soon as possible as this is the school's protection against any dispute;
 - the goods/services delivered or work carried out agree with the order and delivery note (where applicable) in respect of quality, quantity and price;
 - invoices are checked properly in order for payment, are arithmetically correct and include the appropriate VAT details;
 - payments are only made on originals or authorised copy invoices, and are not made on photocopies and faxed invoices;
 - a certification slip or payment stamp is used to demonstrate that all the appropriate checks have been carried out;
 - all payments are authorised;
 - any goods returned or unsatisfactory services are recorded on the delivery note and the copy order at the time to ensure they are not paid for in error;
 - no payment for goods and services are made until they have been received;
 - the invoice has not previously been paid;
 - the invoice is properly coded;
 - appropriate entries will be made in accounting records.

E.5.5 The Governing Body shall ensure that a register of periodic (regular) payments is kept to ensure that payments are made accurately and by the due date. Periodic payments are those made for rents, ground rents for many years, or petty cash purchases.

E.6 Expenditure – Payroll

Employee costs are the largest item of expenditure in schools. It is therefore important that there are appropriate controls in place to make sure that payments are made only where they are due and that payments accord with the individual's contract of employment.

E.6.1 The Governing Body shall ensure that:

- payments are only authorised to bona fide employees or former employees;
- payments are only made where there is a valid entitlement;
- conditions and contracts of employment are correctly applied;
- employees' names listed on the payroll are checked at least monthly to verify accuracy and completeness;
- there is an effective system of checking and authorising payroll forms;
- all appropriate payroll records and supporting documentation are retained for the appropriate period.

E.6.2 The Governing Body is responsible for ensuring that suitable arrangements are in place for payroll administration. It is essential that the Governing Body ensures that sufficient controls are in operation to prevent fraudulent or erroneous payments.

E.6.3 The Governing Body shall ensure that all emoluments to staff are only effected through payroll systems. This includes the payment of all salaries, wages, pensions, compensation, car mileage claims, other emoluments and the deductions from salaries for tax, superannuation and other deductions to and/or from all employees and former employees of the school shall be made through the payroll. All claims in respect of public transport and subsistence costs must be made through the payroll, and not directly from petty cash or by cheque, in order to comply with HMRC requirements.

E.6.4 The Governing Body is under a duty to ensure that all appointments, resignations, absences, overtime or other circumstances affecting the salary, wage or emoluments of an employee in their school are acted upon immediately.

E.6.5 The Governing Body must ensure that all appointments are in accordance with appropriate grades and scales of pay, are consistent with agreed arrangements and that adequate budget provision is available.

E.6.6 The Governing Body is responsible for ensuring that only authorised payments are made. In particular, effective authorisation procedures are needed in respect of new starters, leavers, absences and variations to pay. They should include a proper division of duties between staff authorising payments and those checking payroll output. In no circumstances may a member of staff authorise or process a transaction in relation to their own remuneration.

- E.6.7 The Governing Body are responsible for ensuring that all data is input correctly to the payroll system and that all deadlines are met.
- E.6.8 The Governing Body shall ensure that settlement of any loans is agreed when completing the leaving notice.
- E.6.9 The Governing Body shall determine an appropriate staffing establishment in consultation with the Head Teacher, having due regard for available financial resources and the likely demand for teaching resources over the coming years.
- E.6.10 Where a school's payroll is provided by another payroll provider other than the school, the Governing Body shall ensure that:
- all appropriate payroll records are maintained and updated in respect of income tax, national insurance, statutory sick pay and pension contributions;
 - all relevant payments are made by the payroll provider in respect of HMRC, Teachers' Pension Agency (TPS) and other bodies for which deductions from gross pay are made;
 - the payroll provider has in place appropriate insurance cover to indemnify the school against any loss arising from error or fraud during processing of the school payroll.

E.7 Expenditure – Petty Cash

- E.7.1 The Governing Body is responsible for funding their petty cash imprest accounts out of their bank accounts.
- E.7.2 The Governing Body shall ensure that petty cash is properly accounted for and reconciled on a monthly basis (also taking into account VAT where applicable). Head Teachers shall review and sign these.
- E.7.3 School officers administering petty cash must ensure that expenditure conforms to the legal and justifiable tests as for general expenditure. Proof of expenditure must be obtained and retained in all cases and documentation must be retained in accordance with general expenditure items. Where appropriate an official receipted VAT invoice must be obtained.
- E.7.4 The Governing Body must make adequate arrangements:
- for the safe custody of cash held;
 - to ensure the float is never used to cash personal cheques or to make personal loans;
 - to ensure the prompt recording of transactions;

E.8 Expenditure – Capital

Capital expenditure is money spent to acquire, improve or upgrade physical assets such as buildings and machinery which provides benefits for a period exceeding one year. This may include work on the school site, playing fields, buildings, vehicles or other equipment.

- E.8.1 Capital expenditure generally falls outside the Scheme for Financing Schools. However, capital expenditure may be financed from delegated budgets. Where the school charges elements of expenditure relating to capital works, to its budget share, these financial regulations shall apply. These financial regulations shall not apply to expenditure which is the responsibility of the diocesan boards or other funding agencies.
- E.8.2 The Governing Body shall ensure that items below £5,000 are not capitalised, in line with the Scheme for Financing Schools.
- E.8.3 The Governing Body must notify the LA prior to committing funds in excess of £25,000 for primary or special schools, or £50,000 for secondary schools, and take into account any advice from the Strategic Director of Children & Young People as to the merits of the proposed expenditure.
- E.8.4 The Governing Body shall seek the consent of the LA, where the premises are owned by the LA, for the extension of buildings and any external works that will impact on play areas or playing fields.

Income & Expenditure

E.9 Taxation

- E.9.1 It is the responsibility of the Chief Finance Officer to make arrangements for the completion of all returns to the HM Revenue & Customs (HMRC). Head Teachers must provide information to the Chief Finance Officer in the format and timetable required in order to meet these responsibilities.
- E.9.2 The Governing Body is responsible for VAT on expenditure and income. A number of school services attract VAT, which must be passed on to customers and separately accounted for. For details of items attracting VAT, the rates to be applied and the specific accounting arrangements are detailed in Brent's VAT Guide for Schools.
- E.9.3 The majority of payments made to suppliers and contractors will be subject to VAT. In these cases an original VAT invoice must always be obtained. A supplier not registered for VAT is not entitled to charge VAT. VAT invoices must contain certain information, details of, which are set out in VAT Guide for Schools. This booklet also set out a number of practical guidelines, which must be observed.
- E.9.4 Heavy penalties will be imposed on the LA if it submits incorrect VAT returns. Any penalties resulting from an incorrect declaration will be charged to the school concerned.

- E.9.5 The Governing Body must submit a quarterly return to the Schools Finance Team providing details of VAT charged and paid. These returns will be in a format notified by the Chief Finance Officer and must be submitted within specified timescales.
- E.9.6 Payments to subcontractors for work of a construction nature are subject to HMRC Construction Industry Scheme (CIS) special verification and reporting rules. Schools are exempt where a contract is between the school/governing body and the subcontractor (not with the LA). This means the school can pay the subcontractor direct and do not have to report details of payments made for construction operations under the Construction Industry Scheme (CIS). However, where there is work of construction nature on a school and the contract is between the subcontractor and the LA, in this case invoices are paid and reported for CIS purposes by the LA.
- E.9.7 The Governing Body shall ensure that all payments to employees and former employees of salaries and wages, including London Weighting, overtime, fees, commissions, bonuses, performance related pay, contract additions, leased car allowances, honoraria, sickness payments (including SSP and SMP), holiday pay, pensions compensation, other emoluments and other taxable and/or superannuable payments are made through the school's payroll system. These must not be paid out of petty cash, or through the school's payment systems. This is essential to ensure that all statutory deductions and pension contributions are correctly made and paid over.
- E.9.8 The Governing Body shall ensure that all payments to self-employed persons employed by schools, as consultants or temporary workers, are treated with extreme care. The Governing Body is responsible for assessing employment status in respect of any service providers engaged with the school. In practice this may be an individual providing services such as teaching, lecturing, coaching, consulting, training, etc.
- Where the individual concerned represents a bona fide company, the payment should be made directly to the company.
 - Where it is not possible to determine employment status, the school shall seek advice from the LA's Senior Finance Officer (Tax).
 - If there is any doubt, the person must be paid through the payroll.

F. RISK MANAGEMENT AND CONTROL OF RESOURCES

Risk Management is the process of defining risks that threaten a school, understanding how to handle them and averting the danger in an efficient and cost-effective manner. Good risk management ultimately saves time, assets, income and other important resources, and prevents the risk of loss, fraud and liabilities.

F.1 Risk Management and Insurance

- F.1.1 The Chief Finance Officer is responsible for the preparation and promotion of the LA's risk management policy statement.
- F.1.2 The Chief Finance Officer, or under arrangements approved by him, shall effect all insurance, subject to any liability imposed on the LA by statute or other legal obligation.
- F.1.3 The Governing Body shall be responsible for ensuring that assets under their control have appropriate insurance cover within the overall guidance issued and must review on an annual basis the level of risk cover required.
- F.1.4 The Governing Body shall:
 - ensure that adequate risk management controls are implemented, monitored and reviewed;
 - notify the Chief Finance Officer and the Strategic Director of Children & Young People immediately of any loss, liability or damage that may lead to a claim against the school;
 - notify the Chief Finance Officer and Strategic Director of Children & Young People of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances;
 - consult with the Chief Finance Officer and the Solicitor to the LA on any terms or any indemnity that the LA is requested to enter into on behalf of the school.
- F.1.5 The Governing Body shall be responsible for ensuring that contractors appointed by the school provides details of adequate, continuing public and product liability insurance to a minimum value of £5,000,000.
- F.1.6 The Governing Body shall ensure that all individuals or bodies who make lettings applications confirms that they have adequate insurance arrangements by signing an appropriate Lettings Terms and Conditions form before the application is accepted. A copy of this document shall be retained by the school.
- F.1.7 The Governing Body shall ensure that all school officers that make use of private vehicles in the course of their duties, have arranged appropriate business use cover and such cover is evidenced by the production of certificates of insurance.

F.2 Internal Controls

Internal Controls include policies and procedures that:

- *pertain to the maintenance of accurate and reasonably detailed records;*
- *provide reasonable assurance that transactions are properly recorded and authorised;*
- *safeguard assets.*

F.2.1 The Chief Finance Officer shall make arrangements for the production and publications of an annual independent statement on internal control and risk management.

F.2.2 The Governing Body and Head Teacher shall ensure that:

- adequate systems of internal control are established, adhered to, tested and reviewed in order to be confident in the areas set out in the annual assurance matrix;
- staff have a clear understanding of the consequences of lack of control and knowledge of Financial Regulations.

F.2.3 The Governing Body shall put in place appropriate measures to achieve effective internal financial controls. These may include:

- Adequate operation of budgetary control and accounting systems;
- Adequate supervision;
- Physical safeguarding of property and staff;
- Segregation of duties;
- Maintenance of local information systems;
- Adherence to authorisation and approval process.

F.3 Schools Financial Value Standard (SFVS)

The SFVS is a self-assessment of the school by the Governing Body on the effectiveness of their financial management. The SFVS will inform the LA program of internal audit and auditors will have access to the standard and will check whether the schools self-assessment is in line with their own judgement. Auditors will report any major discrepancies to the Chief Finance Officer and the Strategic Director of Children & Young People.

F.3.1 The Governing Body shall comply with the DfE Schools Financial Value Standard (SFVS) by the completion and submission of the self-assessment to the LA.

F.3.2 The Governing Body shall ensure that the SFVS is completed, signed by the Chair of Governors and submitted to the Schools Finance Team prior to 31st March each year.

- F.3.3 Where schools fail to complete the self-assessment by 31st March, the LA may take the following action:
- Issue a notice of concern;
 - Publish the names of schools who did not submit the assessment in time or not at all;
 - Withdraw financial delegation.

F.4 Audit Requirements

- F.4.1 The Chief Finance Officer will ensure that a strategic and annual audit plan is prepared by the Head of Audit and Investigations which takes account of the characteristic and relative risks of the activities involved. The Chief Finance Officer is responsible for ensuring that adequate arrangements are made for the effective delivery of this plan. Audit visits shall examine accounting, financial and operational aspects of school activity.
- F.4.2 The Chief Finance Officer will ensure that the Strategic Director of Children & Young People, the Head Teacher and Chair of Governors receive suitable reports setting out the findings of all internal and external audit reports of a school.
- F.4.3 The Chief Finance Officer, or authorised representative including external auditors, shall have authority to:
- enter any municipal building, land or area where records relating to any activity of the LA, its partners, contractors or any body partly or wholly funded by the LA, are, or may be, held. This includes maintained schools. If necessary they can conduct searches of those areas, including cabinets, workspaces, desks for the purposes of locating documents or other material relevant to any matter under investigation. Where necessary they can remove and examine IT equipment.
 - access all records, data, computer systems, correspondence and any other source of information relating to any matter under examination and remove any documents and records as deemed necessary. This will include documentation held by schools in respect of organisations who are partners of the school or are providing services on behalf of the school.
 - request and receive such explanations as are considered necessary concerning any matter under examination.
 - request any person holding or controlling cash, stores or any other school property to produce such items for examination. These may be removed as deemed necessary.

For the avoidance of doubt, the authority detailed above includes both foundation and voluntary aided schools, and any other establishment operated within the LA's accounts.

In relation to rights of access, the Chief Finance Officer and his representatives are expected to have a personal responsibility to observe the highest standards of confidentiality and personal integrity.

- F.4.4 The Governing Body must:
- ensure that the Head Teacher and other school officers respond promptly to recommendations in both internal and external audit reports;
 - ensure that agreed actions arising from the audit recommendations are carried out in a timely and efficient fashion;
 - monitor the reasons for any failure by the Head Teacher or other school officers to implement those audit recommendations.
- F.4.5 The Governing Body shall maintain a risk register for services and projects within the school, informed by regular reviews and assessments of risks and to identify and document actions to mitigate those risks.
- F.4.6 The Governing Body must ensure that new systems for maintaining financial records, or significant changes to such systems, are discussed with the Schools Finance Team and the Audit and Investigations Service prior to implementation.

F.5 Financial Irregularities

Any matter that arises which involves, or is thought to involve, irregularities concerning cash, stores or other property of the LA or any suspected financial irregularity in the exercise of the functions of the LA. This includes anything that can detrimentally affect the LA's interests.

- F.5.1 Every school officer has a duty to report any suspected breach of financial regulations, irregularity or suspected irregularity as soon as the matter is identified, to the Head Teacher or the Governing Body, or if circumstances dictate, directly to the Audit and Investigations Service.
- F.5.2 The Governing Body shall ensure that the LA's Whistleblowing Policy is fully distributed and made available to all school officers and governors for reference. This policy applies equally to all school officers and ensures that officers can report their concerns in confidence. The LA has a statutory duty, under the Public Interest Disclosure Act 1998, to protect whistleblowers from recrimination. Details of the policy can be found on the Schools Extranet or can be obtained from the Schools HR Team or the Audit and Investigation Service.
- F.5.3 The Governing Body has a duty to notify the Chief Finance Officer immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the LA's property or resources. Pending investigation and reporting, the Governing Body should take all necessary steps to prevent further loss and to secure records and documentation against removals or alteration.
- F.5.4 The Governing Body must keep a service based register of gifts and gratuities received by officers. Offers, gifts or inducements for favour shall be declined, fully recorded by the school officer or governor and reported and minuted at the next meeting of the Governing Body. This requirement does not extend to minor items of stationery such as calendars, pens, etc.

F.6 Money and Banking

- F.6.1 The Governing Body must ensure that adequate security arrangements exist for the holding of cash including controlling access to safes and other receptacles. Cash holdings should be kept to a minimum at all times.
- F.6.2 The Governing Body shall maintain such bank accounts as it, in consultation with the Chief Finance Officer and the Strategic Director of Children & Young People, considers necessary for the efficient operation of the school's finances under arrangements approved by the Chief Finance Officer.
- F.6.3 The Governing Body is responsible for approving the authorised signatories to all bank accounts within their school and for ensuring that there is more than one signatory.
- F.6.4 The Governing Body shall ensure that all transfers between accounts, unless undertaken automatically by the school's bank to optimise investment funds, are authorised in writing by the Head Teacher.
- F.6.5 The Governing Body ensure that all any income relating to delegated public funds are not, at any point, paid into or accounted for by voluntary or non-public funds held by the school.
- F.6.6 The Governing Body shall make arrangements with the bank to provide statements of account, together with supporting documentation, at pre-determined intervals. To enable the LA's statutory accounts to be closed on a proper basis it is essential that a statement is obtained showing the position at the close of business on 31st March, or the last banking day prior to the 31st March.
- F.6.7 The Governing Body are responsible for the effective management of cash flow through their bank accounts.
- F.6.8 The Governing Body shall ensure that all school bank accounts are administered effectively and reconciled to the school's accounting system at least on a monthly basis. This includes investment accounts, bonds and any monies held on deposit with approved banks and building societies and sourced by public funds. The reconciliation shall be reviewed by the Head Teacher and evidenced in writing.
- F.6.9 The Governing Body shall maintain a cash book and other records of all transactions passing through those bank accounts and shall ensure that such records are balanced and reconciled at periods of no less than one month and that prompt action is taken on any discrepancy.
- F.6.10 Imprest and petty cash bank accounts must not be overdrawn at any time. The Governing Body must ensure that their bank account(s) remain in credit.
- F.6.11 School officers shall not use their own private bank accounts for the purposes of making payments or banking income relating to the school.

F.7 Property, Stock and Equipment

- F.7.1 The Chief Finance Officer shall maintain an appropriately valued asset register of all the LA's land and buildings.
- F.7.2 The Governing Body must maintain an inventory, of valuable goods and equipment. The inventory must be kept in a secure place and include:
- All items with a value over £100;
 - All items with a value under £100 if they may be regarded as portable, desirable items that are susceptible to unauthorised removal;
 - A full description of the items including a note of any security markings and identification numbers etc.
- F.7.3 The Governing Body should ensure that a comprehensive inventory check is carried out at intervals of no more than twelve months. These checks shall be evidenced in writing and the Head Teacher shall certify that checks have been undertaken to their satisfaction. A copy of the certified inventory should be presented to the Governing Body.
- F.7.4 All assets should be held in the name of the LA or school and not in the name of individual officers or their post titles. It is important that valuable items are held in a secure environment commensurate with the value of the items and the cost of security. Large cash holdings should be kept in a suitable locked safe. Keys should be kept in a secure place or retained by the key-holder at all times. All officers should be aware that many documents such as cheque books, savings books, securities and order pads are the equivalent of cash and must be treated accordingly. It is not acceptable to leave safes unlocked during working hours or to leave cash holdings in unlocked desk drawers or filing cabinets. The LA's insurance policy may be invalidated if appropriate security measures are not taken.
- F.7.5 The Governing Body is responsible for maintaining the security at all times of all land, buildings, stores, equipment and other property under their control. Head Teachers must ensure that land and buildings are adequately secured to prevent against unauthorised access or possession. Where the Governing Body feels that special security arrangements are required it should consult the Chief Finance Officer and/or the Strategic Director of Children & Young People.
- F.7.6 The Governing Body shall be responsible for the care and custody of the stores held in their school, which should not be held in excess of economic requirements.
- F.7.7 The Governing Body and Head Teacher shall annually review their use of property for the purpose of identifying surplus or inefficient properties.
- F.7.8 The Governing Body shall make arrangements for a periodical test check of stocks under their control by a person independent of the 'store-keeper' and shall ensure that all stocks are checked at least once in each financial year.
- F.7.9 Designated school officers shall maintain a record of all stocks and stores in a form approved by the Chief Finance Officer.

- F.7.10 The Governing Body shall provide the Strategic Director of Children & Young People with such information as required on stocks and stores for accounting purposes.
- F.7.11 The Strategic Director of Children & Young People shall ensure that where it is necessary to hold property on behalf of a member of the public or another third party, an itemised inventory is maintained of all such items. Each Governing Body shall make secure arrangements for such property and shall arrange for periodical checks by a person other than the employee responsible for the custody of the property.
- F.7.12 The Governing Body shall ensure that where school officers are required to take assets or equipment home, this shall be properly recorded on the inventory.

F.8 Sale of Assets

Land and buildings cannot be disposed of other than in accordance with LA procedures.

- F.8.1 Where the Governing Body determines that any asset with a resale value is surplus to requirements must record that fact in writing giving the reason. A disposal file must be held by all schools for this and all other relevant information concerning the disposal, and kept for future inspection.
- F.8.2 The Governing Body must ensure that a member of school staff who determines that an asset is surplus to requirements or is involved in the disposal must never attempt to purchase it or take it for themselves. There must be a clear separation of duties.
- F.8.3 The Governing Body must appoint a single person responsible for disposal whose name must be clearly identified in the disposal file. They should be instructed in writing on the disposal and will be accountable to the Governing Body and the Head Teacher for ensuring that disposal is for the best price reasonably obtainable.
- F.8.4 The Governing Body shall ensure that all paperwork in connection with the disposal are kept in the disposal file. The file should be kept for a period of six years after the disposal. The file shall include at least:
- the Head Teacher's written record declaring the asset surplus, and instructions to the person appointed as responsible for the disposal;
 - the independent valuation;
 - the advertisement;
 - the offers made; and
 - the receipt.
- F.8.5 The Governing Body shall ensure all assets for disposal with a value exceeding £500 are subject to independent valuation and/or disposed of by way of either:
- competitive bids following advertisement;
 - auction;
 - or both.

This will ensure that the best price reasonably obtainable is achieved.

- F.8.6 The Governing Body shall ensure that where the estimated value of the asset is less than £500, an independent valuation is obtained, provided that the person giving the valuation is qualified to judge, is clearly identified in the disposal file, and is properly independent.
- F.8.7 The Governing Body shall ensure that all assets are offered to other schools before members of staff or the public. Information about the assets available should be circulated to all schools and with adequate time allowed for them to make a bid. A sale may proceed to any person offering at or above the valuation. If there is competition, the sale should be to the highest bidder.
- F.8.8 The Governing Body shall ensure that where the estimated value of the asset exceeds £500, it is advertised in such a way as to facilitate bids by other schools and potential purchasers outside the LA. Sale should proceed by way of submission of written bids, which name the purchaser. The sale may proceed to the highest bidder, unless this does not reflect the proper value of the asset.
- F.8.9 The Governing Body shall ensure that official receipts are issued for income received. Moneys must be received and properly accounted for by someone who has not been involved in the disposal.
- F.8.10 The Governing Body must ensure the disposal is recorded on the school's inventory.

G. PROCUREMENT AND CONTRACTS

Under the International Financial Reporting Standards (IFRS) contracts (works or services) may contain “embedded leases” that need to be disclosed. Contracts that require the use of specific assets (as defined by IFRS) are at risk and may contain such leases. These leases may not be visible or apparent and so contracts must be assessed by the Chief Finance Officer before being signed.

Leasing, loans and financial arrangements have their own specific approval process outside of the LA’s Contract Standing Orders and as such are contained within Section C.

*An electronic version of the Council’s Constitution encompassing the Financial Regulations and Contract Procedure Rules can be obtained here:
<http://www.brent.gov.uk/your-council/about-brent-council/council-structure-and-how-we-work/our-constitution/>*

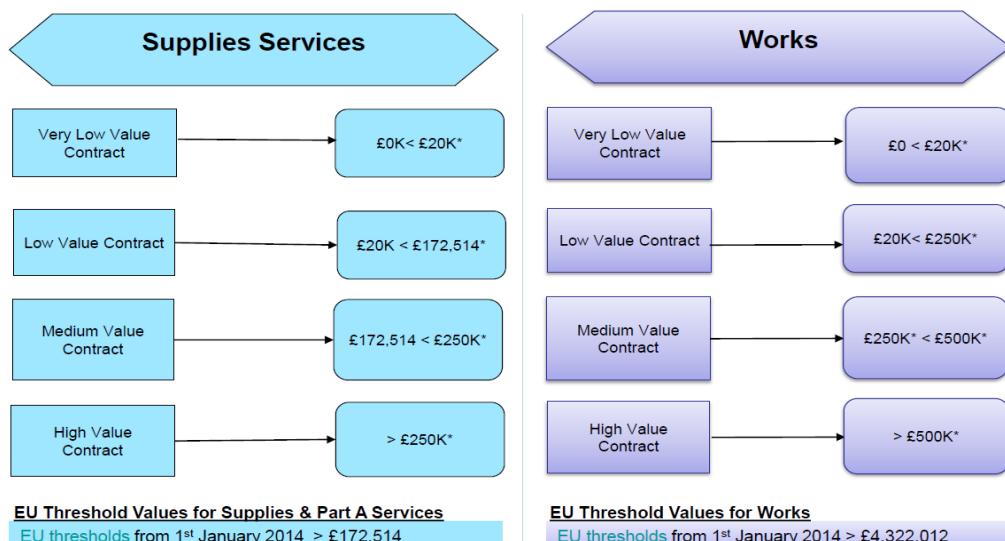
For the purposes of Contract Standing Order 100 schools shall substitute reference to ‘Democratic Services Manager’ to ‘Head Teacher and/or Chair of Governors.’

- G.1 All procurement on behalf of the LA must, where applicable, comply with EU Public Procurement Legislation (the Public Contracts Regulations Act 2006, as amended), the LA’s Financial Regulations and Contract Standing Orders.
- G.2 The Governing Body shall maintain and supply the Chief Finance Officer with such information as is required for corporate compliance with these rules.
- G.3 The Governing Body has a duty to ensure that appropriate steps are taken to ensure value for money. This includes assessing the size of the contract, over the life of the contract including any possible extensions.

The chart below defines the size of the contract (over the life of the contract, including any possible extension) for Supplies, Services and Works.

Contract Value

*It is a mandatory requirement to estimate a contract value at the start of a procurement. The value of the contract must be calculated over the entire length of the contract including any period of extension(s) anticipated



- **Very Low Value Contract** – The Governing Body must seek and obtain three competitive written quotes.
- **Low Value Contract** – The Governing Body must seek at least three written quotations from potential providers and retain the quotes sought and/or obtained.
- **Medium Value Contract (Services & Supplies)** – The Governing Body must undertake a competitive tendering exercise. This tendering exercise must be commenced by placing a contract notice (advert) in OJEU (Official Journal of the EU) depending on the classification of the goods and services to be procured, if the Public Contract Regulations 2006 apply in full to the procurement. Where the Public Contract Regulations do not apply in full, there is a requirement to advertise in a local newspaper and relevant trade journal, or alternatively to advertise on the LA's e-Tendering system, subject to prior agreement, in accordance with the LA's Contract Standing Orders. If a Governing Body elects to utilise the latter, i.e. the LA's e-Tendering system, they must then comply with Contract Standing Order 101 (e-Tendering and e-Auctions).
- **Medium Value Contract (Works)** – The Governing Body must seek a minimum of three written quotations to ensure best value. Schools are however encouraged to seek additional quotes to secure wider competition and value for money. The Governing Body is advised to contact the LA's Procurements Senior Category Manager for Schools when considering use of the e-Tendering portal.
- **High Value Contract** – The Governing Body shall obtain approval from the Cabinet before the procurement process is started. The Cabinet approval includes the authorisation of invitations of expressions of interest, the criteria for short listing and evaluation, and the subsequent award of the contract.

- G.4 The Governing Body shall ensure that when valuing a rolling contract with no defined termination date, the contract is valued over a period of 48 months.
- G.5 The Governing Body shall make decisions to invite expressions of interest, agree shortlists, invite tenders and award contracts for high value contracts. The Chair of Governors and the Head Teacher shall make appropriate arrangements for the receipt and opening of tenders that ensure that each tenderer is treated fairly and equally and the LA's interests are protected. This contract shall be addressed to the Head Teacher and remain in their custody until the time appointed for opening.
- G.6 For **High Value Contracts**, tenders shall be addressed to the Chair of Governors or the Head Teacher and the tender shall remain in their custody until the time for opening. Contracts with this value must also be opened and tender details recorded by the Chair of Governors or the Head Teacher and one other officer.
- G.7 Subject to compliance with the EU Procurement Legislation, in cases of extreme urgency, e.g., where there is an immediate danger to life, limb or property, competitive tenders need not be invited in order to deal with the immediate urgent situation provided that advice is sought from the Director of Legal and Procurement.
- G.8 Subject to compliance with the EU Procurement Legislation, where schools consider that there are good operational and/or financial reasons for not procuring and/or awarding a contract in accordance with Contract Standing Orders or

Financial Regulations, a report should be submitted to the Cabinet seeking approval not to comply in these respects.

- G.9 The Director of Legal and Procurement and the Chief Finance Officer or his representative must be invited to be advisers to all Tender Panels for evaluation of High Value Contracts, i.e. contracts for services or supplies with a value in excess of £500,000 and works with a value in excess of £1 million.
 - G.10 Each Governing Body shall maintain a record of all tenders invited and received by them and of all contracts entered into on behalf of the LA and shall record the reasons for non-acceptance of a tender or the rejection of a contractor who has not been included in a tender short-list.
 - G.11 The Governing Body shall ensure that no contract subject to the full application of the EU Regulations is awarded without the mandatory 10 days standstill period being complied with.
 - G.12 The Governing Body shall ensure that where a contract exceeds £500,000 in value, or is likely to exceed that amount, it shall be contained in a formal document under seal.
 - G.13 Every school officer has a legal and personal duty to notify the Chief Executive in writing immediately if they discover that the school has entered or intends to enter into a contract in which he or she has a direct or indirect pecuniary interest. Further guidance on this matter can be sought from the Director of Legal and Procurement.
- G.14

H. INVESTMENTS AND TRUST FUNDS

- H.1 The Governing Body shall ensure that all investments of money under the school's control are made in the name of the school where legally possible.
- H.2 The Governing Body shall ensure that all securities that are the property of, or in the name of, the school are held in custody under safe arrangements previously made or agreed by the Strategic Director of Children & Young People.
- H.3 The Governing Body shall ensure that all trust funds held by the school are, where legally possible, in the name of the school.
- H.4 The Governing Body shall ensure that all officers acting as trustees by virtue of their official position deposits all securities, certificates and similar documents relating to the trust in accordance with prior arrangements approved by the Strategic Director of Children & Young People subject to advice from the Chief Finance Officer unless any trust deed otherwise provides.

I. CUSTODY OF THIRD PARTY PROPERTY

- I.1 The Governing Body shall ensure that where it becomes necessary to hold property on behalf of a member of the public or other third party, an itemised inventory is maintained of all such items.
- I.2 The Governing Body shall make secure arrangements for the custody of such property, including cash, and shall arrange for periodic checks by a person other than the employee responsible for its custody.

J. ESTATES

- J.1 The Director of Legal and Procurement shall have custody of all title deeds and shall make secure arrangements for their custody.
- J.2 The Governing Body shall ensure that where a school proposes to build another building, the matter is referred to the Director of Legal and Procurement for advice as to the legal effect of the transaction.

K. RETENTION OF DOCUMENTS

- K.1 The following items must be retained indefinitely or during the whole of the school's possession of the relevant asset and for twelve years afterwards:
- Property deeds, contracts and leases relating to land and buildings in the ownership or occupation of the LA or Governing Body.
 - Share certificates, stocks, bonds and other securities together with any appropriate contracts of purchase or sale.
 - Guarantees, indemnities, insurance policies.
- K.2 All other contracts carried out under the seal of the LA must be retained for twelve years after completion of the contract.
- K.3 LAs are required by statute to retain all accounting documents for a minimum of six years plus the current tax year. The statute of limitations for contracts not under seal applies for six years after completion of the contract. In addition HM Revenue & Customs may inspect documents for periods of six years. Officers can be held personally liable where documents required are not available. In order to give effect to these requirements the following documents must be retained for a minimum of six years plus the current tax year:
- All accounting documents including invoices, contract certificates, paid cheques, bank statements;
 - Debtor accounts, income receipts and associated documents;
 - All contracts not under seal for works, goods or services (six years after completion of the contract);
 - All tender and related documents (six years after completion of the contract);
 - Details of salaries, wages and superannuation payments including particulars of pay calculations, copy payslips, P60 documents.
- K.4 The Governing Body shall consult with the Audit and Investigations Service before copying documents not previously copied or before using a new method, to ensure such methods would be accepted for evidence purposes.
- K.5 The Governing Body shall nominate a member of school staff to make safe arrangements for the storage and review of information. All records must be properly indexed to allow efficient recovery.

L. NON-OFFICIAL FUNDS

A non-official fund refers to both voluntary and private funds which do not contain official money or delegated funding from the LA. It is controlled wholly or in part by the Head Teacher by reason of their employment by the school.

These Financial Regulations as a whole does not apply to non-official funds, but the Governing Body is advised to ensure similar standards of accounting are exercised in relation to these funds to ensure an effective control framework.

The following regulations however do apply.

- L.1 The Governing Body shall ensure that non-official funds are never mixed with official (delegated) funds. The Governing Body shall ensure that any income which properly relates to the school's delegated budget is not credited to a non-official fund.
- L.2 The Governing Body shall arrange for voluntary and any other non-public funds to be the subject of an annual independent audit by an auditor appointed by the Governing Body. The auditor shall not be an employee, and shall be independent of the school.
- L.3 The Head Teacher shall ensure that a report of the annual audit is submitted to the Governing Body for review.
- L.4 The Governing Body shall provide annual audit certificates to the LA's internal auditors in respect of voluntary and private funds held by the school.
- L.5 The Governing Body shall ensure its oversight of the management of non-official funds by regularly reviewing reports on income received, major items of expenditure, the balance of the funds, and certified reconciliations.
- L.6 The Governing Body shall not use non-official funds to make overtime payments to school officers or for payment of fees to school officers carrying out additional work as part of their normal school duties.
- L.7 The Governing Body shall not reclaim VAT on non-official funds, unless the fund is separately registered for VAT.

M. INFORMATION SYSTEMS

- M.1 The Governing Body shall retain overall responsibility for data protection, and the school shall be registered under the Data Protection Act 1998.
- M.2 All school officers shall take adequate steps to keep personal records up-to-date and secure in accordance with the terms of the Data Protection Act 1998. This requirement shall also extend to the secure disposal of obsolete records.
- M.3 The Governing Body shall ensure that where CCTV systems are in use at the school for the purposes of preventing and detecting crime, that the Data Protection Act registration shall reflect this purpose.
- M.4 The Governing Body shall ensure that all computer systems employed by the school is adequately secured against unauthorised access and use. Such measures may include:
- Appropriate physical location of equipment and locking of rooms when not in use;
 - Establishment of appropriate system users according to their job descriptions and responsibilities;
 - Use of appropriate and regularly updated passwords to prevent unauthorised access;
 - Use of screensavers and time-out routines to prevent unauthorised access and viewing of data on screen.
- M.5 The Governing Body shall ensure that rigorous procedures exist to secure a regular back-up of data and systems held on computers. Back-up media shall be appropriately secured and should be held remotely from the computers to which they relate. This may include securing off-site copies. Back-up and restore routines shall be regularly tested to ensure that data and systems can be restored if necessary.
- M.6 The Governing Body shall establish a disaster recovery plan which considers the recovery of records and data in the event of a serious incident such as fire. Where possible this plan shall be tested to ensure that school business shall continue as far as is possible. These arrangements shall cover not only reconstitution of records but also the prompt sourcing of appropriate replacement equipment, and ensuring that manual records are stored in as secure a manner as possible.
- M.7 The Governing Body shall ensure that adequate systems exist for the detection and prevention of infection from computer viruses. Such defences shall be subject to regular update, and the Head Teacher shall ensure that such procedures exist which prevent staff from using computers, which are thought to be infected.

ANNEX A – LIST OF MAINTAINED SCHOOLS (at 1st September 2014)

NURSERY (4)
COLLEGE GREEN
CURZON CRESCENT
FAWOOD
GRANVILLE PLUS

PRIMARY (55)
ANSON
BARHAM
BRAINTCROFT
BRENTFIELD
BYRON COURT
CARLTON VALE INFANTS
CHALKHILL
CHRIST CHURCH BROND CE
CONVENT OF J&M RC INFANTS
DONNINGTON
ELSLEY
FRYENT
FURNESS
HARLESDEN
ISLAMIA
JOHN KEBLE CE
KILBURN PARK JUNIORS
KINGSBURY GREEN
LEOPOLD
LYON PARK INFANTS
LYON PARK JUNIORS
MALOREES INFANTS
MALOREES JUNIORS
MICHAEL SOBELL SINAI
MITCHELL BROOK
MORA
MOUNT STEWART INFANTS
MOUNT STEWART JUNIORS
NEWFIELD
NORTHVIEW
OAKINGTON MANOR
OLIVER GOLDSMITH

OUR LADY OF GRACE RC INFANTS
OUR LADY OF GRACE RC JUNIORS
OUR LADY OF LOURDES RC
PARK LANE
PRESTON PARK
PRINCESS FREDERICA CE
ROE GREEN INFANTS
ROE GREEN JUNIORS
SALUSBURY
ST ANDREW & ST FRANCIS CE
ST JOSEPH'S RC
ST JOSEPH'S RC INFANTS
ST JOSEPH'S RC JUNIORS
ST MARGARET CLITHEROW RC
ST MARY MAGDALEN'S RC
ST MARY'S CE
ST MARY'S RC
ST ROBERT SOUTHWELL RC
STONEBRIDGE
TORAH TEMIMAH
UXENDON MANOR
WEMBLEY
WYKEHAM

SECONDARY (3)
JFS
NEWMAN
ST GREGORY'S RC

SPECIAL (3)
MANOR DAY
PHOENIX ARCH
THE VILLAGE

PRUS (2)
HNES
KS3/4

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