



Contact: Sangeeta Brown
Resources Development Manager
Direct : 020 8379 3109
Mobile : 07956 539613

e-mail: sangeeta.brown@enfield.gov.uk

THE SCHOOLS FORUM

Wednesday, 4th March, 2015 at 5.30 pm in the Enfield County
School, Holly Walk, Enfield EN2 0QG

Membership:

Schools Members:

Maintained Schools:

Governors: Ms I Cranfield (Primary) Forum Chair, Mrs J Leach (Special), Mrs L Sless
(Primary), Mr T McGee (Secondary), Mr G Stubberfield (Secondary)
Vacancy (Primary)

Headteachers: Ms M Hurst (Pupil Referral Unit), Ms A Gaudencio (Primary), Mr B Goddard
(Secondary), Ms A Nicou (Primary), Mrs P Rutherford (Secondary), Mr P
Smith (Primary), Mr P De Rosa (Special), Mrs S Warrington (Secondary),
Mr R Yarwood (Primary)

Academies: Ms A Burgess, Ms R Stanley-McKenzie

Non-Schools Members:

Chair of Children's Services Scrutiny Panel: Cllr N Keazor

16-19 Partnership: Mr K Hintz

Teachers' Committee: Mr S McNamara

Assistant Director Education: Ms J Tosh

Head of Behaviour Support: Mr J Carrick

Early Years Provider: Mrs S Roberts

Observers:

Cabinet Member: Cllr A Orhan

Education Funding Agency: Ms B Pennekett

**MEMBERS ARE INVITED TO ARRIVE AT 17:15PM
WHEN SANDWICHES WILL BE PROVIDED
ENABLING A PROMPT START AT 17:30PM**

1. MEMBERSHIP AND APOLOGIES FOR ABSENCE (Pages 1 - 64)

To note the Primary Governor vacancy.

2. DECLARATION OF INTEREST

Members are invited to identify any personal or prejudicial interests relevant to items on the agenda. A definition of personal and prejudicial interests has been attached for members' information.

3. MINUTES AND MATTERS ARISING FROM THE MINUTES

- a) School Forum meeting held on 21st January 2015 (attached)
- b) The minutes of the Commissioning Group meeting held on 13th January 2015 will be circulated once agreed.
- c) Matters arising from these minutes.

4. ITEMS FOR DISCUSSION & DECISION (Pages 65 - 70)

- a) Schools Budget 2015/16 – Update (attached)
- b) High Needs Places – Update (attached)
- c) Scheme for Financing (attached)

5. ITEMS FOR INFORMATION

- a) Enfield Traded Services to Schools (attached)

6. WORKPLAN

(attached)

7. ANY OTHER BUSINESS

8. FUTURE MEETINGS

- a) Date of next meeting is Wednesday 1st July 2015
- b) Proposed dates for future meetings:
 - 14th October 2015
 - 9th December 2015
 - 20th January 2015
 - 2nd March 2016

9. CONFIDENTIALITY

To consider which items should be treated as confidential.

SCHOOLS FORUM

Meeting to be held from **17:30** on **Wednesday 4 March 2015**

Venue: **Enfield County School, Holly Walk, Enfield EN2 6QG**

(NOTE: Sangeeta Brown, Resources Development Manager - 07956 539613)

Schools Members:

Governors: Ms I Cranfield (Primary) Forum Chair, Mr Clark (Primary), Mrs J Leach (Special), Mrs L Sless (Primary), Mr T McGee (Secondary), Mr G Stubberfield (Secondary), Vacancy (Primary)

Headteachers: Ms M Hurst (Pupil Referral Unit), Ms A Gaudencio (Primary), Mr B Goddard (Secondary), Ms A Nicou (Primary), Mrs P Rutherford (Secondary), Mr P Smith (Primary), Mr P De Rosa (Special), Mrs S Warrington (Secondary), Mr R Yarwood (Primary)

Academies: Ms A Burgess, Ms R Stanley-McKenzie

Non-Schools Members:

Chair of Overview and Scrutiny Committee

16 - 19 Partnership

Teachers' Committee

Assistant Director Education

Head of Behaviour Support

Early Years Provider

Cllr N Keazor

Mr K Hintz

Mr S McNamara

Ms J Tosh

Mr J Carrick

Mrs S Roberts

Observers:

Cabinet Member

Education Funding Agency

Cllr A Orhan

Ms B Pennekett

MEMBERS ARE INVITED TO ARRIVE AT 17:15
WHEN SANDWICHES WILL BE PROVIDED
ENABLING A PROMPT START AT 17:30

AGENDA

(Target time)

(17:30)

1. MEMBERSHIP AND APOLOGIES FOR ABSENCE

To note the Primary Governor vacancy.

2. DECLARATION OF INTEREST

Members are invited to identify any personal or prejudicial interests relevant to items on the agenda. A definition of personal and prejudicial interests has been attached for members' information.

(17:40)

3. MINUTES AND MATTERS ARISING FROM THE MINUTES

- a) School Forum meeting held on 21 January 2015 (*attached*)
- b) The minutes of the Commissioning Group meeting held on 13 January 2015 will be circulated once agreed.
- c) Matters arising from these minutes.

(17:45)

4. ITEMS FOR DISCUSSION & DECISION

- a) Schools Budget: 2015/16 - Update (*attached*)
- b) High Needs Places – Update (*attached*)
- c) Scheme for Financing (*attached*)

(18:45)

5. ITEMS FOR INFORMATION

- a) Enfield Traded Services to Schools (*attached*)

(19:00)

6. WORKPLAN (*attached*)

7. ANY OTHER BUSINESS

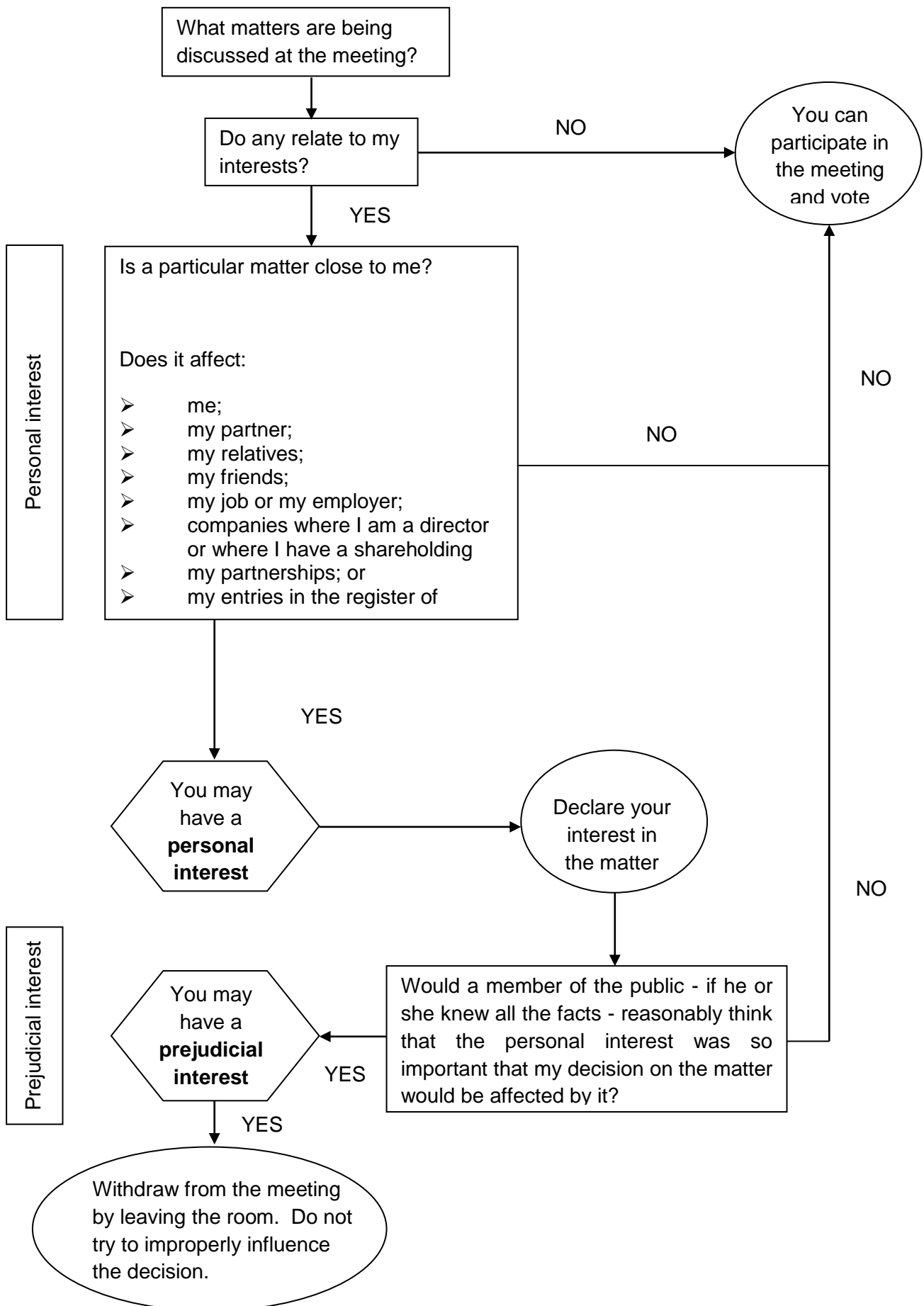
8. FUTURE MEETINGS

- (a) Date of next meeting is Wednesday 1 July 2015
- (b) Proposed dates for future meetings:
 - 14 October 2015
 - 09 December 2015
 - 20 January 2015
 - 02 March 2016

9. CONFIDENTIALITY

To consider which items should be treated as confidential.

DECLARING INTERESTS FLOWCHART QUESTIONS TO ASK YOURSELF



MINUTES OF THE SCHOOLS FORUM MEETING

Held on Wednesday 21 January 2015 at Enfield County School

Schools Members:

Governors: Ms I Cranfield (Primary) Forum Chair, Mrs J Leach (Special), Mrs L Sless (Primary), Mr T McGee (Secondary), Mr G Stubberfield (Secondary), Mr Clark (Primary), Vacancy (Primary)

Headteachers: Ms M Hurst (Pupil Referral Unit), *Ms A Gaudencio (Primary)*, Mr B Goddard (Secondary), *Ms A Nicou (Primary)*, Mrs P Rutherford (Secondary), *Mr P Smith (Primary)*, Mr P De Rosa (Special), *Mrs S Warrington (Secondary)*, *Mr R Yarwood (Primary)*

Academies: *Ms A Burgess, Ms R Stanley-McKenzie*

Non-Schools Members:

Chair of Overview and Scrutiny Committee

Cllr N Keazor

16 - 19 Partnership

Mr K Hintz

Teachers' Committee

Mr S McNamara

Assistant Director Education

Ms J Tosh

Head of Behaviour Support

Mr J Carrick

Early Years Provider

Mrs S Roberts

Observers:

Cabinet Member

Cllr A Orhan

Assistant Director Commissioning & Community Engagement

Ms E Stickler

Finance Business Partner

Ms J Fitzgerald

Assistant Finance Business Partner

Mrs Y Medlam

Assistant Finance Business Partner

Mrs L McNamara

Resources Development Manager

Mrs S Brown

Resources Development Officer

Ms J Bedford

Italics denote absence

1. Membership and Apologies for Absence

a) Apologies for Absence

Apologies for absence were received from Mrs Warrington, Ms Burgess, Ms Nicou, Cllr Orhan, Mr Yarwood, Mr McNamara, Ms Gaudencio and Ms Tosh.

Noted the absence of Mr Smith and Ms Stanley-McKenzie.

b) Membership

Noted this was Mr Clark's first meeting of the Forum.

Members welcomed Mr Clark to the Schools Forum.

2. DECLARATION OF INTEREST

Received the following declaration of interest:

Update on SEND Reforms (Item 5):

Mrs Leach declared an interest in this item.

Resolved to note the declaration.

3. MINUTES AND MATTERS ARISING FROM THE MINUTES

a) Schools Forum Meeting held 10 December 2014

Received and agreed the minutes of the meeting of the Schools Forum held on 10 December 2014, a copy of which is included in the Minute Book.

b) Matters arising from these minutes

Membership (Item 1b):

Reported the Member Governor Forum would be asked to consider a nomination for the Primary Governor vacancy.

c) **Commissioning Group Meeting 13 January 2015**

Noted a copy of the minutes of the Commissioning Group meeting will be circulated once agreed.

4. Items for Discussion and Decision

a) **Schools Budget 2015/16 and Formula Factors**

Received a report detailing the Schools Budget and the funding formula factors to be used for 2015/16, a copy of which is included in the Minute Book.

Reported since the last update, the Authority had received notification of the DSG settlement.

Noted

- (i) The DSG settlement was £307.8m. The funding was in line with the information previously reported and included £10,979m for the transfer of for Non-Recoupment Academies (NRA). It was stated that the DfE had confirmed that the NRA growth estimated at £1.361m would also be funded. The growth funding had been included in the draft budget, although the funding would not be received until June 2015. There was a concern no additional funding would be provided for the NRA growth from 2016/17.
- (ii) The funding for the Two Year Old free entitlement had not been announced as part of the DSG settlement and an estimate had been used for the draft budget.
- (iii) The funding for the High Needs Block was slightly disappointing. This was because the Authority had submitted a bid for 93 additional high needs places and only one additional place had been approved. The DfE confirmed that they had only approved the places, that had been reported as occupied.

It was asked whether there was any point in submitting a bid for additional places to meet need if the request was going to be disregarded. It was stated that, once a formal response to the rational for assessing the bid had been received, the Authority would be seeking to have further discussions with the DfE.

The DfE had confirmed that there would be some additional top up provided; nationally £47m was available for distribution, with Enfield receiving £333k. The top up had been calculated based on the 2-19 aged population and not on needs.

- (iv) The current draft budget, once all the requirements and pressures had been included, was projecting a deficit of £855k. The options available to address deficit had been assessed and the one being proposed was the use of DSG reserves.

The Chair observed that the projected deficit detailed in paragraph 3.1 of the report was £0.757m. It was stated this was an error and the correct figure was £0.855m.

- (v) The provisional pro-forma for the funding formula was submitted to the DfE on 20 January 2015 but this could be amended to reflect any changes following this meeting.

It was stated that the dataset provided by the DfE had be used to review the unit rates for the funding formula. It was proposed not to change the unit rates for the formula factors for 2015/16, with the exception of amending the Per Pupil funding for the removal of some de-delegation items as detailed in the report.

The use of the same unit rates would provide no change in funding for schools. However, some schools would experience a change in funding because of a change in:

- A. pupil numbers: there was an overall increase in number of primary pupils and decrease in number of secondary pupils;

- B. free school meal eligibility: there appeared to a general decrease in the number of pupils eligible for free school meals across Enfield.

It was questioned whether the reasons for the reduction in number of pupils eligible for free school meals were being investigated. It was confirmed the reasons were being investigated.

It was explained that the reasons may be due to the benefit changes or the introduction of the Universal Infant Free School Meals.

There was a concern about the impact on individual schools of the use of free school meals for funding purposes and the significant effect of any change in numbers.

- C. increase in pupils with English as an additional language: it was questioned if there was a reason for this. It was stated it may be due to new families and pupils moving into the area.
- D. prior attainment: it was questioned why there was an increase at Foundation stage and a decrease at Key Stage 2. It was confirmed the reasons for the change would be investigated.

- (vi) It was commented that the budget projections did not allow for the pressures schools would be facing owing, to the impact of the pay award. In order to fund the pay award, it was estimated that a secondary school would be facing a budget pressure of up to £80k.

It was stated the funding provided through the DSG was allocated on a flat cash basis and there was no other funding available to support schools with the pressure of the pay award.

Resolved to note and agree:

- (i) The unit values for the primary and secondary funding formula.
- (ii) The proposed application of DSG reserves in 2015/16 in order to balance the budget.

Clerk's Note: Mr Goddard left at this point.

5. UPDATE ON THE SEND REFORMS – Information Item

Mrs Leach presented this item. It was taken early as Mrs Leach needed to leave meeting after this item.

Received a paper providing an update on the implementation of the Special Educational Needs and Disability Reforms, a copy of which is included in the Minute Book.

Reported the Local Offer had to be in place by 1 September 2014 and details of the offer were available on the Enfield website.

Noted:

- (a) Posters and business cards have been printed with information on the reforms and the local offer. They had been widely distributed including GP surgeries, schools, children's centres, and available to social workers to pass onto families.
- (b) Education Health and Care Plans (EHCP) were replacing Statements of Special Educational Needs. To support and inform parents about the changes, booklets had been produced, which provided guidance, and information on requests for assessments and outlined the new process.
- (c) There were currently over 1,400 Statements.

To date, 112 proposed EHCPs for Year 6 pupils had been issued and these were with the parents for consideration. There were 33 new requests for assessment.

For Years 11-14, there would be a transition of 127 young people to prioritise for the move to other establishments or schools.

- (d) Training had been provided to schools, services, and FE colleges; with 516 participants of whom 272 were schools and college staff.

Face Front Inclusive Theatre had been commissioned to run a series of workshops throughout February and March for young people.

It was questioned what information was being provided to Governors. It was stated that information was being provided through the Governing Bodies termly pack and other briefings. A presentation had been provided to the Member Governor Forum.

Ms Cranfield commented that some schools had received whole Governing Body training.

Clerk's Note: Cllr Keazor and Mrs Stickler arrived at this point.

- (e) The DfE had confirmed that grant funding of £228,691 would be provided to the Borough. Officers were currently seeking appropriate approvals to release the funding.
- (f) It was questioned whether there was a Panel to consider the EHCPs. It was confirmed that the SEN Panel still met and a tri-agency panel also met to consider the EHCPs. The tri-agency panel included all key stakeholders including a representative from Adult Services.
- (g) It was questioned how Enfield was fairing with the implementation compared to other local authorities. It was stated that the Authority was committed to ensuring the reforms were implemented. It was difficult to do a direct comparison between local authorities. Each local authority was developing its arrangements to meet the needs of its pupils. The Authority had partnered with Bromley in a bid to support other London Local Authorities with the implementation of the reforms. The partnership meant extra work for officers but provided invaluable opportunities for learning from other local authorities as well as greater access to the DfE.

Clerk's Note: Mr Hintz arrived at this point.

- (h) Enfield was doing well with the number of proposed plans; some of these were excellent, and all would be quality assured. It was stated that a final plan had yet to be issued. The schools in Enfield were working hard and managing the changes.

It was commented that the staff in schools had found the ECH plans to be clear and easily understood.

- (i) To support secondary transfer, the ECHPs needed to have clear objectives, written by children and parents with support and guidance, and kept up-to-date. There were workshops planned to inform the young people on this but a venue was being sought. Mrs Rutherford agreed to her school being used to host the 2 hour workshops by Face Front to help young children write their plans.

Agreed: Mrs Rutherford

Clerk's Note: Mrs Leach left at this point.

6. Items for Discussion and Decision

b) Special Educational Needs

- (i) Special School Outreach Funding (attached)

Received a paper providing a report on the Special School Outreach Funding, a copy of which is included in the Minute Book

Reported a process for seeking bids from Special Schools for the funding allocation for the Special Schools Outreach Funding 2015-16 had been devised and was detailed in the report.

Noted

- A. It was proposed that all Special Schools be able to bid up to £112k each year to provide Outreach Support to mainstream colleagues. However, as Russet House and Durants were part of the Autism Advisory Group, they would not be required to bid for funding.

It was questioned whether, if a bid from a school did not have sufficient information to fund the bid, the school be able to resubmit or receive partial funding. It was stated that a revised bid from a school would be reconsidered. The aim of putting these arrangements in place was to have clear framework for funding and monitoring outreach provision in the borough.

- B. The bids would be assessed by a panel composed of the Assistant Director for Education, the Acting Head of SEN and the SEN Manager. The Panel would review all bids and then notify schools of the outcome.
- C. The successful schools would be reviewed on a termly basis

Resolved to agree the arrangements for the Special School Outreach provision as outlined in the report.

(ii) **Autism Provision (Verbal update)**

Reported an update would be provided for the next meeting.

Action: Ms Tosh / Mr Carrick

(iii) **Additionally Resourced Provision (Verbal Update)**

Reported a review of the Additionally Resourced Provision (ARP) supporting pupils with Autism in primary schools had been undertaken in November 2014. The review was carried out by the Headteacher of Russet House and Officers. The Forum was being provided with an update of some of the outcomes from the review.

Noted:

A. It was found that:

- ARPs needed to lead on a distinct area and not support pupils with both autism and complex needs. Consideration should be given as how to re-designate ARPs for a distinct area.
- There needed to be clear criteria for pupils attending the ARP, with arrangements in place for reintegrating pupils into the mainstream provision.
- The staff working in ARPs were working, in the main, on their own and it was important to ensure these staff were not isolated and had opportunities to interact with other staff and senior leaders through regular meetings and forums.

B. The training programme for governors should be reviewed to ensure governors were in a position to carry out their role to support pupils with SEN.

C. Durants School was managing a satellite provision at Winchmore: this type of provision was working well. The students were able to access lessons as part of the mainstream school but also had the support through the ARP and staff from Durants for their specific needs. As part of the development of this provision, it was being suggested that the provision was expanding into two ARPs, with one supporting Key Stage 3 students and the other Key Stage 4. The single ARP across the two Key Stages could not fully address the needs of all the students.

It was questioned whether it was helpful to have the expertise of the Special School. Mr De Rosa confirmed this was invaluable; whilst the mainstream school worked to ensure the students attending the ARP were integrating and participating fully into school life, the Special School was able to deal with students if any problems occurred. This meant the mainstream school was able to deal with any bullying issues but any pupil could go to Durants if any concerns or issues arose.

The Forum noted the update.

5. WORKPLAN

Noted the additional items to be included on the workplan.

ACTION: Sangeeta Brown

6. ANY OTHER BUSINESS

(a) Paperless

The Forum was asked whether they would consider not receiving hard copies of the papers for the meeting.

There was some discussion on the pros and cons of using electronic documents.

There was concern that it would be difficult to find all documents at a later date. It was stated that the papers from the Forum were available on the Enfield website. The papers can be found using the following URL link:

<http://governance.enfield.gov.uk/mgCommitteeDetails.aspx?ID=139>.

RESOLVED to continue to receive both electronic and hardcopies of the papers.

ACTION: Sangeeta Brown

(b) Local Authority - Ofsted Unannounced Inspection

The Forum were advised a call had been received from Ofsted on Tuesday 20 January confirming that an unannounced inspection of services for children in need of help and protection, children looked after and care leavers would commence on Wednesday, 21 January and last for 4 weeks. Seven Ofsted inspectors were on site; they would be focussing on a sample of identified children, young people and families. This would be done through observing practice of frontline staff, reading case files, meeting with the children, young people, parents and carers and attending multi-disciplinary meetings. The inspectors would be tracking progress and outcomes to help them evaluate the effectiveness of the help, protection and care that children, young people and families receive and the difference that professionals make to their lives.

7. FUTURE MEETINGS

(a) Proposed dates for future meetings:

- 4 March 2015

8. CONFIDENTIALITY

To consider which items should be treated as confidential.

MUNICIPAL YEAR 2014/2015 REPORT NO. 27**MEETING TITLE AND DATE:**

Schools Forum – 5 March 2015

REPORT OF:

Director of Schools & Children's Services

Contact officer: Sangeeta Brown

E-mail: sangeeta.brown@enfield.gov.uk

Item: 4c

Subject:**Scheme for Financing Maintained Schools****Wards: All****1. EXECUTIVE SUMMARY**

- 1.1 This report provides an update on Scheme for Financing Maintained Schools for 2015-2016.

2. RECOMMENDATIONS

- 2.1 Members are asked to comment and agree the changes detailed in this report.

3. BACKGROUND

- 3.1 The Local Authority is required to agree and publish annually a Scheme for Financing Maintained Schools. The Scheme aims to cover the financial relationship between maintained schools and the Local Authority.
- 3.2 This report informs Members of any proposed amendments to the Scheme for 2015/16.

4. UPDATES

- 4.1 Members will be aware that no amendments were proposed as part of the review of the funding arrangements for schools. However, there have been some changes to EU regulations governing procurement. These came into effect in February 2015.

The changes aim to ensure that small companies are able to participate in larger contracts which are governed by EU regulations. The Council has amended the Corporate Procurement Rules (CPRs) to incorporate these changes. These amendments need to be incorporated into the Scheme because maintained schools are required to abide by the CPRs.

- 4.2 A draft copy of the Scheme for 2015/16 is attached to this report. The section affected by the changes is paragraph 2.10.

SCHOOLS & CHILDREN'S SERVICES

**SCHEME
FOR
FINANCING
SCHOOLS
2015 -16**

April 2015

DRAFT

SCHEME FOR FINANCING SCHOOLS
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8) THE PROVISION OF SERVICES AND FACILITIES BY THE LA	
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DRAFT

1 INTRODUCTION

1.1 THE FUNDING FRAMEWORK

The School Standards & Framework Act 1998 ('the Act') sets out the financial framework for funding maintained schools.

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

The regulations made are set out in the Schools & Early Years Regulations 2012.

1.1.1 THE SCHEME FOR FINANCING SCHOOLS

The financial relationship between maintained schools and the Local Authority (LA) is covered by this Scheme. It sets out the principles underpinning the financial controls within which delegation to schools operates.

The Scheme is made in accordance with section 48 of the Act. This section, and associated Regulations, sets out what must be included in the Scheme. The Scheme, and any subsequent revisions, must be approved by the Schools Forum or Secretary of State who has powers to modify or impose Schemes.

More detailed financial requirements are applied by the Scheme but do not form part of this published version. These are contained in the schools' Finance Manual which provides separate detailed guidance for schools on these matters.

It should be noted that Section 48(3) of the Act states that where there is an inconsistency between this Scheme and any other LA rules or regulations relating to funding and financial management, the terms of this Scheme prevail. The Scheme has, therefore, been prepared so that it is consistent with the principles set out in the introduction, with the LA's broader financial management framework and acknowledges the role of governing bodies having their own statutory functions and freedoms. The Scheme, therefore, is a framework within which both the LA and schools are required to carry out their financial responsibilities.

1.1.2 THE BUDGET FRAMEWORK

The LA sets out its Schools Budget which will include the entire Dedicated Schools Grant (DSG) and LA Budget. The categories of expenditure, which must be included in the Schools Budget, are prescribed in regulations made by the Secretary of State. It does not include non-school related items such as adult/community education and lifelong learning programmes, student awards and the youth service, but does include the strategic management costs associated with those activities.

Local authorities may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under s.45A

of the Act. The amounts to be retained centrally are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their School Forum) as prescribed by the Secretary of State. The categories of centrally managed expenditure are;

- a) Specific grant
- b) Special Educational Provision
- c) School Improvement
- d) Access to Education
- e) Strategic Management

Full details of the expenditure included in the above categories are shown in the annual financial statement produced by the LA (see section 1.1.5 below).

The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the LA budget must be retained centrally (although earmarked allocations may be made to schools).

1.1.3 THE FUNDING FORMULA

The LA must distribute the ISB to maintained schools using the funding formula. The formula must be in accordance with regulations made by the Secretary of State under section 47 of the Act. The formula is used to calculate each school's Budget Share.

The LA must consult with the Governing Body and headteacher of all schools covered by the Scheme on any proposed changes to the methods, principles, rules, factors and criteria which the LA takes into account in determining each school's Budget Share.

The formula should be simple, objective, measurable and predictable in impact, transparent, and clearly expressed.

The LA will inform all those involved on the outcome of the consultation.

1.1.4 DELEGATED BUDGETS

The budget share for each school is delegated to the Governing Body, unless the school is a new school which has not yet received a delegated budget, or the right to the delegated budget has been suspended in accordance with section 51 of the Act. This section empowers the LA to suspend a school's right to a delegated budget if the provisions of this Scheme (or any rules applied by the Scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily.

There is a right of appeal by a school to the Secretary of State.

A school's right to a delegated budget share may also be suspended for other reasons (s.17 of the Act), but in that case there is no right of appeal.

Subject to any provisions of the Scheme, the Governing Body may spend budget shares for the purposes of their school, or for any other additional purposes prescribed by the Secretary of State in regulations made under

s.50. Section 50 has been amended to provide that amounts spent by a Governing Body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act.

1.1.5 PUBLICATION OF INFORMATION

Each financial year the LA must publish a statement setting out details of its planned Schools Budget and LEA Budget, showing;

- the amounts to be centrally retained
- the budget share for each school
- the formula used to calculate those budget shares
- the detailed calculation for each school

At the end of the financial year the LA must publishes a further statement showing actual (out-turn) expenditure at both central level and for each school, and the balances held in respect of each school. Out-turn statements are subject to audit certification by the Audit Commission. Information in either type of statement may be collated and published by the Secretary of State.

The detailed publication requirements for financial statements and Schemes are covered by regulations made under section 52 of the Act. Each school is sent a copy of the Scheme and any amendment, and each year's budget and out-turn statement.

1.2 THE ROLE OF THE SCHEME

As stated in 1.1 above this Scheme covers the requirements relating to financial management and other associated issues and is binding on both the Authority and on schools.

1.2.1 APPLICATION OF THE SCHEME TO THE AUTHORITY AND MAINTAINED SCHOOLS

The Scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and Pupil Referral Units maintained by the authority, whether they are situated in the area of the authority or situated elsewhere. It does not apply to schools situated in the authority's area which are maintained by another authority. Nor does it apply to academies. The schools maintained by Enfield are listed in Annex A.

1.3 PUBLICATION OF THE SCHEME

A copy of the approved Scheme will be sent to the headteacher and Governing Body of all schools covered by the Scheme.

All proposed revisions to the Scheme will be submitted to the Schools Forum for approval by the members of the Forum representing maintained schools. Any approved revisions to the Scheme will be notified to each school.

A copy will also be sent to each school to be made available for reference at all reasonable times and without charge. Additional reference copies will be

available at the Schools and Children's Services Department, Civic Centre, Silver Street, Enfield and at First Stop Information points within the Borough.

Copies are also widely distributed to other partners including Trade Unions, professional associations, Diocesan Board and other LAs and are also available on the Enfield Website.

1.4 REVISION OF THE SCHEME

Any proposed revisions to the Scheme will be the subject of consultation with all schools and other interested parties.

Revisions may be proposed at the direction of the Secretary of State or may be initiated by the LA.

All revisions will be subject to approval by the Schools Forum. Where the Schools Forum does not approve the revisions or approves them subject to modifications which are not acceptable to the LA, the LA may apply to the Secretary of State for approval.

If the Authority wishes to give assistance towards elimination of a deficit balance this should be through the allocation of a cash sum, from the Authority's Schools Budget (from a centrally held budget specified for the purpose of expenditure on special schools and pupil referral units in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget where this has been agreed by Schools Forum).

1.5 FINANCIAL DELEGATION OF POWERS TO THE HEADTEACHER

The relative roles of the Governing Body, its committees, the headteacher and other staff should be defined in writing by each school. The headteacher has overall executive responsibility for the school's activities and is accountable to the Governing Body for the financial management of the school. The headteacher should ensure that the Governing Body is provided with financial advice that proper and adequate financial systems and controls are in place and that accounts and financial reports are duly submitted to the Governing Body and the LA.

In the context of the above, decisions made regarding delegation of powers to the headteacher should be recorded in the minutes of the Governing Body.

It is a matter for each Governing Body to consider its own requirements for a Scheme of Delegation within the school.

The first formal budget plan (Working Budget) of each financial year must be approved by the Governing Body.

A Guidance paper on 'Schemes of Delegation' for schools is included in the Finance Manual.

1.6 MAINTENANCE OF SCHOOLS

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

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2. FINANCIAL REQUIREMENTS & AUDIT

2.1 FINANCIAL PROCEDURES

2.1.1 Application of Financial Controls to Schools

All schools are required to conform to the requirements on financial controls and monitoring contained within this Scheme, and in associated guidance or publications referred to in this document such as the Finance Manual.

2.1.2 Provision of Financial Information & Reports

All funding within school budget shares is accounted as LA expenditure. The Scheme therefore requires the LA to implement arrangements for the monitoring and proper use of public funds appropriate to a Scheme of delegated financial responsibility to school governing bodies. These arrangements must also enable schools' income and expenditure to be integrated into the LA financial framework.

The Governing Body is required to ensure that the school maintains an adequate local accounting system on an approved accounting package. The LA has nominated the school records as the prime accounting records. The local system at the school, and all financial documents held, are part of the LA's accounts and are subject to the same inspection conditions.

Quarterly financial monitoring

Schools must provide the Authority with quarterly reports of income and expenditure, together with a forecast year-end position, in a format specified by the LA.

VAT

Schools are required to make a monthly return for VAT purposes in a format specified by the Authority from information generated by the school's computerised systems. The return must be submitted by the 22nd of each month to the LA in the format specified, together with a bank reconciliation statement. The procedures and information required for the monthly returns are set out in the Finance Manual.

Year End

At year-end a summary of the school's records must be made available, in a format specified by the LA, to upload to the LA's financial system (SAP). Any supplementary information requested for use in the LA's accounts must be supplied as well as a copy of the school's financial data file. In order to make the process as simple as possible and to reduce the administrative workload of schools, the Authority will use the Consistent Financial Reporting accounting structure to populate SAP system.

Guidance on the above requirements is provided in the Finance Manual and the year-end booklet.

2.1.3 Control of Assets

Assets Other than Land and Buildings

Schools are required to maintain an Asset Register (inventory) of all portable, valuable and desirable goods. It is suggested that any item, which a school deems to be valuable and may be subject to an insurance claim, should be listed on the Asset Register. Schools are free to determine their own arrangements for keeping a register of assets worth less than £1,000; however, a school must keep a register in some form.

The Asset Register should include the following information:

- a) Date of acquisition
- b) Description of the asset, including serial number or unique identification mark
- c) Cost (excluding VAT)
- d) Details of leasing arrangements including the source of funding
- e) Location of asset
- f) Record of disposal or write off

Schools should ensure that:

- the Registers are kept up to date.
- procedures are in place to ensure items are added to the Registers when invoices are processed.
- all items are marked, visibly and permanently, as school property.
- at least once each year, an independent stock check is carried out on all items recorded.
- significant discrepancies are reported to the Governing Body.

Staff who are responsible for, or are entrusted with school property, have a duty of care and must take all reasonable precautions to ensure their safe custody.

LA funded assets, as defined in the Finance Manual, must not be sold, destroyed or disposed of without the authority of the Governing Body who must inform the Director of Schools and Children's Services of any disposals and the proceeds. As there are particular difficulties with leased assets, schools should consult the Finance Manual before proceeding. The Governing Body is responsible for determining value for money in asset disposals.

Items of school property must not be removed from school premises without the appropriate delegated authority. The school must keep a record of any loan and the record updated when the asset is returned. Staff may take assets home but the position relating to insurance must be clarified and explained to staff before any assets are removed from school premises. Where assets are on loan for extended periods or to a member of staff on a regular basis, a benefit in kind may be deemed to have arisen which will have tax implications for the individual concerned and for the proper use of public funds.

Land and Buildings

With regard to the disposal of land and buildings, the procedures will be determined according to who currently owns the assets, the responsibility of the Secretary of State to safeguard the disposal of assets purchased or improved using public funds and the interests of the LA where the LA is the owner or former owner of the assets.

The ownership of school land and buildings under the new framework is set out below:

- a) Community Schools - assets are owned by the LA.
- b) Voluntary Aided Schools - assets are owned by the trustees except where the LA continues to own certain subsidiary premises such as facilities for the provision of meals.
- c) Foundation Schools - assets are owned by the Governing Body where there is no foundation constituted or by the trustees where the school forms or joins a new foundation.

2.1.4 Accounting Policies (Including Year - End Procedures)

All relevant accounting policies and procedures are included within the Finance Manual and the year-end booklet. They are there to ensure all parties concerned are protected and that public money is responsibly managed.

Computer system

The Governing Body is required to ensure that the school maintains an adequate local accounting system using an approved accounting package which is compatible with LA requirements. The Council supports the use of RM Finance or Capita FMS Sims. If another system is used or the school does not receive support through the LA, then the LA will check the system for technical compatibility. If the school changes the finance software then the school must use the Enfield Chart of Accounts to set up the new system. The procedure for this is set out in the Finance Manual. The Authority must receive a copy of the school's software data file at the year end. The computerised financial records must be regularly backed up.

2.1.5 Writing Off of Debts

The Governing Body can write off debts owed to the school up to a value of £500. Individual debts above that level, but not exceeding £2,500, may be written off with the approval of the Director of Schools and Children's Services. All debts above £2,500 may only be written off with the additional approval of the Director of Schools and Children's Services and the Director of Finance, Resources & Customer Services. For reporting arrangements and write off requests, please refer to the Finance Manual.

2.2 BASIS OF ACCOUNTING

The Scheme does not impose a particular basis of accounting on schools' internal systems. However, returns to the Authority should be done on a cash basis i.e. what the school has actually paid or received during that period.

2.3 SUBMISSION OF THREE YEAR EXPENDITURE PLANS

The LA will supply schools with the school income and expenditure data to enable schools to plan effectively for the next three years. The Governing Body must send its three year budget plans to the LA by the Summer half term. The budget plan must be submitted in the format provided by the LA (full details are given in the Finance Manual). The school must submit a signed hard copy and an electronic copy of the budget plan. Each school will also need to send details of the assumptions underpinning the expenditure plan.

The budget plan should include the school's estimate of deficits or surpluses carried forward from the previous financial years.

The school's formal three year budget plan must be approved by the Governing Body. If, in the schools Scheme of Delegation and Organisational Structure, the responsibility for formulating and approving the three year budget plans has been delegated to the Finance Committee, then these may be submitted to the LA to meet the statutory deadline. However, this is subject to the three year budget plans being presented and endorsed at the next meeting of the Governing Body. The Chair of Governor must confirm to the LA that the budget has been endorsed by the Governing Body as agreed by the Finance Committee.

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, taking into account the Authority's purchasing, tendering and contracting requirements as outlined in Section 2.10.

It is for the Headteacher and the Governing Body to determine at school level how to secure better value for money. This should include a review of current expenditure, compare it to other schools, and consider how to make any improvements.

2.5 VIREMENT

The Governing Body has complete freedom to vire amounts between budget headings. They can delegate authority to vire budgets to a panel such as the Finance Sub-Committee or to the headteacher.

2.6 AUDIT GENERAL

A review of the internal financial controls of all schools within the Authority will be carried out on a regular basis. The frequency of audits will be dependent on risk, for example:

- Schools perceived to pose a greater risk will be subject to more regular audits focusing on the risks identified.
- Schools assessed as low risk will be selected on a sample basis for audit each year. Any audit will include an audit of the information submitted to the LA.

All schools should receive some form of internal audit coverage at least once every four years. The scope and timing of each school's audit will be agreed with the school. All reports will be discussed and cleared with the Headteacher or other nominated person prior to the issue of the final report. In addition, Internal

Audit will carry out a follow-up review on an appropriate basis after the issue of the final report.

Upon request from the Director of Schools and Children's Services or the Director of Finance, Resources & Customer Services, Internal Audit may undertake any additional work, including investigations.

Schools are also required to comply with the requirements of the Authority's external audit arrangements and provide access to the school's records for both internal and external auditors.

2.7 SEPARATE EXTERNAL AUDITS

In addition to the processes outlined in 2.6 above, schools can use their delegated budget share to obtain external audit certification of their accounts, separate from the LA internal or external audit process.

Internal Audit may provide additional consultancy and advice on request. The cost of this service will be charged to the school budget. Internal Audit will provide the cost of this service prior to commencement.

2.8 AUDIT OF VOLUNTARY AND PRIVATE FUNDS

Governing bodies are required to obtain an annual audit certification of all voluntary and private funds held by the school and the accounts of any trading organisations controlled by the Governing Body. Further details are included within the Finance Manual.

2.9 REGISTER OF BUSINESS INTERESTS

The Governing Body of each school must establish a register which lists each member of the Governing Body and the headteacher and any other member of staff with responsibility for finance, any business interests they or any member of their immediate family have. The register must be kept up-to-date with notification of any changes and through an annual review of entries. The register must also be available for inspection by governors, staff and parents, and the LA.

Detailed guidance is available in the Finance Manual.

2.10 PURCHASING, TENDERING AND CONTRACTING REQUIREMENTS

2.10.1 Each school should comply with the LA's financial regulations and standing orders in purchasing, tendering and contracting.

These are consistent with current statutory provisions and EU directives and do not require LA approval for individual schools entering into large value contracts which are to be funded from school's resources. Similarly there is no requirement that schools should select suppliers from an approved list.

The threshold for obtaining quotes or formal tenders are as follows:

Estimated Contract Value	Tendering Requirements	<u>Method of completion of contract</u>
Up to £10,000	At least one written quotation must be received. Where practicable an eligible quotation from a local supplier must be sought. Best value must be obtained and framework and other corporate agreements, where they exist, are used. (Schools must retain sufficient evidence to demonstrate compliance).	Use of Purchase Order.
Contracts from £10,001 to £50,000	At least two written quotations must be received. A quotation from a local supplier must be sought. Where this is not possible the reasons must be recorded. Best value must be obtained and framework and other corporate agreements, where they exist, are used. <i>(Schools must retain sufficient evidence to demonstrate compliance and best value, e.g. by confirmation of oral quotations in writing).</i>	Use of Purchase Order or Standard Contract for more complex requirements
Contracts from £50,001 to £100,000 (for supplies and services) or £500,000 (for works):	At least three written quotations must be received. A quotation from a local supplier must be sought. Where this is not possible the reasons must be recorded. Best value must be obtained and framework and other corporate agreements, where they exist, are used. <i>(Schools must retain sufficient evidence to demonstrate compliance and best value, (an oral quotation is not acceptable).</i> If less than three quotes are received Governing Body must approve the award subject to discussion with the Headteacher. The decision must be recorded in the minutes of the Governing Body or Finance Committee if responsibility has been delegated and all documentation supporting the decision retained. Works – In accordance with rule 25.	Use of Purchase Order or Standard Contract for more complex requirements
Contracts above £100,000 to EU threshold * (for supplies and services) or above £500,000 (for works)	At least five written quotations must be received. At least two quotations from a local supplier must be sought. Where this is not possible the reasons must be recorded. Best value must be obtained and framework and other corporate agreements, where they exist, are used (Managers must retain sufficient evidence to demonstrate compliance and best value, e.g. by confirmation of oral quotations in writing). If less than five quotes are received the Divisional Director or Head of Service must approve the award subject to discussion with the Assistant Director of Procurement. The decision must be recorded in writing and all documentation supporting the decision retained. (Schools must retain sufficient evidence to demonstrate compliance and best value, (an oral quotation is not acceptable). If less than five quotes are received Governing Body must approve the award subject to discussion with the Headteacher. The decision must be recorded in the minutes of the Governing Body or Finance Committee if responsibility has been delegated	<u>Up to £250,000:</u> Signature on Standard Contract or sealed by Legal Services if required <u>Over £250,000:</u> Sealed by Legal Services

	<p>and all documentation supporting the decision retained.</p> <p>Works – Either in accordance with rule 25 or by competitive tender in accordance with rule 9 and where applicable, all EU procurement rules apply.</p> <p>In all cases at least 5 Contractors should be invited to Quote (for works) or Tender, unless there is an overriding business or legal justification that this is not required.</p>	
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2.10.2 In assessing which threshold to apply, the total value of the contract must be used. The total value should be over the term (length) of the contract. If the purchase involves recurrent transactions for the same type of items, then the contract value is the total value of those transactions over the contract period, including any allowable extension periods. Where the total contract value over the full duration of the contract (not just the annual value) is uncertain, then to establish an estimated value the monthly payment should be multiplied by 48.

2.10.3 Where relevant, schools are required to assess in advance, the health and safety competence of contractors. Schools must take account of the LA's policies and procedures on such matters as detailed in the Health & Safety Guidelines for Schools (Control of Contractors).

Further guidance on procurement and the detail of financial regulations and standing orders can be found in the Finance Manual.

2.11 APPLICATION OF CONTRACTS TO SCHOOLS

Schools will be consulted on, and invited to participate in, Council wide contracts for the provision of goods and services. This includes both contracts with external suppliers under competitive tendering procedures and internal arrangements with the Council's DSOs, or buyback arrangements for services delegated to schools.

Once a school has given, in writing, a commitment to participate in such a contract or trading arrangement, it is expected that the school will be bound to the final contract / trading arrangement for its length. Should the school, however, decide to opt out of such a contract / trading arrangement during its life, the LA retains the right to make additional charges to the school if such action results in any loss to the LA for the remainder of the contract period.

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

2.12 CENTRAL FUNDS & EARMARKING

Funds will be made available to a school from certain centrally managed budgets in addition to its budget share allocation determined by the formula. Such funds will be separate from any budgets delegated from the Individual Schools Budget and will be either shown separately on the School Budget for the year or notified individually.

Such allocations will be the subject of conditions which will be notified individually. The funds will be earmarked i.e. must only be used for specific purposes. The LA may require unspent earmarked funds to be returned at the end of the year.

The LA will not make any deductions, in respect of interest costs to the LA, from payments to schools of devolved specific or special grant.

2.13 SPENDING FOR THE PURPOSES OF THE SCHOOL

Section 50 (3) of the Act empowers the Governing Body to spend its delegated budget as it sees fit for the purposes of the school, and for any other purposes, which may be prescribed in regulations by the Secretary of State. The right to spend for such additional purposes may be the subject of associated conditions prescribed in the regulations.

By virtue of section 50(3A) (which came into force on 1st April 2011), amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

Section 50(3)(b) allows schools to spend their budgets on pupils who are on the roll of other maintained schools.

However, these powers to spend is subject to any provisions included in the Scheme (e.g. capital spending detailed in section 2.14 below) and LAs are able to impose their own restrictions on this freedom, arising from local circumstances.

It is not proposed to limit this freedom over & above the conditions already included elsewhere in the Scheme itself.

2.14 CAPITAL SPENDING FROM BUDGET SHARES

The Scheme does not preclude governing bodies from using their budget shares to fund the cost of capital expenditure on their school premises. This may also include the liability of governing bodies of Voluntary Aided schools to meet the cost of their responsibilities under paragraph 3 of Schedule 3 of the School Standards and Framework Act 1998. All expenditure that the Governing Body wants to treat as capital must meet the capital criteria as defined in the Consistent Financial Reporting guidance.

Where schools wish to fund new capital expenditure in full from delegated budgets, the Director of Schools and Children's Services should be notified of proposals in all instances so that:

- where the expenditure exceeds £20,000 in primary and special schools, and £30,000 in secondary schools in any one year, the Director of Schools and Children's Services can advise on the merits of the proposed expenditure in terms of the provision of education at the school.
- where the premises are owned by the LA, the Director of Schools and Children's Services and Director of Finance, Resources & Customer Services can advise as to the technical aspects of the planned works
- the Director of Schools and Children's Services can consider the funding of any additional revenue costs arising from the project within the Individual Schools Budget, where this is the case.

- the Director of Finance, Resources & Customer Services can correctly record the expenditure in the LA's accounts.

All capital expenditure incurred by the LA on its schools and in meeting the LA liability of Schemes at Voluntary Aided Schools, must be recorded in the LA's central accounts and reported as part of the LA's overall capital programme, however the expenditure is actually financed. The Finance Manual sets out the circumstances in which schools will have some responsibility for capital expenditure and the process schools should follow.

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 Director of Schools and Children's Services and the Director of Finance, Resources & Customer Services, the school has failed to comply with any provisions of the Scheme, or where actions need to be taken to safeguard the financial position of the LA or the school.

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

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- insisting that an appropriate trained / qualified person Chairs the Finance Committee of the Governing Body;
- placing more stringent restrictions or conditions on the day to day financial management of a school than the Scheme requires for all schools – such as the provision of monthly accounts to the authority;
- insisting on regular financial monitoring meetings at the school attended by the authority's officers;
- requiring a Governing Body to buy into the authority's financial support services and,
- imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and / or financial monitoring reports on such activities.

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

2.16 SCHOOLS FINANCIAL VALUE STANDARD (SFVS)

All local authority maintained schools and Pupil Referral Units (PRUs) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. Schools must submit the form to the LA by the end of the Autumn half term, together with the London Borough of Enfield Risk Assessment form. Both these documents will be assessed and used to inform the Audit programme for the following financial year.

Governor bodies 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.

2.17 FRAUD

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

The Governing Body and Headteacher must inform all staff of school policies and procedures related to fraud and theft, the controls in place to prevent them; and the consequences of breaching these controls. This information must also be included in induction for new school staff and governors. All staff and governors with responsibility for financial management should undertake fraud awareness training.

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3. INSTALMENTS OF BUDGET SHARE; BANKING ARRANGEMENTS

3.1 ACCESS TO SCHOOL BUDGET SHARES

The following sections cover frequency of instalments, the proportion of the budget share payable at each instalment, VAT and arrangements for interest clawback, where applicable.

The arrangement for allocating budget shares to each school will depend upon on whether the school:

- a) is in the LA's HSBC pooled banking scheme and opt to receive their delegated budget share in one advance in April
- b) all other schools.

All delegated and devolved resources are now advanced to schools and are inclusive of pay costs.

3.1.1 ARRANGEMENTS FOR SCHOOLS IN ANNUAL ADVANCE SCHEME

(a) Delegated Budget Share

Schools in the annual advance scheme will receive their total delegated budget share and VAT advance, less the pupil premium, on the third banking day of the financial year. A deduction (see (b) below) will be made to compensate the LA for the loss of interest arising from this method of payment.

(b) Interest deduction

The intention is that the interest deduction will be broadly equivalent to the amount of extra interest the school will earn on its bank balance by having its entire delegated budget in its bank account from early April. In effect, the adjustment should result in neither the school nor the LA gaining or losing interest compared to the payment of advances by monthly instalments. The deduction is calculated as follows:

$$D = \frac{(\text{Delegated budget share} + \text{VAT advance}) \times \text{interest rate}}{2}$$

Where D = interest deduction

Interest rate = the LA's estimate of the interest rate for one-year money as at 1st February prior to the start of the financial year. Current estimates are that this will be 0% for 2014/15.

2 = a factor to halve the interest deduction to produce a figure that is close to the actual interest that will be earned by the school on the earlier receipt of the advance.

If over the year the average actual interest rate should prove to be 0.5% higher or lower than that assumed for the estimated interest rate used in the calculation of the interest deduction, the LA will compensate or charge the school with the difference between the estimated figure and the actual average. Such an adjustment will be made retrospectively once the actual average bank base rate for the year is known.

If the difference between the estimated interest rate and the actual average rate is less than 0.5% there will be no adjustment.

In 2014/15 no interest deduction has been made, reflecting the very low rates of interest being applied to bank account balances.

(c) Other Advances

Schools in the annual advance scheme, like all other schools, will receive their pupil premium on a monthly basis.

(d) Recovery of Overpaid Advances

When it is necessary to recover overpaid advances from schools, for example for prior year adjustments, VAT, rates, exclusions and the LSC, this will be done by deducting the amount to be repaid from the next monthly advance. If this is insufficient, then any remaining balance will be deducted from subsequent monthly advances. If there are still sums due to be repaid by schools after the March advance has been made, an invoice will be raised on the school prior to the end of the financial year.

(e) Schools must remain in the LA's HSBC Pooled Banking Scheme

It is a condition of paying the delegated budget share in full in April that the school keeps all of its balance in the HSBC pooled current account for the full financial year.

3.1.2 ALL OTHER SCHOOLS

All other schools will receive their budget share and VAT on a monthly basis in twelve equal instalment starting from April; with reference to the pay date of the schools' monthly paid employees. Top up payments for pupils with high needs will be made on a monthly basis unless an alternative arrangement has been agreed with the school.

For schools using the LA's Payroll service, the advances will be made six days before the staff pay day. For schools not using this service, the advance will be paid one day before the staff pay day. This distinction recognises that schools not using the Payroll Service do not need to pay tax, National Insurance and superannuation contributions over to collecting bodies until some time after the staff pay date.

Advances are made to schools without cash flow deductions.

A school may request an advance to be increased by bringing forward resources from a future instalment due to be made later in the same financial year. This will assist those schools with particular cash flow needs arising from major developments at the school and can be arranged following a written request to the Director of Finance, Resources & Customer Services. An interest charge at an agreed rate will be deducted from the later advance in recognition of the advanced funding.

3.1.3 VAT REIMBURSEMENTS

VAT reimbursements will be dealt with through a percentage add-on to advances to allow schools to pay VAT on invoices without cash flow implications. At the year end the Authority will reconcile the amount advanced for VAT with the amount paid out and received by the school. Any required adjustment will be made in the new financial year.

3.1.4 DEDUCTIONS FOR CENTRALLY INCURRED EXPENDITURE

Advances to schools will be made without deductions for centrally incurred expenditure or for services provided to schools by the LA under service level agreements.

3.2 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 LA error.

3.3 BANKING ARRANGEMENTS

All maintained schools in Enfield have bank accounts. Schools are able to retain all interest earned on their accounts.

3.3.1 RESTRICTIONS ON ACCOUNTS

Schools can use any High Street Bank or major Building Society. Alternatively, the LA's own bankers (HSBC) offer a specific scheme for Enfield schools.

All bank accounts must have the London Borough of Enfield and the school name as part of the description.

3.4 BORROWING BY SCHOOLS**3.4.1** Governing bodies may not enter into any borrowing arrangement with an external lender without the written permission of the Secretary of State.

This does not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. However, these debts may not be serviced directly from the delegated budgets. Governing bodies do not act as agents of the LA when repaying loans.

3.4.2 In addition, governing bodies may not enter into any leasing arrangement without first obtaining the LA's approval to the agreement. This is to ensure there are no implications for the LA's overall capital resources.**3.4.3** Governing Bodies may not use credit cards or store credit facilities for purchases on behalf of the school.**3.4.4** The use of Charge Cards, including business cards connected to the school's bank account for purchases related to the schools delegated budget, is not considered to infringe the borrowing restrictions imposed on schools as long as the balance on the account is cleared in full within the month. It is viewed that Debit cards can be a useful means of facilitating electronic purchases. The maximum limits recommended for these cards are as follows:

£5,000 for Primary and Special Schools

£10,000 for Secondary Schools

In reaching a decision on the use of business cards, the Governing Body must:

- consider the potential risk;
- review whether the schools has processes in place against any misuse,
- record and agree its decision on the use and limits set for each card.

Guidance on this is included in the Finance Manual.

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

4.1 RIGHT TO CARRY FORWARD SURPLUS BALANCES

Any underspend against the total resources available, as determined upon the closure of the year's accounts and reported in statements published under Section 52 of the Act, will accrue automatically to the school and will be added to the school's budget share for the following year.

4.2 REPORTING ON THE INTENDED USE OF SURPLUS BALANCES AND THE RECYCLING OF SURPLUS BALANCES

Governing bodies are required to report on the intended use of balances where the total accumulated balances exceed 8% for primary & special and 5% for secondary schools of that financial year's budget share. The criteria for retaining balances above these limits are as follows to:

- a. support prior year financial commitments that have not been charged to the accounts by the preceding 31 March,
- b. fund specific purposes as assigned by the Governing Body and permitted by the Authority, as detailed below, which the Authority 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 Authority.

NB: This last provision is intended to ensure that schools can build up reserves towards particular projects but cannot defer implementation indefinitely.

Balances Assigned for Specific Purposes

Schools may declare balances to be assigned for specific purposes only within the permitted categories given below. Such declarations must be set out in the minutes of the Governing Body and information on such declarations given to the Authority in a format determined by the Authority. The Authority may take such steps as appropriate to determine that such declarations are properly assigned.

Permitted Categories

- for a maximum of three years* - a reserve to finance planned capital works for the purposes of the school, as set out in the school development plan.
- for a maximum of three years* - a reserve to finance planned replacement of equipment/purchase of new equipment, as set out in the school development plan.
- for a maximum of two years* - a reserve to finance planned building repairs and maintenance, as set out in the annual maintenance plan.
- for a maximum of two years* - a reserve to enable the school to maintain staffing levels in the short/medium term in the face of changing rolls, as set out in the school development plan.

* within each permitted category, the commencement of the time period indicated will be deemed to be the date of the appropriate declaration in the minutes of the Governing Body.

- c. For balances held as at 31 March 2015 and subsequent two years:
- primary and special schools with balances above 8% would be required to provide information on the use of balances against the criteria for retaining balances, as detailed in this Scheme, to the Authority by the date specified by the Authority;
 - any balances above the percentages stated in the table below would be recycled:

Sector	Upper Limit As at 31 March 2016
Primary	8%
Secondary	5%
Special	8%

If a school needs to retain balances above these upper limits then the Governing Body would be required to seek the written permission of the Authority in the first half of the Spring term preceding the end of the financial year to retain any balances above the upper limit;

Control of surplus balances

- (a) the Authority shall calculate each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose, the balance will be recurrent balance category as defined in the Consistent Financial Reporting Framework;
- (b) Then the prior years commitments as reported by the school shall be deducted from the calculated surplus balance. This relates solely to financial commitments that the school has entered into prior to the end of the financial year, e.g. placed an order, but the goods or services were not received by 31 March and no invoice has been paid, nor an accrual raised;
- (c) Then the amount assigned for specific purposes as reported by the school and permitted by the Authority (as detailed above) shall be deducted from the calculated surplus balances;
- (d) If the result of steps (a) to (c) above is that the school has surplus balances of more than 5% of the current year's budget share, in the case of secondary schools, or 8% of the current year's budget share, in the case of primary and special schools, then the amount above these thresholds will be deducted from the current year's budget share.

If the school does not send in their information on surplus balances as required under this Scheme and does not provide the LA with a reason for not providing the information then, in the case of a secondary school, any balance above 5% and, in the case of primary or special school, any balance above 8%, shall be deducted from the current year's budget share.

Funds deriving from sources other than the LA will be taken into account in this calculation if paid into the budget share of the school, whether under provisions of this scheme or otherwise.

Funds held in relation to a school's powers under section 27 of the Education Act 2002 (community facilities) will not be taken into account, unless added to the budget share surplus by the school as permitted by the LA.

Individual schools will continue to have the right to appeal against any decision to recycle their balances. The Schools Forum will consider any appeals. Any balances that are recycled will be added to the Schools Budget in the following financial year.

4.3 INTEREST ON SURPLUS BALANCES

All schools operating local banking arrangements and as such interest will be earned and paid into their accounts directly by their bankers or by the Authority where the school has opted to join the LA's Schools' Banking Scheme. Interest will be paid at 1% below bank base rate for those schools receiving monthly advances, and ¾% below bank base rate for those schools receiving annual advances, subject to the minimum interest being 0%.

4.4 OBLIGATION TO CARRY FORWARD DEFICIT BALANCES

Where a deficit or 'overspend' has been accumulated this will be carried forward and deducted from the following year's budget share.

4.5 PLANNING FOR DEFICIT BALANCES

It is possible for schools to plan for a deficit in certain limited circumstances as outlined in section 4.9 below, subject to the approval of the LA.

4.6 CHARGING OF INTEREST ON DEFICIT BALANCES

Interest is not chargeable by the LA where all transactions of a school (including employee costs) are processed through local banking arrangements. Any additional bank charges arising from the school account going into deficit must be met by the school. For schools within the HSBC scheme the rate of interest for overdrawn accounts will be 2% above the base rate plus an administration charge.

4.7 WRITING OFF DEFICITS

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

The LA may give assistance towards elimination of a deficit balance this would be through the allocation of a cash sum, from the LA's Schools Budget either from a centrally held budget specified for the purpose of expenditure on special schools and pupil referral units in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget where this has been agreed by Schools Forum.

4.8 BALANCES OF CLOSING AND REPLACEMENT SCHOOLS

When a school closes or amalgamates, any balances, whether surplus or deficit, revert to the LA, except the surplus for a school that converts to academy status under section 4(1)(a) of the Academies Act 2010. It is for

the LA to decide whether the balances from the predecessor schools get transferred to the new school or retained within the Schools Budget.

Regulations made under section 47 of the Act (budget share allocations) make provision for schools which have the effect of giving them the benefit of additional sums which are equal to or less than the balances of the relevant closing schools.

The regulations will also provide for the abatement of extra funding for new schools to recognise the deficit of a preceding school but will not allow a sum equal to the deficit to be set against any normal funding for the new school.

4.9 LICENSED DEFICITS

Providing a school does not have an accumulated deficit at 31 March, it is possible to plan for a deficit budget over a three-year period. For primary and special schools, this is up to a maximum value of £50,000. For secondary schools, this is up to a maximum value of £100,000. A school may need to set a deficit budget to prevent excessive instability within the school or to address specific short-term problems, i.e. emergency repairs, long term sickness.

If a school has an accumulated deficit at 31 March and plans to set a deficit budget in accordance with limits set in this section then it needs to seek the LA's support for such a decision. The Directors of Schools and Children's Services and Finance, Resources & Customer Services will consider each application on its merit, but will limit the total amount lent, plus any deficits planned in accordance with paragraph 4.9, to 20% of the value of all school balances at the end of the previous year. Interest will be agreed at the start of the loan. Details of the scheme are included in the Finance Manual.

4.10 LOAN SCHEME

The LA will consider, in some circumstances for the school to borrow a sum of money over and above its budget share. The circumstances include:

- major building investments that are consistent with the Asset Management Plan or an agreed priority for capital expenditure;
- works to support the achievement of objectives as identified in the School Development Plan;
- or essential works to comply with legislative / regulatory requirements,
- to acquire a vehicle, plant or equipment, which has a life expectancy of at least three years.

Schools seeking a loan would be required to submit:

- a letter from the Chair of Governors setting out plans for which a loan is sought, and how this contributes to the school's development plan;
- a demonstration that the school would be able to make the loan repayments over the period of the loan from within its financial resources,
- a commitment from the Governing Body that the loan repayment may be made by way of a deduction from the school's budget share.

In these circumstances, the school may borrow a sum that would normally be an amount in excess of the licensed deficit limit set out in paragraph 4.9, up to 10% of the school's delegated budget, although this limit can be extended in exceptional circumstances when the school can demonstrate their ability to repay the loan.

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5. INCOME

In general terms, schools are able to retain all income unless it refers to the disposal of certain capital assets, or to a PFI/PPP project which is subject to a separate agreement. All income, which would otherwise accrue to the LA, must be included in the school's revenue accounts. Procedures must be established to ensure income is received on due dates. Guidance on this is included in the Finance Manual.

5.1 INCOME FROM LETTINGS

The Governing Body must approve income scales for the letting of school premises and the use of school facilities. Schools may wish to 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. However, schools are required to have regard to directions issued by the LA as to the use of school premises, as permitted under the Act for various categories of schools.

Income from the letting of school premises should be payable into the school's bank account and if it is to be paid into another account then this should be agreed in line with the school's Scheme of Delegation as agreed by the Governing Body.

5.2 INCOME FROM FEES AND CHARGES

Scales of fees and charges must be approved by the Governing Body. In doing so, it should have regard to The LA policy statements on charging.

5.3 INCOME FROM FUND RAISING ACTIVITIES

Schools are able to retain all income from fund raising activities.

5.4 INCOME FROM THE SALE OF ASSETS (OTHER THAN LAND AND BUILDINGS)

Income from the sale of assets purchased from delegated funds will be retained by the school and included in its revenue accounts. Income from the sale of assets purchased by the school's private fund will be retained by the school and does not need to be included in the school's revenue accounts. It is for the LA to decide whether the proceeds of sale of assets purchased from non-delegated LA funds should be retained by the LA or the school. The proceeds from the sale of assets funded from LA capital resources or from the sale of land and buildings owned by the LA constitute capital receipts which will accrue to the LA.

The retention of the proceeds from the sale of premises not owned by the LA is not a matter for this Scheme.

5.5 PURPOSES FOR WHICH INCOME MAY BE USED

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

6. THE CHARGING OF SCHOOL BUDGET SHARES**6.1 GENERAL PROVISION**

6.1.1 The LA may make charges against school budget shares without the permission of the school Governing Body when it is able to demonstrate that it has necessarily incurred additional expenditure as a result of the school's actions. This will only be in the following circumstances. In all cases, the LA will consult with schools on the issues concerned and provide an explanation and justification for the charges made. The LA will also notify the school when the charge has been made. The process for disputes is outlined in detail in the Finance Manual.

6.1.2. The salaries of school-based staff will be charged to school budget shares on the basis of actual salary costs.

6.2 CIRCUMSTANCES IN WHICH CHARGES MAY BE MADE

6.2.1 Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA);

6.2.2 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 representative of the Schools Forum.

6.2.3 Other expenditure incurred to secure resignations where the school had not followed LA advice;

6.2.4 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;

6.2.5 Expenditure incurred 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;

6.2.6 Expenditure incurred by the LA in making good defects in building work funded by capital spending from budget shares, where the LA owns the premises or the school has voluntary controlled status;

6.2.7 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 comprehensive as that which would be arranged by the LA (see also 10);

6.2.8 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;

6.2.9 Recovery of penalties imposed on the LA by the Board of Inland Revenue, the Contributions Agency or HM Customs and Excise, Environment Agency, Teachers Pensions or regulatory authorities as a result of school negligence or error;

- 6.2.10** Correction of LA errors in calculating charges to a budget share (e.g. pension deductions). In each case the LA will consider whether the correction is reasonable and will hold discussions with the Governing Body to that effect;
- 6.2.11** 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;
- 6.2.12** Legal costs which the LA incurs because the Governing Body did not accept the advice of the LA (see also section 11);
- 6.2.13** Costs of necessary health and safety training for staff employed by the LA, where funding for training had been delegated but the necessary training has not been carried out;
- 6.2.14** 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;
- 6.2.15** Interest charges for the late payment of invoices, in accordance with the Late Payment of Commercial Debts (Interest) Act November 1998, where the reason for the delay in payment occurred at the school;
- 6.2.16** Additional central costs incurred by the LA as a result of changes introduced by the school (e.g. the decision to change lunchtime arrangements, which could result in additional contract or meal supervisor costs and changes in session times) and when the school has failed to follow the procedures for notifying and consulting the LA. Full details will be shown in the Finance Manual;
- 6.2.17** Ineligible expenditure incurred by schools against devolved grant funded allocations which results in the withdrawal of grant funding;
- 6.2.18** Expenditure incurred by the LA under the terms of a PFI/PPP contract, which relates to services for which the school has delegated responsibility. A school's share of any charges relating to a PFI/PPP contract will be dealt with in accordance with Section 9 of this Scheme;
- 6.2.19** 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 Authority's compliance with its statutory obligations;
- 6.2.20** Costs incurred by the authority 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;
- 6.2.21** Costs incurred by the LA due to submission by the school of incorrect data;
- 6.2.22** Costs incurred by the LA as a result of the Governing Body being in breach of the terms of a contract.
- 6.2.23** Payment of invoices by schools for LA services – where an invoice for such services has not been paid within 2 months of the invoice date, a reminder has been sent and the invoice is not in dispute, the LA reserves the right to charge the school budget share for the value of the invoice plus an additional charge for interest. The LA will confirm in writing prior to the charge being made to notify the school of the action.

- 6.2.24** 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.

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7. TAXATION**7.1 VALUE ADDED TAX**

The LA, and therefore all maintained schools, can recover the VAT incurred on expenditure relating to non-business activities and, also, subject to regulations, some exempt activities. Guidance on such activities is included in the Finance Manual.

Maintained schools will therefore be reimbursed the net VAT incurred on their revenue expenditure met from their delegated budget shares (see paragraph 3.1.3).

Community schools will be reimbursed the net VAT incurred on their capital expenditure. The arrangements and requirements for reimbursement of VAT on capital expenditure for Foundation and Voluntary Aided schools differ and not all VAT incurred on capital expenditure would be reimbursed.

Detailed guidance, requirements and advice on all VAT related matters are included in the Finance Manual. Schools must ensure that the guidance is followed for all claims for reimbursement of net VAT incurred.

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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 and additional Premature Retirement Compensation (PRC) and redundancy payments from centrally retained funds to be provided to schools. This will be subject to consultation with all schools.

Services will be offered to all schools, regardless of their category unless there are differences in statutory duties which justify the provision of differential services

The LA will consult schools on the provision of those services to be delegated.

8.2 THE PROVISION OF SERVICES BOUGHT BACK FROM THE LA USING DELEGATED BUDGETS

It is anticipated that the majority of service arrangements will be for a minimum period of three years and limited to a maximum of five years, although individual circumstances may lead to the establishment of annual agreements. This will be included in the consultation arrangements with schools.

When a service is provided for which expenditure is not retained centrally, it will 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 must be met from the total income generated, even if schools are charged differentially.

8.2.1 PACKAGING OF SERVICES OFFERED TO SCHOOLS

The aim of any service offered the LA on a buy back basis is not to unreasonably restrict schools' freedom of choice among the services available. The LA may offer services on an individual basis and discounted for packages of services.

8.3 SERVICE LEVEL AGREEMENTS

Any services or facilities provided to schools by the LA under a Service Level Agreement (either free or on a buy-back basis), the terms of the agreement will be reviewed at least every three years.

Schools will be consulted during the Spring Term on their requirements for services for the following financial year. Service Level Agreements must be in place before 1st March to be effective for the following year.

- 8.3.1.** Some services will be offered on an ad hoc basis (i.e. not related to an extended agreement) as well as under a Service Level Agreement. Ad hoc provision will be chargeable at a differential rate than that offered under a Service Level Agreement.

Centrally funded premises and liability insurance are excluded from these requirements, as the limitations envisaged may be impracticable for insurance purposes.

8.4 TEACHERS' PENSIONS

In order to ensure that the performance of the duty on the Authority to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the Authority and governing bodies of all maintained schools covered by this Scheme:

The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the Authority 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 Authority 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 Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will advise schools each year of the timing, format and specification of the information required.

A Governing Body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the Authority which the Authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Authority will require the school to submit a return in a format and specification as prescribed by the Payroll Service by the 25th of each month.

9. PFI / PPP CONTRACTS

- 9.1** Where services are being provided to a school under a PFI/PPP contract the LA will discuss with the Governing Body the basis of apportionment of the annual charge between the LA and the school.

The apportionment of the charge will be calculated by the LA and will be based on the following general principles: -

- (a) The school's share of the annual charge will be related specifically to the elements of the service provision for which the school holds the delegated budget.
- (b) The school's share will be calculated with reference to the cost information provided by the PFI/PPP operator.
- (c) The indexation of the school's share will be calculated in accordance with the PFI/PPP contract and the elements of the costs subject to indexation.
- (d) The school will benefit from payment deductions relating to performance and availability in so far as they relate to delegated services and also from any income sharing arrangements.
- (e) The school's share of the unitary charge will be adjusted to take account of increases or decreases in costs that arise from agreed variations where these relate to services for which the school has delegated responsibility.

9.2 CHARGING SCHOOL BUDGET SHARES

The LA will charge to the school's delegated budget that part of the annual charge to be paid by the school, calculated by the LA in accordance with the principles in 9.1 above. The LA will discuss the proposed charge with the school's Governing Body before any charge is made. However, the LA retains the right to make such a charge against the school's delegated budget without the permission of the Governing Body.

10. INSURANCE COVER

In the case of delegated insurance provision the school must demonstrate that, under a policy arranged by a Governing Body, it has obtained sufficient cover of the LA's insurable interest consistent with the LA's minimum requirements. This required level will have regard to the actual risks, which might reasonably be expected to arise at individual schools concerned.

The LA's insurable interest may be determined according to whether the LA is the owner of the asset to be insured in the case of land, buildings and contents the specific responsibilities of the Governing Body and the responsibilities of the LA to secure and maintain Education provision.

Further information on insurance is contained in the Finance Manual including details of the LA's minimum requirements and recommendations for insurance cover for those schools where the LA has no or only a partial insurable interest.

See also 6.2.6 re Charging Delegated Budget Shares

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11. MISCELLANEOUS**11.1 RIGHT OF ACCESS TO INFORMATION**

Schools will need to supply the LA with the information it may reasonably require to ensure the integrity of the school's financial arrangements. This will include information on the management of the school's budget share plus any earmarked expenditure.

11.2 LIABILITY OF GOVERNORS

The Governing Body is a corporate body and, as such, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share as long as they act in good faith.

11.3 GOVERNORS EXPENSES

Allowances may be paid to governors from a school's delegated budget share for certain purposes only as outlined in regulations under section 19 of the Education Act 2002.

Payment of expenses duplicating those paid by the Secretary of State to additional governors appointed to schools under special measures will not be allowed.

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

11.4 RESPONSIBILITY FOR LEGAL COSTS

Costs arising from legal action involving the Governing Body may be charged to the school's budget share if the Governing Body does not follow such advice and general guidelines provided by the Authority, for example, if the LA's advice that a dismissal is likely to be judged unfair is ignored by the Governing Body. (See also section 6)

The LA will work with governing bodies and support them in cases of legal action. If a Governing Body has failed to act on the advice of the LA, or has ignored LA guidelines on specific issues, the LA will write formally giving notice that it will no longer indemnify the Governing Body against legal costs arising from any action taken.

Charges for legal costs will only be made to a school's delegated budget if the above procedure has been followed.

Although every effort will be made to resolve situations before legal action is taken, where there is a conflict of interest between a Governing Body and the LA, governing bodies will be advised to seek independent legal advice.

11.5 HEALTH AND SAFETY

Schools must have due regard to the duties placed on the LA in relation to Health & Safety, and the Authority's policy on health and safety matters in expending the school's budget share.

Under section 29(5) of the Education Act (2002), the LA may issue directions to the Governing Body and headteacher of a community, community special or

voluntary controlled school on health and safety matters and these directions are enforceable, so far as governing bodies are concerned, via section 497 of the Education Act 1996, if not complied with. See also section 6.2.4

11.6 RIGHT OF ATTENDANCE FOR CHIEF FINANCE OFFICER

The Director of Finance, Resources & Customer Services, or his/her representative, will not attend Governing Body meetings as a matter of routine. However, where agenda items concerning probity or overall financial management are under discussion, schools must permit attendance if the Director of Finance, Resources & Customer Services considers it necessary. Such attendance will only be in exercise of his/her statutory responsibilities for the proper conduct of the Council's financial affairs. Prior notice of the intention to attend a meeting will be given unless it is impracticable to do so.

11.7 DELEGATION TO NEW SCHOOLS, EXPANDING AND AMALGAMATING SCHOOLS

For the purposes of the scheme, the term 'new school' includes an amalgamation of two different schools but not a consolidation onto one site of an existing school.

11.7.1 New School

The LA will determine a provision for start up costs for the Governing Body of a new school prior to the school first admitting pupils. The amount will be sufficient to fund some employee related costs, provision for books and non-capital equipment and other running costs.

The extent of the funding delegated will be determined by the individual circumstances of the new school.

A new school will receive a delegated budget not later than the date on which it opens (i.e. the date on which it first admits pupils) unless the LA obtains the Secretary of State's approval to a postponement beyond that date. Such permission will only be given in exceptional circumstances.

11.7.2 Amalgamation of two schools

When two schools amalgamate, the amalgamated school will receive one block allocation through the local funding formula. In addition, to this, the amalgamated school will receive budget protection for the first three full years following amalgamation.

The table below provides details of the protection the school will receive.

Years	Protection
1 & 2	An additional block allocation
3	50% of an additional block allocation

11.7.3 Funding for Pupil Numbers Expanding Schools

- (a) In Year Funding Adjustment for Temporary Class or Additional Class admitted as start of permanent expansion

In the financial year the new class opens, the school will receive an in-year budget adjustment to reflect the anticipated increase in pupil numbers.

For primary schools, the adjustment will be based on the planned additional pupil numbers X primary AWPU rate X number of months class has been open

For secondary schools admitting primary classes, the adjustment will be based on the primary AWPU but the allocation will be from April rather than September. This will allow sufficient additional funding to cover the extra costs that a secondary school would incur in terms of management time, admin staff and general resources.

Schools may also be entitled to a contribution to reimburse them for management time/other expenses in the lead up period to the expansion.

(b) September Funding Adjustment for Permanent Expansions

Schools that are permanently expanding will receive a funding allocation to reflect the additional classes they are required to open each September until the expansion is complete. This allocation will be based on the additional pupil numbers * primary AWPU * 7/12 to reflect the period September to March.

(c) Protection for Expanding Schools

In the 3 financial years following the start of a permanent expansion or admission of a bulge class schools are protected as follows

- Year 1 – protection to 30 pupils
- Year 2 – protection to 20 pupils
- Year 3 – protection to 15 pupils

If the number of pupils recorded on the October census prior to the financial year is below the numbers shown above, additional AWPU funding for the difference in numbers will be allocated to schools to provide some financial stability and a known minimum level of funding.

(d) Off Site Facilities

Schools that expand using off site facilities will receive the following funding allocations to reflect the additional costs that they may incur:

- Split Site Allocation (£25k)
- Rent Allocation (Based on actual)
- Rates Cost (Based on Actual)
- Any additional costs specific to individual provision (e.g. minibus £20k)

11.8 'WHISTLEBLOWING' (ALLEGATIONS OF MALPRACTICE)

If there are any circumstances where financial irregularity is suspected, the Governing Body, or the individual member of staff, must inform the Director of Schools and Children's Services immediately. This includes instances of fraud or where the Council's Standing Orders, Financial Regulations or Scheme of delegation are not complied with. The Authority will take all precautions to protect the confidentiality of the individual raising the concern.

11.9 CHILD PROTECTION

Schools must agree to release staff, as necessary, to attend child protection case conferences and other related events.

11.10 REDUNDANCY/EARLY RETIREMENT COSTS

The 2002 Education Act includes information on funding arrangements for premature retirement and redundancy costs. Guidance on how the Authority can assist schools in avoiding compulsory redundancies and how the cost of redundancies would be met provided at Annex B.

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12. RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

12.1 EXTENT OF DELEGATION

In line with the guidance from the DfE, under the new funding framework the LA has delegated all repairs and maintenance responsibilities to schools, with the exception of capitalised repairs. Capitalised repairs are defined in accordance with the CIPFA Code of Practice and relate to works that will:

- Lengthen substantially the useful life of the building;
- Increase substantially the open market value of the building;
- Increase substantially the extent to which the building can be used for local authority purposes.

If appropriate, low value works can be amalgamated into a single project, which can then be considered for capitalisation.

These arrangements will apply for kitchens. With regards to delegated maintenance for school kitchens, the LA provides a separate arrangement for primary and special schools that buy into the LA Catering Service. For further details, please contact the Catering Service.

There are agreed de minimis limits which are used for the definition of capital and revenue in assigning responsibility for types of work. In accordance with DfE requirements, these de minimis limits must also be used in defining what is delegated.

The agreed de minimis limits, which will be applied over the next two years, are sums greater than:

Years	Primary & Special £000's	Secondary £000's
2015/2016	36	53

These limits will be reviewed and increased in line with the building price indices at the start next of each multi year period.

However, in addition to revenue works, schools continue to retain responsibility for various works, which was previously part of the extended scheme of delegation, irrespective of the cost. These are:

- Internal painting;
- External redecoration;
- Drainage;
- Playgrounds;
- Boundary fencing and walls

Further details can be found in the Property Handbook for Schools.

12.2 VOLUNTARY AIDED SCHOOLS

The division of responsibility for repair works at Voluntary Aided Schools changed in April 2002, following extensive consultation between the DfE, Voluntary Aided schools, Diocesan Authorities and LAs. Responsibilities are now as follows:

12.2.1 Capital Work

VA governing bodies are liable for:

- The existing buildings (internal and external);
- Those buildings previously known as 'excepted' i.e. kitchens, dining areas, medical / dental rooms, swimming pools, caretakers' houses);
- Perimeter walls and fences, even if they are around the playing fields;
- Playgrounds;
- Furniture, fixtures and fittings (but not normally ICT equipment);
- Other capital items (which can include boiler replacements and replacement of services).

The LA is liable for:

- Playing fields;
- Buildings on those fields and related to their use.

12.2.2 Revenue

Under the new arrangements, the responsibility for all revenue work has been transferred to the LA, with the responsibility and funding delegated to VA schools in the same way as for all other schools. There is now no statutory Governing Body contribution to revenue work, and the Formula Repair grant, previously paid to VA schools for revenue expenditure on their liabilities, has been discontinued.

Further information is provided in the DfE guidance "Funding for Premises Related Work at Voluntary Aided Schools in England", effective from 1st April 2002.

SECTION 13: APPLICATION OF THE SCHEME TO THE COMMUNITY FACILITIES POWER

1. INTRODUCTION

1.1 Community facilities are defined in the Act as “any facilities or services whose provision furthers any charitable purpose for the benefit of – (a) pupils at the school or their families, or (b) people who live or work in the locality in which the school is situated”.

1.2 Schools that choose to exercise the power conferred by s.27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. First, regulations made under s.28 (2), if made, can specify activities, which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult its LA and have regard to advice from the authority. Schools wishing to develop services or facilities for the community are encouraged to discuss proposals with the Local Education Authority in the first instance. Thirdly, the Secretary of State may issue guidance to governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that.

However, under s.28 (1), the main limitations and restrictions on the power will be

- a. those contained in schools’ own instruments of government, if any; and
- b. in the maintaining LA’s scheme for financing schools made under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools.

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

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

2. CONSULTATION WITH THE LA – FINANCIAL ASPECTS

2.1 Section 28(4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult the local education authority, and have regard to advice given to them by their LA.

2.2 Schools are likely to benefit from informal contacts and advice from officers with the relevant professional expertise well before the formal consultation itself. It would also be helpful to all parties if schools gave the LA notice of their intent to exercise the power in advance of the formal consultation.

2.3 Formal consultation with the local authority will commence when the full consultation material has been submitted in writing and the response period will begin from receipt of the full material. Major uses of the power where

services have an annual turnover in excess of £100,000, or where capital schemes costing more than £100,000 are involved, will lead to the LA providing formal advice in writing within eight weeks. In the case of more minor use of the power, advice will be provided within six weeks. Subsequently the Governing Body should inform the Authority of the action taken in response to this advice.

- 2.4** The school must provide the following information in the formal consultation document:
- A full business plan for the provision of the proposed community facilities or services covering the first three years of operation;
 - In the case of capital projects affecting the existing buildings on the school site and/or the construction of new buildings, then the full plans and costing of the work proposed;
 - Details of any planning and environmental considerations and evidence of discussions with relevant regulatory authorities;
 - Details of the progress of consultations with school staff and parents;
 - Expressions of support from potential user groups, local community groups, neighbouring schools, business representatives, as appropriate;
 - Details of how the facility will be managed and how this relates to the management of the school;
 - A statement that the proposed activities will not interfere with the overriding purpose of the schools in achieving high standards for pupils;
 - Details of any proposed funding agreements with third parties;
 - The proposed insurance arrangements.
- 2.5** In all circumstances the consultation document should be sent to the Director of Schools and Children's Services. Where Early Years and Childcare developments are included then a copy should also be sent to the Head of Community Access, Childcare and Early Years Service.

3. CONSULTATION WITH OTHER BODIES

- 3.1** Section 28 (4) requires governing bodies to consult the staff of the school and the parents of registered pupils of the school.
- 3.2** School governing bodies should consult the planning and service provision bodies in their neighbourhoods which are currently involved with those sorts of facilities. For example leisure facilities via the Leisure and Cultural Service, adult education providers and local colleges if adult education is involved. Often the relevant bodies will have plans which affect the activities proposed and may be interested in becoming a partner in the particular project.
- 3.3** Bodies with plans covering the community to be served by the facility or services should be consulted and the degree of fit with the relevant planning frameworks and policies assessed. In particular the following should be consulted if their work could be affected:
- The Local Early Years and Child Care Partnership where any developments affecting early years education or child care are proposed – the early years and child care development plan as it covers the community served by the facility is an important document, it may also be advisable to consult existing local providers;

- Community development plans and the priorities contained therein will be very important for community facility developments. There may also be specific plans for young people, area regeneration, leisure facilities and / or arts/sports plans and so on.
- Agencies such as Sports England and the Arts Council will have policies and strategies if not specific plans that will affect not only their funding attitudes but also set their priorities.
- All the schools within the partnership and neighbouring secondary schools.
- Local adult and community learning providers, if such provision is proposed. The school's proposals should be consistent with the Adult and Lifelong Learning Plans for Enfield.

4. FUNDING AGREEMENTS – LA POWERS

- 4.1** 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 are potentially involved.
- 4.2** The Authority has the following requirements in relation to funding agreements with third parties (as opposed to funding agreements with the Authority itself).
- 4.2.1** Any such proposed agreement should be submitted to the LA for its comments and advice;
- 4.2.2** Such draft agreements should form part of the consultation with the LA (see section 2 above, in particular 2.4). Schools must have regard to advice given by the LA. The Authority may wish to set conditions upon access, egress and use of other facilities on the site.

Note: The LA does not have a general right of veto on such agreements, either directly or through requiring a right to countersign the agreement. If the third party requires LA consent to the agreement for it to proceed, such a requirement and the method by which LA consent is to be signified is a matter for that third party, not for the scheme.

However, schools are reminded that if an agreement has been or is to be concluded against the wishes of the LA, or has been concluded without informing the LA, which in the view of the Authority is seriously prejudicial to the interests of the school or the Authority, that may constitute grounds for suspension of the right to a delegated budget.

5. OTHER PROHIBITIONS, RESTRICTIONS and LIMITATIONS

- 5.1** Where the Authority has good reason to believe that the proposed project carries a significant financial risk, the Governing Body concerned is required to make arrangements to protect the financial interests of the Authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question, as specified by the LA.

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

6. SUPPLY OF FINANCIAL INFORMATION

- 6.1** Best practice in respect of these community facilities is to use the same accounting and reporting systems as are used for the school's main budget share but with the activities separately identified on a full cost basis.
- 6.2** The Authority may, on giving notice to the school that it believes there to be cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power, require such financial statements to be supplied every three months and, if the Authority sees fit, to require the submission of a recovery plan for the activity in question.
- 6.3** Financial information relating to community facilities also has to be included in returns made by schools under the Consistent Financial Reporting Framework.

7. AUDIT

- 7.1** Schools are required to grant access to the school's records connected with exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure.
- 7.2** Schools, in concluding funding agreements with other persons pursuant to the exercise of the community facilities power, are required to ensure that such agreements contain adequate provision for access by the Authority to the records and other property of those persons held on the school premises, or held elsewhere insofar as they relate to the activity in question, in order for the Authority to satisfy itself as to the propriety of expenditure on the facilities in question.

8. TREATMENT OF INCOME AND SURPLUSES

- 8.1** Schools may retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the LA or some other person. When a surplus has been derived after a proper charging of all costs, including relevant overheads, then the surplus may be carried over from one financial year to the next. Standard practice will be to account for this as a separate community facilities surplus.
- 8.2** Schools can carry such retained net income over from one financial year to the next as a separate community facilities surplus, or, subject to the agreement of the Authority at the end of each financial year, transfer all or part of it to the budget share balance.
- 8.3** The school must ensure that no deficit arises from the operation of the community facility. All the costs of maintaining any facility used for these purposes needs to be covered by the income.
- 8.4** If the school is a community or community special school, and the Authority ceases to maintain the school, any accumulated retained income obtained

from exercise of the community facilities power reverts to the Authority unless otherwise agreed with a funding provider.

- 8.5** Liabilities to third parties incurred in the exercise of this power are a charge on all the income retained by the school from these activities.

Note: If there is a deficit on community facilities and the LA needs to recover funds to meet third party liabilities it may only do so from any accumulated community facilities surplus.

9. HEALTH AND SAFETY MATTERS

- 9.1** The health and safety provisions of the main scheme are extended to the community facilities power (see in particular sections 6.2.4, 6.2.12 and 11.5).

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

10. INSURANCE

- 10.1** It is the responsibility of the Governing Body to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, through a risk assessment, and taking professional advice as necessary. The school should seek the Authority's advice before finalising any insurance arrangement for community facilities. Details of the insurance arrangements should be included in the formal consultation material sent to the LA (see 2.4).

- 10.2** The LA can undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the school's budget share. This is particularly to safeguard the council against possible third part claims.

11. TAXATION

- 11.1** Schools should seek the advice of the LA and the local VAT office on any issues relating to the possible imposition of Value Added Tax on expenditure in connection with community facilities, including the use of the local authority VAT reclaim facility.

- 11.2** Schools are reminded that if any member of staff employed by the school or LA in connection with community facilities at the school is paid from funds held in a school's own bank account (whether a separate account is used for community facilities or not – see section 11), the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules.

12. BANKING AND BORROWING

- 12.1** These are covered by Section 3 of the main text of the Scheme for Financing

Schools, which also applies to the use of community facilities power. Schools are required to either maintain separate bank accounts for budget share and community facilities, or maintain one account but with adequate internal accounting controls to maintain separation of funds. The account mandate should not imply that the LA is the owner of the funds.

- 12.2** Requirements relating to the banks which may be used, signing of cheques, the titles of bank accounts, the contents of bank account mandates, and similar matters are the same as for provisions in the main part of the scheme and as set out in the Finance Manual.
- 12.3** Schools are reminded that they may not borrow money without the written consent of the Secretary of State. This requirement does not extend to monies lent to schools by their maintaining LA.

13. SERVICE LEVEL AGREEMENTS (SLAs)

- 13.1** The community facilities powers are not covered by schools' existing SLAs with the authority. This means that local authority services such as payroll, Criminal records Bureau checks, personnel etc, in respect of staff employed, or expenditure incurred in the exercise of these powers, will only be provided at an extra cost beyond the SLA subscription rate.
- 13.2** When making these arrangements with the authority or other providers, schools will need to ensure that the issues regarding national Insurance and taxation of employees have been fully dealt with (see 11.2 above).

SCHOOLS LIST**PRIMARY**

Alma
Bowes
Brettenham
Brimsdown
Bush Hill Park
Capel Manor
Chase Side
Chesterfield
Churchfield
De Bohun
Eastfield
Eversley
Firs Farm
Fleecefield
Forty Hill CE
Freezywater St George's
Galliard
Garfield
George Spicer
Grange Park
Hadley Wood
Highfield
Honilands
Houndsfield
Keysmeadow
Latymer All Saints CE
Lavender
Merryhills
Oakthorpe
Our Lady of Lourdes RC
Prince of Wales
Raynham
St. Andrew's CE, Enfield
St Andrew's CE, N14
St. Edmund's RC
St George's RC
St James' CE
St John and St James, CE
St John's CE
St Mary's RC
St Matthew's CE
St Michael's CE Enfield
St Monica's RC
St Paul's CE
Southbury
Starksfield
Suffolks
Walker
West Grove
Wilbury
Wolfson Hillel
Worcesters

INFANT

Carterhatch
Eldon
Hazelbury
Hazelwood
Raglan
Tottenham

JUNIOR

Carterhatch
Eldon
Hazelbury
Hazelwood
Raglan
St Michael at Bowes CE

SECONDARY

Bishop Stopford's CE
Broomfield
Chace Community
Edmonton County
Enfield County
Highlands
The Latymer
Lea Valley High
Southgate
St Anne's Catholic High
St Ignatius RC College
Winchmore

SPECIAL

Aylands
Durants
Oaktree
Russet House
Waverley
West Lea

PUPIL REFERRAL UNIT

Enfield Secondary Tuition Centre

ASSISTING SCHOOLS AVOIDING REDUNDANCIES

Detailed below is guidance from the LA on how to avoid compulsory redundancy and the arrangements for charging the costs.

(a) HOW THE AUTHORITY'S SCHOOLS' PERSONNEL SERVICE (SPS) COULD ASSIST SCHOOLS IN AVOIDING COMPULSORY REDUNDANCIES

INTRODUCTION

Employment legislation requires employers to consult with staff and Trade Unions with a view to agreeing strategies to avoid compulsory redundancies. Detailed below are ways in which the SPS could assist schools in this area.

STRATEGIES

1. Workforce Development Plans

One of the keys to avoiding compulsory redundancies is effective planning. To aid this approach the SPS will advise schools to draft workforce development plans which identify the essential skills, experience and knowledge required by schools to meet their future needs. These plans will provide a framework for schools to be proactive and make decisions which limit the damage to the school's education objectives and/or the employee relations climate.

2. Consulting the Trade Unions Early

The SPS will be writing to schools in January 2011 to advise that early consultation with the trade unions is both good practice and essential in avoiding compulsory redundancies. Experience has shown that discussions at an early stage with the trade unions can serve to produce creative solutions and avoid employee relation problems which are inherent in the redundancy process.

3. Redeployment

The SPS will be asking schools to participate in the creation of a redeployment pool where vacancies are made available to staff facing potential redundancy. Although schools have the power of appointment it is hoped that they will see the merit of collaborating in such a venture to minimise the number of redundancies.

4. Natural Wastage

The SPS will be encouraging schools to freeze posts where appropriate. Where vacant posts are essential then consideration should be given to relocating staff who are in vulnerable posts into the vacant post. Where necessary retraining should be given to facilitate this.

5. Phased Retirement for Teachers

Teachers between the ages of 55 and 60 in the Teachers Pension Scheme are able to retire early and access their pension whilst remaining at the school on either a reduced hours basis or in a lower graded post on the proviso that the overall salary is reduced by 25% or more. This initiative will be promoted by the SPS as it enables schools to retain experienced staff whilst reducing the salary bill.

6. Age Retirement

Teachers at 60 years of age or over (new entrants from 1 January 2007 are only able to age retire from the age of 65) are able to age retire and return to work on a part time or reduced duties basis on the proviso that their combined new salary and pension does not exceed their old salary. Again this initiative will be promoted by the SPS.

7. Reduction of Hours for Staff

Where there is a need to downsize in a particular staffing area one option could be to propose a voluntary reduction of hours for staff. This could be a temporary variation or on a permanent basis. This option could be attractive to staff as it enables posts to be retained whilst improving work-life balance.

8. Reducing Absenteeism

Staff absenteeism in schools is still significant. An updated model management of absence policy has been sent to all school and schools have been advised that they should adopt the updated policy. The SPS will continue to provide advice and assistance to schools with a view to reducing absence levels and consequently the cost of cover.

9. Reducing Other Areas of Expenditure

As a preventative measure schools will be advised to examine the possibility of reducing all non-staffing expenditure before contemplating redundancies e.g. renegotiating service contracts, efficiency savings, delaying capital projects. If schools do not exhaust these initiatives the trade unions would be extremely critical and could prove to be an obstacle rather than assistance in the redundancy process.

(b) CHARGING ARRANGEMENTS

The LA expects schools should have applied and exhausted the above strategies before considering redundancies. When deciding whether the cost of any proposed redundancy should be charged to the individual schools budget or the central budget the LA will consider the following:

- If the school has decided to offer more generous terms than the authority's policy, then it would be reasonable to charge the excess to the school
- If the school is otherwise acting outside the local authority's policy
- Is the school 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
- Have the staffing reductions arisen from a deficit caused by factors within the school's control
- Whether the school has excess surplus balances and no agreed plan to use these
- Whether the school is engaging with the local authority's redeployment forum
- Has the school exhausted appropriate alternatives with a view to avoiding compulsory redundancies; e.g. phased/age retirement, part time working, natural wastage, redeployment, and non staffing efficiency savings.

(c) STAFF EMPLOYED UNDER THE COMMUNITY FACILITIES POWER

For staff employed under the community facilities power, the default position is that any costs must be met by the Governing Body, and can be funded from the school's delegated budget

if the Governing Body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. Section 37 now states:

- (7) Where a local education authority incur costs—
- (a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or
 - (b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes, they shall recover those costs from the Governing Body except in so far as the authority agree with the Governing Body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.
- (7A) Any amount payable by virtue of subsection (7) by the Governing Body of a maintained school in England to the local authority may be met by the Governing Body out of the school's budget share for any funding period if and to the extent that the condition in subsection (7B) is met.
- (7B) The condition is that the Governing Body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the Education Acts.
- (9) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.

MUNICIPAL YEAR 2014/2015 – REPORT NO. 29

MEETING TITLE AND DATE:

Schools Forum – 5 March 2015

REPORT OF:

Director of Schools & Children's Services

Contact officer: Sangeeta Brown

 E-mail: sangeeta.brown@enfield.gov.uk
Recommendation

To note the workplan.

Agenda – Part:	Item: 6
Subject: Schools Forum: Workplan	
Wards: All	

<u>Meetings</u>		<u>Officer</u>
January 2015	Schools Budget: 2015/16: Update SEN - Autism & ARP Update SEND Reforms - Update	JF JT JT
March 2015	School Budget 2015/16: Update Enfield Traded Services to Schools Scheme for Financing	JF SB SB
July 2015	Schools Budget – Update (2015/16) School Funding Review (2015/16) Funding Arrangements (2016/17) High Needs – Update Support for Schools in Financial Difficulties	JF SB SB JT/JC SB
October 2015	Schools Budget: 2016/17: Update School Funding – review (2016/17) DSG Monitoring and Final Notification Outturn Report 2014/15 Schools Balances 2014/15	JF YM / SB JF JF SB
December 2015	Schools Budget: 2016/17: Update, Inc. De-delegation Central Budgets: Annual Report Local Authority Budget (2016/17) Pupil Places strategy	JF JT ES JT
January 2016	Schools Budget: 2016/17: Update High Needs - Update	JF JT
March 2016	School Budget 2016/17: Update Enfield Traded Services to Schools Scheme for Financing	JF SB SB

Dates of Meetings

Date	Time	Venue	Comment
21 January 2015	5:30 - 7:30 PM	Enfield County School	
04 March 2015	5:30 - 7:30 PM	Enfield County School	
15 April 2015	5:30 - 7:30 PM		
08 July 2015	5:30 - 7:30 PM		
14 October 2015	5:30 - 7:30 PM		
09 December 2015	5:30 - 7:30 PM		
20 January 2016	5:30 - 7:30 PM		
02 March 2016	5:30 - 7:30 PM		

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MUNICIPAL YEAR 2014/2015 REPORT NO. 25**MEETING TITLE AND DATE:**

Schools Forum – 4 March 2015

REPORT OF:

Director of Finance, Resources & Customer Services

Contact officer: Jayne Fitzgerald

E-mail: Jayne.Fitzgerald@enfield.gov.uk

Item: 4a

Subject:**Schools Budget 2015/16****Wards: All****1. EXECUTIVE SUMMARY**

In December the DfE announced the initial 2015-16 Dedicated Schools Grant (DSG) and also the data set to be used to calculate 2015-16 Individual Budget Shares for primary and secondary schools. At the January meeting the Schools Forum noted and agreed the formula factors and units rates used in the Schools Block funding formula and these were submitted to the DfE by their deadline of 20th January 2015.

The report seeks the support of Schools Forum to the recommended application of the DSG in 2015-16, based on the initial DSG allocation.

2. RECOMMENDATIONS**The Schools Forum is asked to agree:**

- The allocation of funding from DSG reserves as detailed in para 5

The Schools Forum is asked to note and support:

- The proposals for allocating the DSG for 2015-16 within the Schools, Early Years and High Needs blocks.

3. Dedicated Schools Grant 2015-16

At the January meeting it was reported that the initial DSG allocation had been announced on 17th December 2014 and that Enfield had received an initial allocation of £299.062m, including funding for Non-Recoupment Academies (NRAs) which come into the DSG from 2015-16. The final DSG has yet to be confirmed as the Early Years Block and the High Needs block will be adjusted in March and June 2015 following the January Census and the High Needs Place Return. Two Year Old funding was not included in the initial allocation and will be announced in June. An initial allocation of new funding for early years pupil Premium was also announced in the sum of £0.418m

The total DSG available to fund expenditure in 2015-16 is forecast to increase to **£311.123m**, as set out in **Appendix A**. This includes our forecast of the increase in Early Years places for

three and four year olds; estimated funding for the revised Two Year Old offer and estimates for pupil number growth in NRAs (which will be funded in retrospect for 2015-16 only.)

4. Proposed Allocation of DSG Funding 2015-16

4.1 Summary of Budget Requirements and Funding

Draft Budget requirements and funding are summarised in **Appendix A**. The following paragraphs provide some background detail to the budget allocations.

4.2 Schools Block

The formula factors and unit rates were approved by Schools Forum in January and have been included in the Proforma submitted to the DfE by their required deadline of 20th January 2015. The proposed application of funding to the individual schools' budgets resulting from the application of the formula factors is shown in **Appendix A** and totals £244.874m. Central Budgets totalling £4.418m were approved by Schools Forum in December as was the continuation of the Growth fund in the sum of £1.4m. There were no changes proposed to the methodology of allocating funding for growth.

The notifications of individual schools budget allocations are due to go out to schools by the first week of March. These will also include estimates of funding for post 16 pupils, Early Years funding, ARPs, Exceptional Needs and Delegated Capital.

4.3 Early Years Block

The Early Years funding formula has not changed for 2015-16. The final application of funding for 3 and 4 year olds is based on the latest available data and is shown in **Appendix A**, broken down by Maintained schools or PVI providers, with a total cost of £13.157m. An estimate of the cost of funding the Two Year Old free entitlement based on the new methodology has been included based on latest forecasts of places that will be filled. The budget of £6.524m has been set based on an assumption that Two Year old costs will be fully funded by DfE grant in 2015-16, however as the grant is based on numbers on roll at the January or October census dates there remains a risk that if numbers increase after the census date the costs may exceed funding.

4.4 High Needs Block

High Needs block funding includes provision for delegated budgets to Special Schools, Enfield Secondary Tuition Centre, ARPs and Nurture units and Special Educational Needs (SEN) Exceptional Needs places in schools, as well as central budgets which provide funding for (SEN) placements and support services. This is detailed in **Appendix A**. The method of allocating funding to these budgets is as set out below.

4.4.1 Special Schools

Funding allocations to special schools have been calculated based on the 'place plus' methodology and the latest data on places.

From 2013-14 following the school funding reforms, special schools have been funded on a place plus approach. Each special school is allocated £10,000 for each agreed place plus a top up to the full cost of the place for every pupil placed at the school. The top up funding follows the pupil and is only paid whilst the pupil is on the school's roll.

In 2013-14 and 2014-15 protection arrangements were put in place as a transitional measure which guaranteed full funding up to 97% of the places at special schools whether or not the places were full. It was agreed that this would be reviewed once the new arrangements were embedded. As part of the budget process for 2015-16 this protection arrangement was reviewed and reported to Schools Forum in December. It was agreed that the protection arrangements would cease from 2015-16.

Special schools all currently receive £112k for outreach work with other schools. This level of funding has been continued but following a review, schools were asked to submit proposals in order to continue to receive this funding, as detailed in the High Needs report elsewhere on this agenda. The total budget allocation for outreach is £0.672m in 2015-16

4.4.2 ARPs (including Speech & Language Units)

Funding allocations for ARPs are based on the 'place plus' methodology in the same way as special schools. School funding is allocated in 2 stages, place led and top up funding, as detailed for special schools. ARP places have been reviewed and are detailed in the High Needs report. This forms the basis of funding for 2015-16.

Provision has been made in the draft budget for one new ARP, within the total budget of £2.327m.

Schools with ARPs should be aware that their pupil numbers, used to calculate their formula budget shares, will be reduced by the number of places in their ARP regardless of whether these are filled.

4.4.3 Nurture Groups

Nurture Groups are funded as a commissioned service. Schools with Nurture Groups are currently allocated a block allocation of £59,700 to provide this service, and it is proposed to continue this arrangement. The total budget for 2015-16 is £1.015m

4.4.4 SEN Exceptional Needs

The numbers have now been confirmed by schools and have resulted in a significant pressure. This has resulted in an increase of £0.580m in the budget for 2015-16 to an estimated total of £4.628m

4.4.5 Post 16 - High Needs Provision

Local authorities are responsible for funding Post 16 high needs pupils in FE establishments from the High Needs element of the DSG. The estimated full year cost of funding this provision in 2015-16 is £1.005m which has not been changed from 2014-15.

4.4.6 Hospital Provision

Local Authorities are responsible for providing hospital tuition services to all pupils in our hospitals irrespective of their home local authority. Similarly Enfield pupils will be able to access hospital tuition in other boroughs should they require this provision without charge. It is proposed to continue funding at the same level, £0.308m in 2015-16.

This funding is expected to cover the running costs of tuition service at Chase Farm and North Middlesex Hospitals and other support for sick pupils provided by the Home and Hospital Tuition Service.

4.4.7 Pupil Referral Unit (PRU)

From 1st April 2013 the Schools Finance Regulations 2012, Section 45 gave all PRUs community school type freedoms and they now operate in the same manner as a community school including compliance with the Scheme for Financing Maintained Schools. The new regulations also define PRU provision as high needs. This means that the funding delegated to PRUs is based on the same "Place-Plus" methodology as applied to special schools. The key difference is that a place is defined as £8,000 for PRU provision compare to £10,000 for special schools. The place values are set by the DFE as part of the Schools Funding Regulations.

It is proposed to continue funding in 2015/16 based on 100 places. Pupil numbers do vary quite considerably through the year but without some degree of certainty over funding it is very difficult for the PRU to operate as required. When the new arrangements were introduced it was also agreed to guarantee the top-up funding as a transitional arrangement and it has subsequently been agreed to continue with this arrangement pending the completion of the planned new school, at which time funding arrangements will be reviewed.

4.4.8 Special Educational Needs (SEN)

As previously reported there are significant pressures in the SEN budgets which have resulted from increased numbers and complexity of cases. External day and residential placements and other support costs have shown sharp increases in costs in 2014-15 and these are expected to continue and increase in 2015-16. Estimated costs for 2015-16 suggest that an increase of £1.5- £2m is likely and it is proposed to increase the High Needs contingency to £2m in 2015-16 to account for this.

5.0 Allocation of DSG Reserves

Schools Forum in December agreed in principle to allocate uncommitted balances brought forward from previous years in order to balance the budget in 2015-16. It is estimated that approximately £2.6m will be needed in order to balance the budget and create an adequate contingency to address SEN pressures in 2015-16.

Recommendation:

Schools Forum are asked to agree the application of available balances up to £2.6m in order to balance the budget in 2015-16.

Appendix A

Draft schools Budget 2015-16	2015-16 Budget Jan 15 School Forum Position	2015-16 BUDGET FINAL	variance to Jan 15 position	2014-15 FINAL BUDGET	variance to 2014-15
	£000	£000	£000	£000	£000
INCOME					
Schools Block - 5-16 year olds	243,629	243,629	-	242,513	1,116
Schools Block - NRA Transfer	10,979	10,979	-	-	10,979
NRA Growth - TBC (estimated)	1,363	1,502	139	-	1,502
Early Years Block - 3-4 Year Olds	13,518	13,699	181	13,001	698
Early Years Block - 2 Year Olds (estimated)	6,593	6,593	-	7,717	1,124
Early Years Block - PY Adj	302	302	-	269	32
Early Years Block - Growth	-	392	392	-	392
High Needs Block	31,454	31,454	-	31,023	431
TOTAL DSG	307,837	308,550	712	294,523	14,026
Contribution from Balances	-	2,573	2,573	1,380	1,193
TOTAL RESOURCES	307,837	311,123	3,285	295,903	15,220
EXPENDITURE					
SCHOOLS					
Formula Funding:					
Primary Formula	134,437	134,418	- 18	133,727	692
Secondary Formula	82,524	82,571	46	85,478	2,908
All Through Formula	15,362	15,403	41	14,506	897
NRA Formula Oct14 incl Sept15 growth	12,342	12,481	139	-	12,481
-	-	-	-	-	-
Schools Growth Fund	1,367	1,367	0	1,688	321
-	-	-	-	-	-
Schools Central Functions	4,418	4,418	-	4,418	-
-	-	-	-	-	-
EARLY YEARS					
EY Maintained	5,742	5,640	- 102	5,703	63
EY PVI	6,840	7,517	677	6,609	908
EY 2 year olds - Place Funding	6,524	6,524	-	5,000	1,524
EY 2 year olds - Trajectory	-	-	-	846	846
EY Central Functions	630	630	-	630	-
-	-	-	-	-	-
HIGH NEEDS					
Delegated					
Special Schools (at full capacity)	13,049	13,049	-	12,542	507
Outreach - split out from Special Schools	672	672	-	672	-
PRU - Enfield Secondary Tuition Centre	2,141	2,141	-	2,141	-
SEN exceptional needs	3,946	4,628	682	4,048	580
UNIT nurture	1,015	1,015	-	1,015	-
UNIT ARP & Lang	2,320	2,327	7	2,320	7
Centrally Held					
Central HN Functions (including SEN))	13,008	13,008	-	13,008	-
Hospital Service	308	308	-	308	-
Post 16 FE/ISPs	1,005	1,005	-	1,005	-
General High Needs Contingency	1,039	2,000	961	239	1,761
-	-	-	-	-	-
TOTAL BUDGET	308,689	311,123	2,434	295,903	15,220

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