

Contact: Sangeeta Brown  
Resources Development Manager

Direct: 020 8379 3109

Mobile: 07956 539613

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

## THE SCHOOLS FORUM

**Wednesday, 2nd March, 2016 at 5.30 pm in the Chace Community  
School, Churchbury Lane, Enfield, Middlesex EN1 3HQ**

---

### **Schools Members:**

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

Headteachers: Ms H Ballantine (Primary), Ms M Hurst (Pupil Referral Unit), Ms A Gaudencio  
(Primary), Mr B Goddard (Secondary), Ms H Knightley (Primary), Mr M Lavalley (Secondary),  
Ms A Nicou (Primary) Mr P De Rosa (Special), and Ms H Thomas (Primary)

Academies: Vacancy, Ms L Dawes

---

### **Non-Schools Members:**

Chair of Overview & Scrutiny Committee:

Cllr D Levy

16 - 19 Partnership:

Mr K Hintz

Teachers' Committee:

Mr S McNamara / Mr T Cuffaro

Educational Professional:

Ms E Stickler

Head of Behaviour Support:

Mr J Carrick

Early Years Provider:

Ms C Gopoulos

---

### **Observers:**

Cabinet Member:

Cllr A Orhan

Education Funding Agency:

Mr Owen

School Business Manager

Ms A Homer

---

**MEMBERS ARE INVITED TO ARRIVE AT 5.15PM WHEN SANDWICHES WILL  
BE PROVIDED, ENABLING A PROMPT START AT 5.30PM**

## **1. MEMBERSHIP AND APOLOGIES FOR ABSENCE**

To note:

- a) Apologies from Mr Lavelle;
- b) Reported that a nomination for the academy representative was being sought.

## **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 (Pages 1 - 6)**

- (a) School Forum meetings held on 20<sup>th</sup> January 2016.
- (b) Matters arising from these minutes.

## **4. ITEM FOR DISCUSSION AND/OR DECISION (Pages 7 - 20)**

- (a) Schools Budget 2016/17: Update
- (b) SEND & High Needs Places – Update

## **5. ITEM FOR INFORMATION (Pages 21 - 64)**

- (a) DfE Consultation: Schools Funding Reforms - 2017/2018: Update
- (b) Scheme for Financing: 2016/2017

## **6. WORKPLAN (Pages 65 - 66)**

## **7. ANY OTHER BUSINESS**

## **8. FUTURE MEETINGS**

(a) Proposed dates for future meetings:

- 4<sup>th</sup> / 11<sup>th</sup> / 18<sup>th</sup> May 2016
- 6<sup>th</sup> July 2016
- 12<sup>th</sup> October 2016
- 18<sup>th</sup> January 2017
- 1<sup>st</sup> March 2017
- 19<sup>th</sup> April 2017
- 5<sup>th</sup> July 2017

## **9. CONFIDENTIALITY**

**MINUTES OF THE SCHOOLS FORUM MEETING****Held on Wednesday 20<sup>th</sup> January 2016 at Chace Community School****Schools Members:**

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

Headteachers: Ms H Ballantine (Primary), Mr P De Rosa (Special), Mr B Goddard (Secondary), Ms M Hurst (Pupil Referral Unit), Ms H Knightley (Primary), *Mr M Lavelle (Secondary)*, Ms A Nicou (Primary) and Ms H Thomas (Primary), *Ms A Gaudencio* substituted by Ms L Whitaker (Primary)

Academies: Ms R Stanley-McKenzie, Ms L Dawes

**Non-Schools Members:**

Chair of Overview and Scrutiny Committee	Cllr D Levy
16 - 19 Partnership	Mr K Hintz
Teachers' Committee	<i>Mr S McNamara</i> substituted by Mr T Cuffaro
Head of Behaviour Support	Mr J Carrick
Early Years Provider	Vacancy
Education Professional	Ms E Stickler

**Observers:**

Cabinet Member	Cllr A Orhan
School Business Manager	Ms A Homer
Education Funding Agency	<i>Mr O Jenkins</i>

**Also attending:**

Chief Education Officer	Ms J Tosh
Head of Finance Business Partner	Mrs J Fitzgerald
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 Mr Lavelle.

**b) Membership**

Reported that:

- Ms Claire Gopoulos had been nominated to fill the vacancy for the Early Years Representative. Due to the late confirmation of her nomination, Ms Gopoulos had sent her apologies for this meeting.
- This was Ms Stanley-McKenzie's last meeting as an academy representative on the Forum.
- Ms Whitaker was substituting for Ms Gaudencio, but following confirmation by the Primary Headteachers' Conference, Ms Whitaker would replace Ms Gaudencio on the Forum as a Primary Headteacher representative.

The Forum:

- thanked Ms Stanley-McKenzie for her contribution to the work of the Forum.
- welcomed Ms Gopoulos to the Forum and noted her absence.

**2. DECLARATIONS OF INTEREST**

There were no declarations of interest.

Members were asked to complete and return the Register of Business Interests form.

Agreed an electronic copy of the Register of Business Interests form would be sent to those members still required to submit a completed form.

**ACTION: Mrs Brown**

### **3. MINUTES AND MATTERS ARISING FROM THE MINUTES**

(a) Schools Forum Minutes held on 9 December 2015

**Received** and agreed the minutes of the meeting of the Schools Forum held on 9 December 2015, a copy of which is included in the Minute Book.

(b) Minutes of Joint Meeting of Education Resources Group and Schools Forum

Received and noted the minutes of the joint meeting of Education Resources Group and Schools Forum held on 12 January 2016, a copy of which is included in the Minute Book.

(c) Matters arising from these minutes

Noted any matters arising from these minutes would be covered by the agenda items.

### **4. ITEM FOR DISCUSSION AND/OR DECISION**

a) Schools Budget 2016/17: Update

**Reported** at the December meeting the Forum was provided with information based on estimated budget figures and pupil data. The Authority had now received the settlement and had used the information to produce a draft budget. The Forum was asked to consider and agree proposals for setting a balanced budget and to confirm the services where funding would be de-delegated.

Once confirmed, the Authority would complete a Pro-forma, detailing the unit rates to be used for the funding formula, and submit to the DfE. To support these discussions, the Forum had been provided with information showing the indicative individual school budgets to be funded from the Schools Block and this excluded any funding from the High Needs Block, Post 16, Pupil Premium and any other grant funding.

**Noted:**

- (i) the Autumn Statement had mentioned a real term settlement for schools but the funding provided was based on a flat cash settlement with
- no changes to the per pupil rate for the Schools and Early Years Blocks;
  - an increase of £660k provided for the High Needs block to reflect demographic changes.

To develop a draft budget, estimated participation numbers had been used for the Early Years block.

It was estimated that the total resources available for 2016/17 were £310.2m. This was approximately £1m less than last year, even though there had been a slight increase in pupil numbers for the Schools Block.

The reduction in resources was attributable to:

- the need to fund growth for the non-recoupment academies
- pressure to support an increase in the number of pupils with high levels of need
- there being no balances to support the budget for 2016/17, unlike the previous year.

This meant the draft budget was indicating a budget gap of £2.95m that needed to be bridged to balance and set the budget for 2016/17.

- (ii) The draft budget was based on the following:

- With the exception of the primary split site factor, the same unit rates were used for the funding formula as 2015/16. The Forum was advised that schools had been consulted on increasing the primary split site rate from £25k to £55k to meet the increased costs being experienced by two primary schools that were now operating on split sites. The Forum was asked to agree the unit rates detailed in the report.

- Meeting the additional cost of £400k required to fund FE college placements for funding Post 16 pupils with SEN and also the cost of other financial pressures due to the increase in pupils with high needs and the on-going effect of the SEND reforms.
- The pupil data provided by the EFA showed there was a significant reduction in the number of pupils from deprived backgrounds attracting funding through the free school meal eligibility (FSM) or the Income Deprivation Affecting Children Index (IDACI) formula factors. It was assumed that this was due to the introduction of the Welfare Benefit Cap.

The reduction in the number of pupils eligible for FSM or classed as deprived meant the total funding required for these formula factors had reduced, which would impact on individual schools' budgets. However, the continued requirement for the use of the minimum funding guarantee limited any loss for an individual school to 1.5% per pupil.

The Forum was asked to consider and agree the unit rates as detailed in the report, which would be used for the funding formula for mainstream schools. The Forum was advised that they needed to consider in their deliberations how the budget gap would be narrowed if there were no changes to the unit rates.

**Clerk's Note: At this point, the Schools Forum agreed to discuss the Central Services item on the agenda.**

**(b) Central Services Funded from the DSG**

**Received** updated information on the Central Services funded from the DSG.

**Reported** the Education Resources Group and Schools Forum had met and considered all the central services funded from the DSG. The Authority had, at this meeting, proposed a reduction of 7% to the funding provided to all services except those for which a decision had previously been made, such as the Skills for Work Service and the PE and Sports Support Service. This proposal was discussed in detail. Since the meeting, officers had considered the views expressed at the joint meeting and also previously by the Headteachers' Conferences, together with the viability of each service and the impact on children and young people (CYP) and their families if a service ceased. Following these considerations, officers were recommending to the Forum a percentage reduction across all services to meet the budget shortfall.

Ms Cranfield commented that this was a very difficult situation and should be considered carefully, especially at a time when there was a need to be mindful of value for money and yet, while there was acknowledged to be value, there was essentially no money.

Ms Cranfield then led the discussion on this item by asking for comments.

**Noted:**

- (i) it was pointed out that the proposal did not include areas which the joint meeting had identified for further reductions. There was a view that the proposal being put forward was acceptable with the exception of three areas that needed to be considered for further reductions.

It was stated all the services were aware that they needed to carry out a review of their work. The proposal put forward had considered carefully the viability of any reduction in staffing and provision and how this would impact on the wider needs of the borough. It was important, as far as possible, that CYP were not disadvantaged and resources were used effectively to support their needs.

- (ii) it was commented that the proposal tabled only allowed for the current cash level to be maintained and did not provide further funding of the real costs facing schools. The Authority's view of protecting CYP was supported but the financial burden could not be transferred from the centre to schools.
- (iii) it was remarked that, in the previous discussion concerning the Parent Support Service, there was a view that the Service could be reduced, but members had not realised at the

time the full impact of any reduction or cessation of the Service and the effect this would have on schools trying to support vulnerable CYP and their families.

It was commented it was the quality of the Service that was being questioned. Schools had had different experiences from the Service. It was important to have support and early intervention if there was a need but this had to be of a high quality. Openness and transparency were required in how services were provided.

It was suggested that the Service was possibly not marketing and promoting itself effectively and school staff feedback was that they were concerned that the Service was being considered for cuts.

It was stated that this service was included for review.

- (iv) it was observed that the services listed had an impact on the lives of CYP both in and out of school. There was a need to look very carefully at the impact and whether a cut of an individual service would leave schools in a vulnerable position, particularly those smaller schools that may not have the resources and expertise to provide support in the areas cut.
- (v) the review needed to consider the impact a service was having to address the needs of CYP and also how these supported the educational priorities for both schools and the Authority.
- (vi) any in-year savings would remain in the DSG.
- (vii) it was commented that the Authority's proposal appeared to be reasonable and helpful. Over the past year, officers had worked with the Forum to understand the complexity of the Schools Budget and this had been useful in increasing everyone's awareness of what budget funded what area and how it was used. For this reason, it was suggested that, rather than lose any vital services, the Authority's proposal be supported and all the services be given another year to enable an informed decision to be made next year. Furthermore, as the review progressed, it should encompass other areas for review, such as Nurture Groups and Children's Centres, with a view to evaluating effectiveness and whether any area could be delivered or managed in a different way.
- (viii) the proposals had included some services where a full funding cut was being recommended. It was stated that these services were looking to move to trading with schools but were dependent on schools buying back. It was commented that they if they provided high-quality, valuable services, they should be able to gain support and buy-in from schools.
- (ix) Cllr Orhan stated that she appreciated the discussion being undertaken by the Forum and supported accepting the proposal for a percentage cut for all services as presented. She felt this was a significant step forward and would provide an opportunity for each service to be reviewed and scrutinised and an impact assessment of their work to be carried out.

It was commented that the review would need to look at the impact on CYP and staff.

- (x) it was requested that there be a clear timeline for carrying out the review and assessing the outcomes to inform the budget process. As detailed in the budget report, schools in the east of the Borough were experiencing significant reduction in funding due to the changes in FSM and IDACI. These schools used the services listed and so needed to consider carefully the effect on both CYP and their schools.
- (xi) it was observed that a request had been made at the joint meeting information to be provided on how the additional capital allocation was being used and whether it could support the works funded from the Corporate repairs and maintenance budget. It was stated that, this year, the Authority had received £12m rather than £4m. This money had been allocated to fund major priority building projects. The projects were a priority if they related to items on the condition survey, fire precaution, Health and Safety requirements and / or kitchen refurbishment works. These projects were required to follow the stringent capital financial regulations. The Corporate repairs and maintenance budget

provided an important resource to carry out emergency works at individual schools, such as repairing the malfunction of the key fob system at Durants School.

**Resolved:**

- To accept the proposal for a percentage cut across services as presented.
- Each service to review and carry out an impact assessment of how the service met educational priorities and needs of CYP.

**Clerk's Note: At this point, the Schools Forum agreed to go back to discuss the Budget report, the previous item on the agenda.**

**(c) Schools Budget 2016/17: Update (cont.)**

**Noted:**

- (iv) The Forum was asked to consider and agree to services offered on a de-delegated basis to maintained schools.
- (v) The Practical Learning Options was part funded centrally and part funded as a pooled service. The Forum was asked to consider the continuation of the Learning Options.
- (vi) There were no changes to the per pupil funding rate used for the Pupil Premium. However, the total received had reduced to £19.24m to reflect the reduction in the FSM.

**Resolved:**

- (i) Schools Forum:
  - Accepts the percentage reduction for central services to bridge the budget gap.
  - Notes the draft budget presented.
- (ii) Schools Members approve:
  - The unit values for the primary and secondary funding formula.
  - The percentage reduction for historical central services funded from the Schools Block.
- (iii) Maintained Schools Members:
  - Approved the continuation of the services identified for de-delegation.
  - Rejected the continuation of funding the Practical Learning Options.

The Forum and secondary Headteachers' representatives, on behalf of all secondary Headteachers, thanked officers and acknowledged the amount of work, time and effort that they had put into identifying the savings required to balance the budget.

The Forum were advised that the decisions from the meeting now needed to be discussed with individual services and it was requested that Forum did not share the decisions from the meeting for a week.

**(d) Scheme for Financing: Update**

**Received** a report providing update on revisions to the Scheme for Financing, a copy of which is included in the Minute Book

**Reported** an annual review of the Scheme for Financing was undertaken to ensure compliance with statutory, national and local regulations.

**Noted:**

- (i) The procurement threshold for EU tender had changed from 1 January 2016.
- (ii) The regulations regarding the Admission Appeals had changed to enable the different types of schools to receive a similar service. It was proposed to amend the Scheme as required and for the Admissions Appeal Service to provide a central service to all maintained schools.
- (iii) The Scheme would be amended to include the change detailed above for primary schools on split sites.

**Resolved** to accept the revisions to the Scheme for Financing.

**5. WORKPLAN**

Any additional items arising from the meeting would be added to the workplan.

**ACTION: Mrs Brown**

**6. ANY OTHER BUSINESS**

Ms Cranfield reported, following the discussion on the financial difficulties facing schools at the last meeting, that Mr Goddard and she had finalised a press release for the local press. She had contacted the Council's Press Office for publishing but had been advised that she needed to use other avenues. So, Ms Cranfield was going to forward the press release to the Local Advertiser for publication.

**7. FUTURE MEETINGS**

**Noted:**

(a) The next meeting would be held on Wednesday 02 March 2016 at Chace Community School.

(b) Dates of future meetings were as follows:

- ?? May 2016
- 06 July 2016
- 12 October 2016
- 18 January 2017
- 01 March 2017
- 19 April 2017
- 05 July 2017

**8. CONFIDENTIALITY**

No items were considered to be confidential.



**MUNICIPAL YEAR 2014/15 REPORT NO. 19**

**MEETING TITLE AND DATE:**  
Schools Forum on 2 March 2016

**REPORT OF:**  
Director of Finance, Resources &  
Customer Services

Contact officer: Louise McNamara  
Email: [louise.mcnamara@enfield.gov.uk](mailto:louise.mcnamara@enfield.gov.uk)

<b>Agenda – Part:</b>	<b>Item 4a</b>
-----------------------	----------------

<b>Subject: Schools Budget 2016-17</b>
--

**1. EXECUTIVE SUMMARY**

In December 2015 the DfE announced the initial 2016-17 Dedicated Schools Grant (DSG) and also the data set to be used to calculate 2016-17 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 21st January 2016.

The draft Schools Budget 2016/17 was recommended by Cabinet to be considered by Council at their meeting on 24<sup>th</sup> February 2016, as part of the 'Budget 2016/17 and Medium Term Financial Plan 2016/17 to 2019/20 (General Fund)' report (See appendix A)

The report seeks the support of Schools Forum to the recommended application of the DSG in 2016-17, based on the initial DSG allocation.

A further update of the final DSG application for 2016-17 will be presented at the next meeting. This will include any final adjustments to school formula allocations and delegated SEN budgets.

The report seeks the support of Schools Forum to the recommended application of the DSG in 2016-17, based on the initial DSG allocation.

**2. RECOMMENDATIONS**

The Schools Forum is asked to note and support the proposals for allocating the DSG for 2016-17 within the Schools, Early Years and High Needs blocks.

**3. DEDICATED SCHOOLS GRANT 2016-17**

At the January meeting it was reported that the initial DSG allocation had been announced on 17<sup>th</sup> December 2015 and that Enfield had received an initial allocation of **£306.724m** which included an increase of £0.660m in the High Needs Block. The final DSG has yet to be confirmed as the Early Years Block will be adjusted in June 2016 following the January 2016 Census. The December announcement also included an allocation for the early years Pupil Premium for 2016-17 of £0.418m which is the same as the 2015-16 allocation.

The total DSG available to fund expenditure in 2016-17 is forecast to increase to **£310.207m**, as set out in **Appendix A**. This includes our forecast of the increase in Early Years funding for places for two, three and four year olds.

## **4. PROPOSED ALLOCATION OF DSG FUNDING 2016-17**

### **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 21<sup>st</sup> January 2016. 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 £249.554m. Following discussion at the January meeting, a package of savings was agreed for 2016-17 in order to achieve a balanced budget position. Following this exercise, central budgets totalling £2.575m were approved by Schools Forum. At the December meeting the continuation of the Growth Fund was agreed at the sum of £1.163m. This represented a slight reduction in the estimated demand on the Growth Fund due to the completion of some of the earlier primary expansion projects. There were no changes proposed to the methodology of allocating funding for growth.

The notifications of individual schools budget allocations are due to be issued to schools during the first week of March. These will also include estimates of funding for post 16 pupils, Early Years funding, ARPs, Exceptional Needs and Devolved Formula Capital.

### **4.3 Early Years Block**

The Early Years funding formula has not changed for 2016-17. The final application of funding for two, three and four 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 £19.996m. There have been some in year fluctuations in these budgets during 2015-16 so these budgets will be monitored closely during 2016-17.

Following the savings exercise mentioned above, central budgets of £0.604m are included in the Early Years Block.

### **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 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 2015-16 the 97% funding protection for special schools was removed so in 2016-17 schools will only receive top ups for the number of pupils on roll.

The 2016-17 budget allocations are based on agreed place numbers for each school as at 1<sup>st</sup> April 2016. The cost of current place numbers and pupils on roll is estimated to cost **£13.033m**. Where the number of places may change during the year due to developments at individual schools a funding adjustment will be made in year to reflect this change.

In 2016/17 outreach work in special schools will continue to operate as a commissioned service and funding allocations are not automatic. A block allocation of £112k will be allocated to schools whose expenditure plan has been approved. There is total provision of £0.672m for outreach work in the 2016-17 budget.

#### **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 2016-17.

Provision has been made in the draft budget for one new ARP, within the total budget of £2.336m.

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 2016-17 is £0.955m

#### **4.4.4 SEN Exceptional Needs**

The number of high needs pupils has now been confirmed by schools and the position as at the January 2016 census indicated a significant increase both in the number of EHCPs issued over the previous 3 months and the number of hours support included in these plans. This has resulted in an increased budget pressure for 2016-17.

In the January 2016 budget update, a pressure of £0.153m had been identified for 2016-17 but this is now estimated to be £0.655, an increase of £0.501m. This increase is not included in the figures in Appendix A at this stage but this will be funded from the high needs contingency and reflected in figures presented at the next meeting. This budget will be monitored closely during 2016-17 to identify any trends and increased budget pressures.

#### **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 2016-17 is £1.4m which reflects an overspend in 2015-16 which is expected to be ongoing. There had been increased demand in this area due to the increase in offer to 25 years old and the development of bespoke provision to cater for the complex needs to some young people.

#### **4.4.6 Home and 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 2016-17.

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

This service is now co-ordinated by West Lea School based on an SLA agreement with the Local Authority.

#### **4.4.7 Pupil Referral Unit (PRU)**

Funding is delegated to PRUs is on the same basis as the "Place-Plus" methodology applied to special schools and the unit is allocated £10,000 for the numbers of places on roll.

It is proposed to continue funding in 2016-17 based on 100 places. Pupil numbers 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 increases in costs in 2015-16 and these are expected to continue to increase in 2016-17 due the increasing demand for high needs places and limited availability of in borough provision. Estimated costs for 2016-17 suggest that an increase of at least £0.5m is expected based on the full year effect of current placements but this is likely to increase in year due to new and changed placements.

At the January meeting, following the savings exercise, central budgets of £15.031m were approved for the High Needs Block. A significant proportion of this budget relates to the outborough SEN placements mentioned above. The 2016-17 budget also includes a high needs contingency to allow for increased demand and cost variations in all the areas detailed above.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

## MUNICIPAL YEAR 2015/2016 REPORT NO. 20

**MEETING TITLE AND DATE:**

Education Resources Group  
Schools Forum – 2 March 2016

**REPORT OF:**

Director of Schools & Children's Services

Contact officer: James Carrick

E-mail: [james.carrick@enfield.gov.uk](mailto:james.carrick@enfield.gov.uk)

	<b>Item:</b>
	<b>Subject:</b> <b>SEND &amp; High Needs Places – Update</b>
	<b>Wards: All</b>

### 1. EXECUTIVE SUMMARY

This report provides a brief summary on the position on the provision available and used to place pupils with SEND.

### 2. RECOMMENDATIONS

To note and comment on the contents of this report.

### 3. Background

- 3.1 Last summer, the DfE engaged some consultants to review and inform the arrangements for funding pupils with SEND. The consultants published a consultation document and sought views on the current system to inform the funding arrangements for high needs places in the future. The responses to the consultation were used to inform the consultants review. The outcomes from the review were published in late Summer.
- 3.2 Based on the findings from the review, the DfE confirmed that there would be no change to the funding arrangements for 2016/17. The current arrangements were developed as part of the introduction of the School Funding Reforms in April 2013.

Since then, there has been little change in the funding provided through the High Needs block because there was no defined process for seeking funding to reflect an increase in pupils. Initially, the DfE introduced a bidding system for additional places. The complexity of the bidding system made it difficult to actually receive funding for the pupils with high needs that were being supported and the additional pupils projected needing to be supported. This meant minimal increase in funding.

For 2016/17, the DfE did not apply the bidding process but instead allocated additional funding according to the general demographic changes and Enfield received an additional £662k. As will be seen in this report, the increase still does not adequately reflect the number of pupils with high complex needs whose needs must be met.

This report aims to provide an overview of the number of placements currently funded through the High Needs block.

#### 4 **Special Schools**

- 4.1 The table below provides a breakdown of the number on roll and places funded in maintained Special schools.

School	Type of Provision	Number on Roll	Places Agreed for 2015-16	Places Available for 2016-17	Var.	Places Confirmed for 2016/17
Aylands	Social, Emotional & Mental Health	42	44	44	-2	44
Durants	Autism Spectrum Disorder & Severe Learning Difficulties	97	100	100	-3	105
Oaktree	Moderate Learning Difficulty	95	95	95	-	95
Russet Hse	Autism Spectrum Disorder	112	110	110	2	110
Waverley	Profound & Multiple Learning Disorder	111	117	117	-6	141
West Lea	Severe Learning Difficulty	138	132	132	6	138
<b>Total</b>		<b>595</b>	<b>598</b>	<b>598</b>	<b>-3</b>	<b>633</b>

- 4.2 The Authority has been working closely with each of the special schools either to address any variance between the places funded and pupil on roll or to seek how the special schools may support additional pupils in need to specialist provision. The section below (a) – (e) provides a brief summary on progress from these discussions.

- (a) Aylands: the School is working with the Authority to increase the numbers at the School to match the number of places allocated. The situation regarding the vacant places will be kept under review.
- (b) Durants: The School at the start of 2015/16 had pupils above the number of places available but currently there are only 97 pupils on roll. From September 2016, the Authority is aware that there will be 20 pupils, currently in mainstream schools, who will need to be placed at the School. Once the number of leavers are taken into account, this means, if the identified pupils are to have the required specialist provision then the number of places needed at the School would need to increase to 105 but this does not take into account any places required in-year.

In order to accommodate the additional pupils, the School has identified an area that could be converted to accommodate the additional pupils in a safe environment. The cost of conversion is being considered separately and the works will need to be completed by September 2016.

- (c) Waverley: The place numbers at the School are historic and do not reflect the physical space available to accommodate the pupils with severe and profound disabilities, but is a reflection of the cost associated with meeting the needs of these very vulnerable pupils.

The School has tried to consider how the numbers of pupil on roll could be increased to match the place number but this is not really viable option. One of the considerations going forward is whether to redefine the place numbers and budget to reflect the actual position for the School.

Furthermore, the current projections of pupils needing to be placed in this type of specialist provision indicate that there is an immediate need for additional 16 places and then a similar increase the following year. The Authority has been working with the School to consider how these new pupils could be accommodated in the borough and yet could still be supported by the School. The proposal being considered is to develop an offsite unit at the site of Carterhatch Children's Centre to accommodate, over the next three years, up to 30



children aged 2 to 5 years old and the main School site would support pupils aged 5 – 19 years old.

It is recommended that officers work with the School to:

- Develop options for creating the additional 30 places at the Carterhatch offsite unit for September 2016. The School is then commissioned to manage this provision.
- Agree the place numbers at the main School site and then review the funding required to support the agreed number of places;

- (d) West Lea: the School agreed to admit additional pupils over the last couple of years and currently has 138 pupils on roll. It is recommended that the places at the School be increased from 132 to 138 to reflect the number of pupils placed at the School.

The School has also been commissioned by the Local Authority to manage the Home and Hospital Service, which also includes the Attendance Support Unit (ASU):

- The Home and Hospital Service provides tuition to pupils in hospital or unable to attend school due to medical reasons. The number of pupils supported by this service is demand led and so varies considerably year on year.
- The pupils accessing the ASU are, in the main, on the pupil roll of their main school but, in some instances, are either dual registered or are on the West Lea's pupil roll. Currently, there are 11 pupils receiving support from this Unit.

The total funding provided for this commissioned service is £308k per annum. Whilst the budget and expenditure for ASU can be managed, the variability of demand for the Home and Hospital Service does mean that the expenditure is not easy to forecast. This element of the Service overspent in 2014/15 and this overspend was absorbed by the School and is predicting an overspend for 2015/16 of approximately £50k.

Officers are recommending:

- due to the volatility of this budget, that the expenditure continues to be monitored closely and at year-end the School be recompensed for any additional costs associated with this service;
- the School provides a report to the Authority which includes a breakdown of expenditure and also summarising the outcomes achieved, the accreditation achieved by learners, attendance and pupil data;
- the School continues to provide this commissioned service for the next three years. This will be dependent upon receiving annual reports as detailed above and no changes to the national requirements for funding provision or pupils with high need.

- (e) Outreach Service: for 2015/16, the Authority invited each Special School to submit a bid to develop an Outreach Service to support both pupils with SEND and staff in mainstream schools. Bids were received from five of the special schools.

The Authority has been able to gather informal information on how this work is progressing but will be seeking to carry out a formal evaluation of the Outreach service provided by each of the special schools.

In the meantime, Officers are recommending that the special schools continue to provide the outreach as detailed in their original bid.

## 5 **Additionally Resourced Provision (ARPs)**

- 5.1 The table below provides a breakdown of the places funded at the Special schools. The numbers on roll are as reported on the October 2015 Pupil Census.

School	Type of Provision	Number on Roll Oct-15	Places Agreed for 2015-16	Places Confirmed for 2016-17	Variance
Bowes	Autism	6	6	6	
Bowes - St Marys	Social, emotional & mental health	8	8	14	
Brimsdown	Hearing Impairment	8	12	12	
Chesterfield	Complex Needs	10	8	8	
Galliard	Autism & Complex	8	8	8	
De Bohun	Autism & Complex	6	8	8	
Eastfield	Autism & Complex	6	8	8	
Chace	Complex Needs	2	8	8	
Highlands	Hearing Impairment	12	12	12	
Houndsfield	Speech & Language	9	8	8	
Suffolks	Speech & Language	16	16	16	
Lea Valley High	Speech & Language	4	8	8	
Durants ( Winchmore)	Satellite – Autism	6	8	8	
West Lea (Broomfield)	Satellite – Complex	4	8	8	
<b>Total</b>		<b>105</b>	<b>126</b>	<b>132</b>	

- 5.2 Since last year, the provision at St Mary's has changed to become a more specialist provision supporting pupils with high levels of need in SEMH. With the increase in demand for this type of provision, there is a need to increase the number of places at St Mary's from 8 to 16.

The Unit at St Mary's is unique because unlike other schools, it is an offsite unit attached to Chesterfield School. It receives no support from the host school and is reliant on the resources provided by Chesterfield School. To meet the additional costs associated with an offsite unit operating in a similar way to a split site school, Chesterfield School have asked, for consideration to be given, for the unit to receive an additional amount similar to a primary split site school. Officers have assessed and consider this to be a reasonable request.

Officers are recommending:

- the total number of places at St Mary's be increased from 8 to 14 from April 2016.
- While Chesterfield School continues to be commissioned for providing this provision and it remains at St Mary's under the management of Chesterfield School that the Unit be also provided with funding, which would normally be allocated to a primary school on a split site.

- 5.3 Based on the framework presented at the previous meeting of the Forum, during the summer term, officers will be carrying out a desktop review of the current ARPs to evaluate the effectiveness of the provision in 2015/16. The outcome from the review will be reported to the Forum.
- 5.4 For 2016/17, officers will be recommending that the ARPs at these schools continue to be commissioned.

## 6 **Nurture Groups**

- 6.1 Nurture groups are a unique preventative resource for children with SEMH difficulties based on well documented psychological, social and educational theory and research. They are a specialised, small group, intensive intervention which provides on-going assessment and support for vulnerable children at risk of exclusion. The aim is to enable the child to access the curriculum and participate fully in school life without the need for resource heavy intervention. Practice within the group is grounded in attachment theory and child development theories.
- 6.2 Historically, staff in centrally funded and other groups have had access to a varied programme of training, support and development provided and coordinated by Early Years Social Inclusion (EYSI) team. EYSI is comprised of a multi-disciplinary team with experienced staff including health therapists and specialist advisors from an education background. This enables a comprehensive offer of support for schools from professionals within the team which includes advice from Occupational therapy, Physiotherapy and Speech and Language Therapy.

The training programme includes sessions on:

- records and data
- Makaton
- Communicate in Print and visual learning techniques
- sensory integration training
- selective mutism
- creative circle time
- how attachment difficulties affect speech and language
- anger management and de-escalation
- staff wellbeing
- children's emotional wellbeing
- using outdoor space for gross motor development
- readiness to write
- using a gym ball and parachute to improve motor skills

An annual INSET day and termly review meetings are held to raise issues and discussions to facilitate the development of the provision.

- 6.3 The centrally funded Nurture Groups must adhere to 6 Nurture Group Principles. They must operate according to Enfield's Operational Policy and Procedure, the main points of which include:
  - description of the group and operational procedures
  - arrangements for selection and re-integration
  - roles of EP, EYSI LC, LA, head teacher, SENCO and NG staff
  - reference to the importance of parental engagement
  - monitoring arrangements
  - criteria for the allocation of NG funding to a school
- 6.4 There are currently 16 fully funded KS1 Nurture Groups operating and 2 part funded KS2 groups. Each group is funded for no less than 7 but a maximum of 10 pupils for a maximum of 4 terms at which point they will be gradually reintegrated into class.

The table below provides a breakdown of the schools currently centrally funded.

Provision	Type of Provision	Pupils 2014/15 Over academic yr	Places 2015/16	Places 2016/17
Bowes	Full funded KS1	7	10	Discontinued
Brettenham	Full funded KS1	5	10	10
Brimsdawn	Full funded KS1	8	10	10
Carterhatch Infants	Full funded KS1	14 (max 10 at any time)	10	10
Chesterfield	Full funded KS1	17 (max 10 at any time)	10	10
Eldon Infants	Full funded KS1	7	10	10
Fleecefield	Full funded KS1	6	10	10
Hazelbury I	Full funded KS1	13 (max 10 at any time)	10	10
Galliard	Full funded KS1	No data received	10	10
Honilands	Full funded KS1	9	10	10
Lavender	Full funded KS1	7	10	10
Prince of Wales	Full funded KS1	8	10	10
Raynham	Full funded KS1	11	10	10
Southbury	Full funded KS1	9	10	10
Tottenham	Full funded KS1	13 (max 10 at any time)	10	10
Wilbury	Full funded KS1	17 (max 10 at any time)	10	10
Carterhatch Juniors	P/T funded KS2	9	10	10
Eldon Juniors	P/T funded KS2	12	10	10

In addition, there are six schools funded for KS2 groups and five school funded for KS3 groups, all of whom also can access training and support provided by EYSI.

### 6.3 Evaluation process and arrangements for 2016/17

All centrally funded nurture groups are monitored on a two year cycle against the Operational Policy and Procedure. Other groups can be monitored if they request it. Data regarding the children's background and circumstances is collected annually. This gives an invaluable insight into the greater needs of the children that Nurture Groups serve, and outlines the kind of placements they go on to.

**From April 2016**, it is proposed that the frequency of monitoring will increase so that it is carried out on an annual basis. Data will be collected more rigorously to ascertain the numbers of pupils on roll in each setting, and it is proposed that outcomes demonstrated by Boxall Profile data be collected by the LA to measure impact.

Due to recent changes in funding from the DSG, EYSI services are to be payable by schools from 1 April 2016. Nurture Group places remain, but training, support and development will be purchasable, whether the group is funded centrally or by the school.

- 6.2 Following the decision by the Forum to reduce the funding provided to EYSI team. They are now working to develop a Service Level Agreement, which will include providing training, support and development to all Nurture groups, that is whether the group is funded centrally or by the school. Officers will also be reviewing the arrangements for commissioning Nurture Groups so that they are closely associated with the operational guidelines and evaluation processes. The Forum will be updated as this work progresses.

## 7 Autism

### 7.1 The Strategic Group is continuing to develop and progress the four strands identified for the Autism Action Plan.

The main provision for the delivery of the four strands has been through commissioning Russet House to set up and manage an Advisory Service for Autism (ASA). The ASA is based at Russet House and during the year has:

- developed and delivered training to teachers and other staff to increase knowledge and understanding of AET National Standards and Competencies for autism, as well as provide bespoke training to individual schools;
- supported pupils and staff in schools to ensure placements did not breakdown and pupils were able to meet the outcomes detailed in pupil's individual programmes.

The funding for the ASA has been provided through the outreach funding provided to Russet House School and also some of the additional funding allocated through the contingency held for autism.

The ASA started to operate from September 2014 and has been supported by Russet House School and the initial costs associated with the Unit were not charged against this provision and absorbed by the School. Now the Unit is operational and delivering on outcomes, the School has identified the annual costs required. The funding required totals £365k per annum and £304 will be funded from the outreach provision and the balance from the contingency held for the autism development.

Officers are recommending the School:

- provides a report to the Authority with an expenditure breakdown and also summarising the outcomes achieved, the accreditation achieved by learners, attendance and pupil data;
- continues to provide this commissioned service for the next three year. This will be dependent upon receiving annual reports as detailed above and no changes to the national requirements for funding provision or pupils' high needs.

## 8 Pupils in Independent and Out-borough Provision

### 8.1 The table below provides a breakdown of the pupils with ECH Plans or Statements or being assessed placed in independent and out-borough provision.

Provision	Type of Provision	Number on Pupils at Oct-14	Number on Pupils at Oct-15	Variance
Enfield	Independent	10	8	-2
Out-Borough	Independent	3	3	0
Out-Borough	Independent Special	48	71	23
Out-Borough	Mainstream	84	100	16
Out-Borough	Resource Mainstream	4	4	0
Out-Borough	Non-Maintained Special	7	7	0
Out-Borough	Maintained Special	39	58	19
Enfield	Independent	1	1	0
Out-Borough	Independent	15	5	-10
Out-Borough	Mainstream	9	6	-3
<b>Total</b>		<b>220</b>	<b>263</b>	<b>43</b>

- 8.2 From October 2014 and 2015, there has been an increase of 43 pupils (20%) placed in independent and out-borough provision and this has led to the current budget pressure being experienced in the High Needs Block (as reported to The Forum previously).

The strategies outlined the paragraphs above aim to maintain new pupils known to need specialist provision and so are supported by in-borough provision.

Officers are still working on whether and how some of the pupils currently in independent and out-borough provision may be moved back into Enfield.

## 9 **Post 16 Pupils with High Needs**

- 9.1 In addition, the Authority supports post 16 pupils in non-school provision. The table below provides a breakdown of the pupils in non-school post 16 provision:

Provider	Type of Provision	Number on Pupils at Oct-14	Number on Pupils at Oct-15	Variance
College of Haringey, Enfield & NE London	General FE	54	63	+9
Barnet & Southgate College	General FE and Specialist SEN	34	85	+51
Capel Manor	Specialist land based	2	3	+1
Harrow College	General FE with specialist deaf unit	1	1	0
Harrington Scheme	Independent Training Provider	3	0	-3
Oaklands College	General FE with Specialist SEN	4	2	-2
Learning Skills for Work	Independent training provider	10	13	+3
Sheiling College	Specialist Independent SEN College	1	1	0
Westgate College RSD	Specialist SEN College (Deaf)	2	1	-1
Total		111	169	+58

- 9.2 The change from October 2014 and 2015 has been a significant increase in the demand for SEN places at the new SEN centre at Barnet & Southgate College (Southgate Campus). In line with the introduction of the EHCP the popularity of Barnet & Southgate College's offer (both discrete and supported mainstream) has seen an increase of 51 high needs places. Whilst a number are beneficiaries who would have otherwise applied for out of borough provision, large numbers are now in education who may otherwise have not been placed.

There has been an increase of 60 places filled at the three Enfield based FE colleges. This results from each of those colleges developing provision to meet the needs of SEN learners aged 16-25.

Across the full range of providers it is also the case that learners previously in possession of Learning Difficulty Assessments or statements and now supported by an EHCP are securing education opportunities for a longer period of time. Whereas in the past a post 18 education programme would normally end after three years, it is becoming increasingly common for learners aged 23 and 24 years to continue in education.

## **SCHOOLS & CHILDREN'S SERVICES**

# **SCHEME FOR FINANCING SCHOOLS 2016 – 17**

April 2016





**SCHEME FOR FINANCING SCHOOLS****CONTENTS**

<b>Section</b>	<b>Page(s)</b>
1) INTRODUCTION	1 – 4
2) FINANCIAL REQUIREMENTS AND AUDIT	5 – 12
3) INSTALMENTS OF BUDGET SHARE: BANKING ARRANGEMENTS	13 – 15
4) THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES	16 – 19
5) INCOME	20
6) THE CHARGING OF SCHOOL BUDGET SHARES	21 – 22
7) TAXATION	23
8) THE PROVISION OF SERVICES AND FACILITIES BY THE LA	24 – 25
9) PFI / PPP CONTRACTS	26
10) INSURANCE COVER	27
11) MISCELLANEOUS	28 – 30
12) RESPONSIBILITY FOR REPAIRS AND MAINTENANCE	31 – 32
13) APPLICATION OF THE SCHEME TO THE COMMUNITY FACILITIES POWER	33 – 37
ANNEX A – Schools List	38
ANNEX B – Assisting Schools Avoiding Redundancies	39 – 41

# **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.

## **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 22<sup>nd</sup> 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 Interim Chief Education Officer 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. 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 Interim Chief Education Officer. All debts above £2,500 may only be written off with the additional approval of the Interim Chief Education Officer 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 a review of the information submitted to the LA.

All schools should receive some form of internal audit coverage at least once every four to five 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 to ensure all agreed actions are implemented

Upon request from the Interim Chief Education Officer 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, the Headteacher and all other members of staff with responsibility for finance detailing any business interests they, or any member of their immediate family have with the school, details of any other educational establishments that they govern, any relationships with school staff and any relationships with members of the governing body. 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 and the information on governors made available on a publicly accessible website.

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. They do not require LA approval for individual schools entering into large value contracts that are to be funded from school's resources. Similarly there is no requirement that schools should select suppliers from an approved list. However, schools must abide with the full tendering obligations and requirements for those contracts above the EU thresholds to avoid any threat of legal action.

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

Estimated Contract Value	Tendering Requirements	Method of completion of contract
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, a waiver of contract procedures rules stating the reasons must be approved by the Governing Body. Best value must be obtained and framework and other Council agreements, where they exist, are considered and used. <i>(Schools must retain sufficient evidence to demonstrate compliance and best value, (an oral quotation is not acceptable)).</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 a waiver of contract procedures rules stating the reasons must be approved by the Governing Body. Best value must be obtained and framework and other Council agreements, where they exist, are considered and used.  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. <i>(Schools must retain sufficient evidence to demonstrate compliance and best value, (an oral quotation is not acceptable)).</i>	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	At least five written quotations must be received. At least two quotations from a local supplier must be sought. If less than five quotes are received, a waiver of contract procedures rules stating the reasons must be presented and approved by the Governing Body. 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.  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 then a waiver of the contract procedural rules to	Up to £250,000: Signature on Standard Contract or sealed by Legal Services if required  Over £250,000:

(for works)	continue with the contract process must be presented and agreed with the Governing Body. 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.  <i>(Schools must retain sufficient evidence to demonstrate compliance and best value, (an oral quotation is not acceptable).</i>	Sealed by Legal_Services
-------------	---	-----------------------------

**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 including any potential extensions. 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 Interim Chief Education Officer 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 Interim Chief Education Officer 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 Interim Chief Education Officer and Director of Finance, Resources & Customer Services can advise as to the technical aspects of the planned works
- the Interim Chief Education Officer 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 Interim Chief Education Officer 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.

Governing 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.

### 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 1<sup>st</sup> 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. Where the Secretary of State has made available a specific scheme, including the current Salix scheme, then Governing Bodies may access these schemes without the express 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 limit recommended for these cards held by a school is £10,000.

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

- ensure purchases are made in line with the requirements of the Scheme of Delegation;
- consider the potential risk;
- review whether the schools has appropriate controls in place to guard 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 2017
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  $\frac{3}{4}\%$  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. Interim Chief Education Officer and the Director of 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.

## **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.
- 6.2.25** Costs incurred by the authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation or agreed to be held centrally.

## **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.



## **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 1<sup>st</sup> 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 25<sup>th</sup> 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

**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**

If schools amalgamate mid-way through a financial year they retain the 2 lump sums allocated at the beginning of the year.

The following year, or for schools amalgamating with effect from 1st April, the amalgamated school will receive 2 lump sums x 85%.

For the subsequent year, the school receive one lump sum.

#### **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 AWPUP \* 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 AWPUP 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 (£55k)
- 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 Interim Chief Education Officer 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.

## 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 1<sup>st</sup> 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 over-riding 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 Interim Chief Education Officer. 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. School 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  
Eldon  
Eversley  
Firs Farm  
Fleecefield  
Forty Hill CE  
Freezywater St George's  
Galliard  
Garfield  
George Spicer  
Grange Park  
Hadley Wood  
Hazelbury  
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  
Hazelwood  
Raglan  
Tottenham

### JUNIOR

Carterhatch  
**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  
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 2015/2016 – REPORT NO. 22****MEETING TITLE AND DATE:**

Schools Forum – 2 March 2016

**REPORT OF:**

Director of Schools &amp; Children's Services

Contact officer: Sangeeta Brown

E-mail: [sangeeta.brown@enfield.gov.uk](mailto:sangeeta.brown@enfield.gov.uk)**Recommendation**

To note the workplan.

<b>Agenda – Part:</b>	<b>5</b>
<b>Subject:</b> <b>Schools Forum: Workplan</b>	
<b>Wards: All</b>	

<b><u>Meetings</u></b>		<b><u>Officer</u></b>
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) SEND & High Needs – Update Support for Schools in Financial Difficulties	JF SB SB JT/JC SB
October 2015	Schools Budget: 2016/17: Update Outturn Report 2014/15 Schools Balances 2014/15	JF JF SB
December 2015	Schools Budget: 2016/17: Update, Inc. De-delegation Central Budgets: Annual Report Local Authority Budget (2016/17)	JF JT ES
January 2016	Schools Budget: 2016/17: Update Scheme for Financing Central Budgets: Annual Report	JF SB JT
March 2016	School Budget 2016/17: Update High Needs - Update Scheme for Financing	LM JC/SB SB
March 2016	School Funding Reforms: 2017/18 Leisure Facilities	SB/LM JK
July 2016	Schools Budget – Update (2016/17) School Funding Review (2016/17) Funding Arrangements (2017/18)	LM SB SB

**Dates of Meetings**

<b>Date</b>	<b>Time</b>	<b>Venue</b>	<b>Comment</b>
08 July 2015	5:30 - 7:30 PM	Enfield County School	
14 October 2015	5:30 - 7:30 PM	Chace Community School	
09 December 2015	5:30 - 7:30 PM	Chace Community School	
20 January 2016	5:30 - 7:30 PM	Chace Community School	
02 March 2016	5:30 - 7:30 PM	Chace Community School	

This page is intentionally left blank