
SCHOOLS' FORUM

Thursday 27 June 2024 – 1pm

Conference Suite, CETL

AGENDA

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| 1. | Apologies | Chair |
| 2. | Minutes from Schools' Forum meeting on 7 March 2024 and Matters Arising | Chair |
| 3. | Updates to Scheme for Financing Schools — Report for Information (attached with appx A & B) | Amanda Whitehead |
| 4. | Trade Union Facility Time Update –Report for Information (attached) | Rachel Clark |
| 5. | In Year School Admissions Support – Report for Decision (attached) | Fiona Stobbs |
| 6. | DSG Final Outturn 2023/24 –Report for Information (attached) | Amanda Whitehead |
| 7. | Seeking Support Clusters Terms of Reference – Report for Decision (attached with appendix 1 and then appx A, B and C) | Danielle Swainston |
| 8. | Horizon School and Alternative Provision Final Outturn 2023/24 –Report for Information (attached) | Amanda Whitehead |
| 9. | Permanently Excluded Pupils (PEX's) - Report for Information (attached) | Emma Rutherford |
| 10. | Special Schools Cost Model Proposals AY 2024-25 – Report for Decision (attached) | Danielle Swainston |
| 11. | Schools Forum Constitution and Membership – Report for Action (attached with appendix 1) | Amanda Whitehead |
| 12. | Date and Time of Next Forum Meeting – Thursday 15 October 2024 CETL Conference Suite | |

Schools' Forum Meeting

7 March 2024

Attendees:

Members

Mark Tilling (Chair) (Maintained Secondary)
 Carole Bradley (Academy Primary)
 Tracey Gibson (Secondary)
 Lisa Grieg (Academy – Special)
 John Hardy (Academy – Primary)
 Jane Reed (16-19 Sector)
 Sue Sharpe (Maintained Primary)
 Chris Simmons (CS) (Academy Trustee)
 Lee Walker (Academy Primary)
 David Turner (Maintained Primary)
 Joanne Wilson (Academy Primary)
 Zoe Westley (Academy – Special)
 Leanne Yates (Maintained Primary)

Local Authority Officers

Amanda Whitehead (DW)
 (Assistant Director, Education)
 Danielle Swainston (DS)
 (Assistant Director, Joint
 Commissioning Services)
 Sandra Shears (SSh)
 (Children's Finance)
 Jane Watt (JW) (Children's
 Finance)
 David Cosgrove (DC)
 (Democratic Services Team)

| Agenda Item | Action |
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| <p>1 Apologies -</p> <p>Chris Connor (Maintained Primary) Phil Pritchard (Academy – Primary) Linda Richardson (Early Years) Vicki Wilson (CoE Diocese)</p> | |
| <p>2 Minutes of the Last Meeting – 15 February 2024</p> <p>Confirmed.</p> | |
| <p>3 Matters Arising</p> <p>Outstanding Actions Log DS stated that the SEMH report was being prepared. JW referred to the Updated School Budget Listings which would be circulated with the minutes.</p> <p>Pupils Excluded (PEX) – a paper had been considered by the Education Forum which would need wider discussion with schools, particularly Heads and CEOs in terms of information sharing. It was confirmed that primaries would be included in the project. DS remained the Forum that the money for the project only remained for a further 18 months during which time best practice would need to be examined and a model developed and tested to</p> | |

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| | <p>see if it was sustainable for the long-term. AW highlighted that Newcastle had developed a model that could be used. It had to be noted that it may not always be an educational issue that had not been met so there were wider implications that just schools.</p> | |
| 4 | <p>Funding to Support Cluster Work</p> <p>DS outlined a proposal to utilise funding that was previously badged as “SEMH” funding to support the new cluster arrangements. It was stressed that this was ‘schools funding’ and for the Forum to decide upon. DS indicated that it may be necessary to delay the developments scheduled for April on support requests which would continue to be managed by the local authority in the interim. It was highlighted that SENDCOs involvement was key in the project but it was also understood that their capacity was limited. The High Needs Block Review Group had also discussed the pump priming of cluster arrangements to enable the clusters to support different ways of working.</p> <p>The Chair considered that this needed to be discussed further at the Heads Group and should be deferred at this time until that discussion had taken place. The Chair was aware of the timescale in relation to the funding but wanted to be assured that it was used appropriately. There was discussion on the potential of an additional meeting of the Forum before Easter as some saw a benefit in trying the new approach out before the end of the school year. It was also suggested referring the Cluster Work project through HIP but the Chair considered that it was not appropriate for HIP to allocate the money though it was part of the process.</p> <p>It was agreed by the group that discussion needed to take place at the Heads Group. Heads needed to understand how the clusters would work, how progress was to be assessed and measured. DS stated that thigs were still at the very early stages and the Heads and the clusters needed to identify how they were going to work.</p> <p>JH commented that until it was clear what the journey was and how the fundamental structure of the cluster work would look it was difficult to move forward at this point in time. There was also the issue of SENDCOs to consider. The Chair was concerned that if SENDCOs were going to be asked to do the work, that could prove costly and could affect schools if there SENDCO was out of school for a period of time. A model needed to be developed where schools were not seen to be ‘penalised’. This was schools money.</p> <p>It was considered that the model needed to be defined first with an over-arching Framework. DS indicated that previously when there was discussion on each cluster having a lead SENDCO it was said that it was too early for such an approach. If the framework was developed then it would be up to each cluster to operate themselves. There was concern expressed by Heads that not all SENDCOs cost the same and there was general discussion on how SENDCOs related to the approach and whether</p> | |

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| | <p>too much emphasis was being placed on their role, which was not strategic, and where they would sit within the cluster approach. DT was concerned that SENDCOs did not 'own' this process.</p> <p>The Chair questioned if too much was being done in one step when issues around accountability, for example, had not been ironed out. DS stated that she understood the concerns expressed but reiterated that the aim was to move away from this all being about funding to clusters providing support for each other. If the clusters worked on good practice that should be achievable. SENDCOs had come together to discuss this and were extremely positive about this approach. If this was too much at one time, then perhaps the focus should be on a town-wide approach, establish the issues around process and accountability etc. before moving to the clusters.</p> <p>There was general support for the proposal put forward by DS. It was suggested that if there were models in other areas that were shown to be working well, there was no need to redesign the wheel, but to adopt a model and tweak it where necessary to suit Hartlepool. It was suggested that when this went out to the Heads Group that any non-attendance or failure to reply would be seen as an agreement to the proposal as things needed to be moved on and not delayed any further.</p> <p>The Chair identified that there were still two issues to be clarified. As the local authority held the money, where and how much was to be allocated down to the cluster groups - and which came first. Schools would need to identify what capacity they needed. DS stated that she was concerned around the timescales particularly if a brake was being applied at this point in order to consider the approach to be taken. There was to be a High Needs Block meeting in two weeks' time. In the interim DS indicated that she would write to all Heads stating that the model was not necessarily changing but that implementation was being delayed. The framework would be circulated before Easter and that could be used by the Heads Group to have their discussions.</p> <p>The Chair concluded the debate indicating the way forward as outlined by DS and that the Forum could come back to this after Easter and after the Heads Group had discussed the framework and the way forward.</p> | |
| 5 | <p>Early Years Provider Payment Process</p> <p>SS reported that current payment process relied heavily on manual processing and must be streamlined in order to meet the demands of the higher volumes that will arise from the expansion in early year's entitlements from April 2024. From April 2024, academies and all other third party providers will be paid on the basis of headcount information from the EYES system. System extracts will generate payments via BACS, thereby automating the payment process. Maintained schools will continue to be paid via journal. However, it was intended to move away from payment by term to payments each month, using the same EYES system extract that will be used for external providers and academies.</p> | |

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| | The report was noted by the Forum. | |
| 6 | <p>Any Other Business</p> <p>JW noted that there had been some work on birth rates and the future effects on schools done by the local authority and asked if there was any further information that was to be shared with schools.</p> <p>DS highlighted that there was a proposal to do some internal capital works at Springwell to increase education space. An announcement on SEND Capital was awaited from the DFE.</p> | |
| 7 | Date and Time of Next Forum Meeting – 27 June 2024 at 1.00 pm at CETL | |

UPDATED SCHOOL BUDGET LISTING with 2.5% Cap – 2024/25

| A | B | C | D | E | F | G | H | I | J |
|------------------|------------------|----------------------------------------------|---------------|------------------|-------------------------|----------------------------------------------------|-----------------------------------|-----------------------------------|----------------------|
| School Reference | MPPF Test Result | 2024/25 Pre MFG Budget (Excl ESG and De-Del) | MFG 0.50% | Cap 2.5% | 2024/25 Post MFG Budget | 2023/24 post MFG Budget (incl supplementary grant) | Budget Increase +£ / Decrease (£) | Budget Increase +% / Decrease (%) | Per Pupil Increase % |
| 1 | PASS | 1,757,106 | 0 | (17,636) | 1,739,470 | 1,747,414 | (7,945) | (0.45%) | 2.50% |
| 2 | PASS | 824,271 | 0 | 0 | 824,271 | 818,143 | 6,128 | 0.75% | 2.34% |
| 3 | PASS | 8,842,846 | 0 | 0 | 8,842,846 | 8,711,209 | 131,637 | 1.51% | 1.84% |
| 4 | PASS | 7,511,112 | 0 | 0 | 7,511,112 | 7,348,762 | 162,350 | 2.21% | 1.17% |
| 5 | PASS | 9,387,247 | 0 | 0 | 9,387,247 | 8,996,144 | 391,103 | 4.35% | 1.29% |
| 6 | PASS | 968,059 | 0 | 0 | 968,059 | 991,314 | (23,255) | (2.35%) | 0.50% |
| 7 | PASS | 1,607,189 | 0 | 0 | 1,607,189 | 1,488,519 | 118,670 | 7.97% | 2.50% |
| 8 | PASS | 511,819 | 0 | (3,284) | 508,535 | 523,157 | (14,621) | (2.79%) | 2.50% |
| 9 | PASS | 1,580,930 | 0 | (4,540) | 1,576,391 | 1,572,755 | 3,636 | 0.23% | 2.50% |
| 10 | FAIL | 1,365,692 | 0 | 0 | 1,365,692 | 1,392,197 | (26,505) | (1.90%) | 1.20% |
| 11 | PASS | 2,157,782 | 0 | 0 | 2,157,782 | 2,203,491 | (45,709) | (2.07%) | 1.77% |
| 12 | PASS | 1,762,367 | 0 | (897) | 1,761,469 | 1,581,779 | 179,690 | 11.36% | 2.50% |
| 13 | PASS | 2,091,139 | 0 | 0 | 2,091,139 | 2,073,958 | 17,181 | 0.83% | 1.05% |
| 14 | PASS | 1,720,253 | 0 | (16,618) | 1,703,635 | 1,641,018 | 62,617 | 3.82% | 2.50% |
| 15 | PASS | 1,627,363 | 7,636 | 0 | 1,634,999 | 1,594,562 | 40,436 | 2.54% | 0.50% |
| 16 | PASS | 1,060,089 | 0 | 0 | 1,060,089 | 1,112,437 | (52,348) | (4.71%) | 1.71% |
| 17 | PASS | 509,078 | 49,676 | 0 | 558,754 | 569,285 | (10,531) | (1.85%) | 0.50% |
| 18 | PASS | 9,007,105 | 0 | 0 | 9,007,105 | 8,580,845 | 426,260 | 4.97% | 1.68% |
| 19 | PASS | 4,987,494 | 0 | 0 | 4,987,494 | 5,077,701 | (90,207) | (1.78%) | 1.10% |
| 20 | PASS | 1,035,178 | 0 | 0 | 1,035,178 | 1,058,281 | (23,103) | (2.18%) | 1.51% |
| 21 | PASS | 1,403,184 | 0 | 0 | 1,403,184 | 1,424,587 | (21,402) | (1.50%) | 1.11% |
| 22 | PASS | 697,577 | 0 | (6,361) | 691,217 | 652,758 | 38,458 | 5.89% | 2.50% |
| 23 | PASS | 1,157,490 | 0 | (13,388) | 1,144,102 | 1,155,687 | (11,585) | (1.00%) | 2.50% |
| 24 | PASS | 518,082 | 28,311 | 0 | 546,393 | 566,637 | (20,244) | (3.57%) | 0.50% |
| 25 | PASS | 1,900,865 | 0 | (17,365) | 1,883,500 | 1,879,686 | 3,814 | 0.20% | 2.50% |
| 26 | PASS | 1,865,567 | 0 | 0 | 1,865,567 | 1,857,126 | 8,442 | 0.45% | 2.21% |
| 27 | PASS | 1,337,969 | 0 | (5,229) | 1,332,740 | 1,262,116 | 70,624 | 5.60% | 2.50% |
| 28 | PASS | 1,549,529 | 0 | 0 | 1,549,529 | 1,571,259 | (21,730) | (1.38%) | 2.31% |
| 29 | PASS | 1,888,089 | 0 | 0 | 1,888,089 | 1,843,213 | 44,876 | 2.43% | 2.06% |
| 30 | PASS | 1,288,263 | 0 | (4,734) | 1,283,529 | 1,257,493 | 26,036 | 2.07% | 2.50% |
| 31 | PASS | 2,249,972 | 0 | (3,060) | 2,246,912 | 2,224,674 | 22,238 | 1.00% | 2.50% |
| 32 | PASS | 1,918,193 | 0 | 0 | 1,918,193 | 1,847,985 | 70,208 | 3.80% | 1.75% |
| 33 | PASS | 1,570,643 | 0 | (48,092) | 1,522,551 | 1,351,229 | 171,323 | 12.68% | 2.50% |
| 34 | PASS | 651,220 | 0 | (666) | 650,554 | 640,019 | 10,535 | 1.65% | 2.50% |
| 35 | PASS | 642,518 | 0 | 0 | 642,518 | 605,027 | 37,491 | 6.20% | 2.13% |
| TOTAL | | 80,953,282 | 85,624 | (141,870) | 80,897,036 | 79,222,468 | 1,674,568 | | |

Report to Hartlepool Schools' Forum 27 June 2024
From Amanda Whitehead (Assistant Director - Education)

Agenda Item 3 – Updates to Scheme for Financing Schools

1 Introduction

- 1.1 Local authorities are required to have a Scheme for Financing Schools, setting out the relationship they have with their maintained schools.
- 1.2 Each year, ESFA (Education and Skills Funding Agency) publish changes required to the Scheme for Financing Schools. Local authorities are required to incorporate the changes into their Scheme and associated documentation, in consultation with schools.
- 1.3 This report outlines the required changes to the existing Scheme and provides a revised Scheme at appendix A to reflect the updates.

2 Background

- 2.1 ESFA published an update to the Scheme for Financing Schools statutory guidance on 28 March 2024.

3 Changes to the Scheme

- 3.1 There are two changes published by ESFA that are appropriate to the Hartlepool Scheme. These are listed in the table below.

| Paragraph | Change |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 5.8: Borrowing by schools | Updated guidance on borrowing to reflect the introduction of International Financial Reporting Standard 16 (IFRS16) and the Secretary of State providing blanket consent to certain categories of finance lease. |
| 5.8: Borrowing by schools | The introduction of IFRS16 for local authorities from 1 April 2024 classifies as finance leases for accounting purposes. |

- 3.2 From 1 April 2024, a new international financial reporting standard (IFRS 16 leases) is being introduced, which will change the way that local authorities recognise in their accounts leases entered into by their maintained schools.
- 3.3 IFRS 16 leases will end the distinction between operating and finance leases for accounting purposes. Under the Education Act 2002, all leases will be classed as borrowing and will require the Secretary of State for Education's consent.
- 3.4 Governing bodies do not need to make a specific request for consent where a lease falls under the general consent granted by the Secretary of State for Education. The types of assets granted general consent is listed in 'The IFRS16 Maintained Schools Finance Lease Class Consent 2024' document. The document is appended to the report at appendix B.

- 3.5 Any leased assets not included in the document will need to be submitted to the Secretary of State for Education for consent.
- 3.6 It is unlikely that schools will have entered into lease arrangement outside of the consent schedule. Therefore, no retrospective consent would be necessary. It is recommended that all schools review the schedule to ensure this is the case and raise any queries with their Finance Officer.
- 3.7 In addition to the changes listed above, annex 1 of the Scheme has been updated to list the schools covered by the Scheme following the latest academy conversions.
- 3.8 The revised Scheme reflecting the changes outlined in this report is attached at appendix A. All changes and deletions are highlighted in yellow (please refer to page 23 for the main change outlined in the table at 3.1).

4 Recommendations

- 4.1 Forum is asked to:
- a) note the ESFA changes outlined in the report;
 - b) agree that the changes outlined are confirmed in the Scheme documentation and published.

Please note that only Maintained School Forum Representatives are affected by these recommendations



HARTLEPOOL BOROUGH COUNCIL SCHEME FOR FINANCING SCHOOLS

2024/25

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- 8 Insurance**
- 9 Confidential Reporting Policy & Procedure**
- 10 Redundancy / Early Retirement**

THE OUTLINE SCHEME

References throughout this statutory guidance to:

“the Act” ~~is~~ ~~are to~~ the School Standards and Framework Act 1998;

“the Authority” ~~is~~ ~~means~~ the local authority; and

“the Regulations” are School and Early Years Finance (England) Regulations ~~2024~~ ~~2023~~.

The Regulations state that schemes must deal with the following matters:

1. The carrying forward from one funding period to another of surpluses and deficits arising in relation to schools’ budget shares.
2. Amounts which may be charged against schools’ budget shares.
3. Amounts received by schools which may be retained by their governing bodies and the purposes for which such amounts may be used.
4. The imposition, by or under the Scheme, of conditions which must be complied with by schools in relation to the management of their delegated budgets and of sums made available to governing bodies by the Authority which do not form part of delegated budgets, including conditions prescribing financial controls and procedures.
5. Terms on which services and facilities are provided by the Authority for schools maintained by them.
6. The payment of interest by or to the Authority.
7. The times at which amounts equal in total to the school’s budget share are to be made available to governing bodies and the proportion of the budget share to be made available at each such time.
8. The virement between budget heads within the delegated budget.
9. Circumstances in which a local authority may delegate to the governing body the power to spend any part of the Authority’s non-schools education budget or schools budget in addition to those set out in section 49(4)(a) to (c) of the 1998 Act.
10. The use of delegated budgets and of sums made available to a governing body by the local authority which do not form part of delegated budgets.
11. Borrowing by governing bodies.
12. The banking arrangements that may be made by governing bodies.
13. A statement as to the personal liability of governors in respect of schools’ budget shares having regard to section 50(7) of the 1998 Act.
14. A statement as to the allowances payable to governors of a school which does not have a delegated budget in accordance with the Scheme made by the Authority for the purposes of section 519 of the 1996 Act.

15. The keeping of a register of any business interests of the governors and the headteacher.
16. The provision of information by and to the governing body.
17. The maintenance of inventories of assets.
18. Plans of a governing body's expenditure.
19. A statement as to the taxation of sums paid or received by a governing body.
20. Insurance.
21. The use of delegated budgets by governing bodies so as to satisfy the Authority's duties imposed by or under the Health and Safety at Work etc Act 1974.
22. The provision of legal advice to a governing body.
23. Funding for child protection issues.
24. How complaints by persons working at a school or by school governors about financial management or financial propriety at the school will be dealt with and to whom such complaints should be made.
25. Expenditure incurred by a governing body in the exercise of the power conferred by section 27 of the 2002 Act.

1.1 Current Funding Framework

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

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget – although at a minimum an authority must appropriate its entire Dedicated Schools Grant to their schools budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the schools budget left after deduction of the centrally retained expenditure is termed the Individual Schools Budget (ISB). Expenditure items in the non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

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

Subject to any provision made by or under the Scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school* and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (*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.)

An authority may suspend a school's right to a delegated budget if the provisions of the Authority's financial Scheme (or rules applied by the Scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (schedule 17 to the Act).

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

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

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

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

1.2 The Role of the Scheme

This Scheme sets out details of the financial relationship between the Authority and the maintained schools which it funds. The Scheme contains requirements relating to financial management and associated issues which are binding on both the Authority and schools.

1.3 Application of the Scheme

The Scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and pupil referral units (PRUs) maintained by the Authority. Academies are not covered by the Scheme. The schools to which the Scheme applies are listed in Annex 1.

1.4 Publication of the Scheme

The publication requirements are contained in the Regulations. A copy of the latest version of the Scheme, together with the date that it came into force can be found on the Authority's website - www.hartlepool.gov.uk, which is accessible to the general public.

1.5 Revision of the Scheme

Any proposed revisions to the Scheme will be the subject of consultation with the governing body and headteacher of every school maintained by the Authority before they are submitted to Schools Forum for their approval. Only members of the Schools Forum that represent maintained schools are able to approve the revisions.

Where the Schools Forum does not approve them or approves them subject to modifications which are not acceptable to the Authority, the Authority may apply to the Secretary of State for Approval.

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

1.6 Delegation of Powers to the Headteacher

The governing body of a school covered by the Scheme should consider the extent to which it wishes to delegate its powers to the headteacher. The Authority expects that governing bodies will wish to delegate the day-to-day management of the school's budget

to the headteacher. It should be noted, however, that such action does not absolve the governors of their responsibilities under the law and the conditions of this Scheme. Any decisions on the delegation of powers (or revisions) must be recorded in the minutes of the governing body.

The first formal budget plan of each financial year must be approved by the governing body or by a committee of the governing body.

1.7 Maintenance of Schools

The Authority is responsible for maintaining the schools covered by the Scheme, and this includes the duty of defraying all the expenses of maintaining them (except in the case of a voluntary school where some of the expenses are, by statute, payable by the governing body). Part of the way 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.

2.1 General Procedures**2.1.1 Application of Financial Controls to Schools**

Governing bodies, headteachers and staff of schools with delegated budgets are required to abide by the Authority's financial regulations and accounting procedures (including the financial procedure rules and accounting instructions with respect to tendering, quotations and contracts). These can be found in the Authority's School Financial Procedures Manual and the Council's Constitution. This may be supplemented by additional procedure notes.

2.1.2 Provision of Financial Information and Reports

During the course of the financial year, the Authority will undertake financial monitoring of delegated budgets in order to discharge its statutory duties and promote the efficient use of resources.

The reconciliation file and income statements will be sent to schools within 5 working days of the period end.

Schools which buy back the Financial Services to Schools Service Level Agreement (SLA) will receive termly budget monitoring visits and reports. Schools who do not buy back the Financial Services SLA or buy back a restricted package are required to submit a statement of anticipated and actual expenditure and income on a termly basis, in the format outlined in Annex 2. The due date for submission of statements will be the 10th working day of July, November and March in each financial year. Schools operating SIMS FMS6 module may produce a Budget Monitoring Report from route "Reports", "General Ledger", and "User Defined Reports" to satisfy this requirement.

Schools who do not buy back the Financial Services SLA or buy back a restricted package are required to submit quarterly aged debtors reports, bank reconciliations and SIMS INTEGRA reports. The due date for submission of statements will be the 10th working day of July, October, January and April in each financial year.

Schools who do not buy back the Financial Services to Schools SLA or buy a restricted package must submit a final statement for each financial year in the same format as Annex 2. The statement must be provided by 10th working day of April immediately following the end of that financial year, unless the Authority directs a later date.

Where any statement gives cause for concern, the Authority may require the school to provide a more detailed statement in a format to be specified by the Authority. Where changes are made to the Authority's preferred schools management system, new guidelines will be issued relating to the reports nominated as satisfying these requirements. The above dates will not apply where the Authority has notified a school in writing that in its view the school's financial position requires more frequent submission or the school is in its first year of operation.

2.1.3 Payment of Salaries; Payment of Bills

Procedures for the payment of salaries and invoices are set out in the School Financial Procedures manual. Where alternative arrangements are made, such arrangements will be subject to independent review and testing by the Authority's internal auditors to ensure that an adequate level of control is being maintained.

2.1.4 Control of Assets

A school is required to maintain an inventory of its movable non-capital assets above £1,000 in value in the format outlined in section 2.10.3 of the Authority's financial regulations. For assets worth less than £1,000 in value, schools may make their own arrangements, but a register of some form must be kept. Schools are encouraged to register anything that is portable and attractive, such as a camera. Schools must ensure that such records are checked at intervals of not more than twelve months. The internal audit programme includes a check on the existence and accuracy of inventories.

The governing body may approve the disposal of assets which have been purchased from the budget share of the school or have been donated or purchased for the school or over which the school has total and independent control. Income from the sale of such assets will be credited to the school's budget share. Assets which may not be disposed of include all assets purchased from centrally-held funds including specific grant funds and temporary buildings for which the Authority will retain responsibility and control.

The principles relating to the disposal of assets will be prescribed by the Authority.

2.1.5 Accounting Policies (including year-end procedures)

A school is required to abide by the accounting policies set out in the Authority's financial regulations and School Financial Procedures Manual, and also other procedures issued by the Authority, for example, in relation to year-end procedures.

2.1.6 Writing-off of Debts

For schools who buy back the Financial Services to Schools SLA, the Authority undertakes debt recovery once an invoice is raised. Governing bodies will be advised by the Authority when a debt is not recoverable and it may be decided to write the debt off and charge it back to the school. Governing bodies are authorised to write off such debts up to £1,000, for debts over £1,000 Member approval must be sought. Such decisions should be formally minuted and notification sent to the Corporate Finance Section for processing.

For schools who do not buy back the Financial Services to Schools SLA, Governing bodies are authorised to write off debts up to £1,000, provided there is evidence that recovery is not possible. Such decisions should be formally minuted and notification sent to the Corporate Finance Section for processing. The writing off of debts will result in a charge to the school's budget share, i.e. the cancellation of the income originally credited.

SECTION 2: FINANCIAL CONTROLS

For debts over £1,000, a request for write-off must be made to Corporate Finance and Member approval will be sought. The writing off will be actioned by Corporate Finance and the charge made to the school's budget share.

2.2 Basis of Accounting

The Authority operates its accounts on an accruals basis, i.e. expenditure and income must be allocated to the financial year in which it was incurred or earned.

Statements submitted to the Authority under section 2.1.2 of the Scheme must be prepared on an accruals basis.

2.3 Submission of Budget Plans

After the budget share for the school has been determined by the Authority, the governing body is required to set a detailed operational budget for the school for the financial year. In order to be in a position to do this, governing bodies are advised to identify provisional budgets in the light of advice and guidance which they will receive from the Authority. The school's formal annual budget plan must be approved by the governing body or a committee of the governing body.

In setting a budget, governing bodies must ensure that all cost headings identified by the Authority in the 'Budget Pack' are taken into account.

The budget plan must be submitted to the Authority no later than 31st May immediately following the start of the financial year.

A school is required to make clear the assumptions underpinning the budget plan, particularly with regard to:

- Staffing levels, including turnover, vacancies and new appointments;
- Contracts;
- Significant changes in the level of expenditure or income from the previous year (e.g. alterations/improvements, external funding);
- Inflation;
- The level of balances assumed to be available from the previous financial year.

The budget should take account of all increases in prices expected during the year. Guidance on inflation will be provided prior to the beginning of the financial year.

The Authority will supply schools with the expenditure and income data which it holds and which is necessary to promote efficient planning by schools. Information will be provided from Integra on a monthly basis throughout the year in the form of the Schools Budget Monitoring Report within 7 working days of the period end. A provisional annual outturn statement will be supplied during April, with a final Annual Outturn Statement sent to schools by the 30th April.

2.3.1 Submission of Financial Forecasts

Schools are required to submit a financial forecast covering each year of a three-year period. These forecasts will assist the Authority in supporting the school's position in achieving the Schools Financial Value Standard (SFVS) and will ensure that schools adhere to audit requirements.

Schools are required to submit a three-year budget forecast each year for review by the Assistant Director, Education by 30 June each year.

Schools which buy back the Financial Services SLA will receive a forward planning visit. After the visit a three year plan will be produced for review by the Assistant Director, Education. Future year forecasts will assist the school in planning against high or low balances in the future.

2.4 School Resource Management

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

It is for heads and governors to determine at school level how to secure better value for money.

There are significant variations in the effective management of resources between similar schools, and so it's important for schools to review their current expenditure, compare it to other schools, and think about how to make improvements.

2.5 Virement

Once the budget is set, schools may use virements to move budgets between headings, during the financial year. It is recommended that governing bodies set an upper financial limit below which the Headteacher may action virements. Differential limits may be set for pay and non-pay headings. Virement proposals above these limits should be approved by the governing body.

If a school requires, the Integra system can be updated to reflect any budget changes made by the school.

2.6 Audit

Under the Local Audit and Accountability Act 2014, schools will be subject to a statutory internal audit regime. The frequency of audit and extent of testing undertaken will be determined from a risk assessment by the Director of Finance, IT and Digital **Services** of the control environment in operation; for example, different audit arrangements may be put in place for schools with their own bank accounts.

Schools have a responsibility to assist in the conduct of an efficient and effective audit process and are required to provide access to the school's records for both internal and external auditors.

2.7 Separate External Audits

A governing body is permitted to spend funds from its budget share to obtain external audit certification of its accounts. This is separate from and in addition to any internal or external audit activity directed by the Authority in fulfilment of its statutory responsibilities, but no funding is made available for this function.

2.8 Audit of Voluntary and Private Funds

Private school funds relate to income and activities which are not normally supported by financial assistance from the Authority and may have a separate legal identity from that of the Authority. The legal identity would be established by the fund having its own written constitution and officers appointed in accordance with that constitution. It is expected that such a fund would have insurance cover in respect of its activities; such cover is obtainable on request from the Authority.

Other school funds not having a separate legal identity are considered to be legally owned by the Authority but are only held in trust by the Authority for use of that particular school. These funds are the legal responsibility of the Authority which, therefore, assumes liability for the fund and the actions of its officers. Funds of a parent/teacher or parent/friends association are not the responsibility of the Authority.

Governing bodies must ensure that a record is kept of all such funds for their school and that audited annual accounts are submitted to them within a reasonable time after the end of each accounting period. These accounts must be made available to parents on an annual basis.

A copy of the audit certificate for each voluntary/private fund must be provided to the Authority on an annual basis. A school refusing to provide audit certificates to the Authority as required by the Scheme is in breach of the Scheme and the Authority can take action on that basis.

2.9 Register of Business Interests

The governing body is required to establish a register of business interests. This must list, for each member of the governing body and the Headteacher, any business interests they or any member of their immediate family have, details of other educational establishments that they govern and any relationships between school staff and members of the governing body. The register must be kept up to date and reviewed annually. It must be available for inspection by governors, staff, parents and the Authority and be published on a publicly accessible website.

2.10 Purchasing, Tendering and Contracting Requirements

As noted in section 2.1.1, schools must abide by the Authority's financial regulations and accounting procedures in purchasing, tendering and contracting matters. With regard to contracts, schools must assess in advance, where relevant, the health and safety competence of contractors, taking account of the Authority's policies and procedures.

Sections of the Authority's financial regulations and accounting procedures may be dis-applied if they would require schools:

- (a) to do anything incompatible with any of the provisions of the Scheme, any statutory provision, or any Contract Regulations Directive;
- (b) to seek the Authority's officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- (c) to select suppliers only from an approved list;
- (d) to seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year.

The fact that an authority contract has been let in accordance with Contract Regulations procedures does not in itself make it possible to bind a school into being part of that contract. For the purposes of the procurement directives schools are viewed as discrete contracting authorities.

The countersignature requirement should be applied sensibly by authorities and schools alike, avoiding attempts to artificially aggregate or disaggregate orders to avoid or impose the requirement.

Schools may seek advice on a range of compliant deals via [Buying for schools](#).

2.11 Application of Contracts to Schools

A school has the right to opt out of authority arranged contracts. Where schools have agreed to be included in a contract organised by the Authority, they will be bound into that contract for its length. 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 Authority as maintainer of the school and owner of the funds in the budget share.

Contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations. For example aided or foundation schools may make contracts for the employment of staff.

2.12 Central Funds and Earmarking

In addition to budget shares, the Authority may make allocations to schools from central funds (for example, SEN or curriculum allocations). Funding allocated in this way may be earmarked for particular purposes and may be subject to conditions setting out the purpose or purposes for which the funds may be used. These conditions do not preclude virement, except where funding is supported by a specific grant which the Authority itself

SECTION 2: FINANCIAL CONTROLS

is not permitted to vire. However, this should not be carried to the point of assimilating the allocations into the school's budget share in such a way that the expenditure cannot be traced.

A school must comply with the conditions specified to ensure the allocation is spent only for the purposes for which it is given. Such monies shall be accounted for to demonstrate that this requirement has been complied with. The Authority reserves the right to require the return of such earmarked funds if they are not spent in-year or within the period over which schools are allowed to use the funding, if different.

SECTION 2: FINANCIAL CONTROLS

The Authority will not make any deduction in respect of interest costs from instalments to schools of devolved specific or special grant.

2.13 Spending for the Purposes of the School

It is the responsibility of the school governing body to ensure that its budget share is spent only for the purposes of the school, and in accordance with the provisions of this Scheme. This includes pupils at other maintained schools or community facilities.

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.

The Secretary of State has prescribed additional purposes for which expenditure of the budget share may occur. He has done so in the School Budget Shares (Prescribed Purposes) (England) Regulations 2002 (SI 2002/378) amended by the School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2010 (SI 2010/190). These regulations allow governing bodies of maintained schools to provide teaching, learning materials, educational resources, transport, meals and accommodation for pupils registered at other maintained schools. Thus schools are allowed to do so using their own budget share rather than having to receive recompense from other schools for the supply of such services.

2.14 Capital Spending from Budget Shares

Governing bodies are permitted to use budget shares to meet the cost of capital expenditure on the school premises, including for voluntary aided schools expenditure on work which is their responsibility under paragraph 3 of Schedule 3 of the Schools Standards and Framework Act 1998.

The governing body is required to notify the Authority of any proposed capital expenditure and must take into account any advice from the Authority as to the merits of the proposed expenditure if the proposed capital expenditure in any single year exceeds £15,000. Where the premises are owned by the Authority or the school has voluntary controlled status, the governing body should seek the consent of the Authority to any proposed works, with consent only being withheld on health and safety grounds. These requirements do not apply to expenditure from any capital allocation made available by the Authority outside the delegated budget share.

2.15 Notice of Concern

The Authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Director of Finance, **IT and Digital and Policy** and the Director of Children's and Joint Commissioning, the school has failed to comply with any provisions of the Scheme, or where actions need to be taken to safeguard the financial position of the Authority or the school.

SECTION 2: FINANCIAL CONTROLS

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

These may include:

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
- placing more stringent restrictions or conditions on the day to day financial management of a school than the Scheme requires for all schools – such as the provision of monthly accounts to the Authority;
- insisting on regular financial monitoring meetings at the school attended by authority officers;
- requiring a governing body to buy into an authority's financial management systems; 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 (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.

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

All maintained schools with a delegated budget must submit the form to the local authority on or before 1st May.

2.17 Fraud

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

The governing body and 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.

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| SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS |
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3.1 Frequency of Instalments

The Authority will make available budget share instalments on a termly basis, in addition to the Individual Budget Share such instalments will also include estimates for Pupil Premium, Early Years & High Needs funding. For purposes of this section, Budget Share includes any place led funding for special schools or pupil referral units where applicable.

Monthly instalments may be requested provided the request is made prior to the start of the financial year.

3.2 Proportion of Budget Share Payable at each Instalment

Instalments will be credited to school bank accounts in the first week of April, September and January. This will be the first working day of the month where the request is for monthly instalments.

Where schools buy into the Authority's payroll SLA, schools instalments will be made net of pay costs unless requested by the school. Such pay costs will be based upon previous year payroll costs, adjusted for the current year pay budgets in time for the September instalment.

3.3 Interest Clawback

Where a school chooses to organise its own bank account and wishes to have the gross annual budget share paid to the school by the Authority (without any deductions for payroll/"buyback") either by monthly, quarterly or termly instalments or at the beginning of the financial year, the Authority will levy an interest charge. This is to reflect the loss of interest to the Authority resulting from the earlier payment of the gross budget share. The interest calculation will be based on the higher of the daily 3 month London Inter-Bank Offered Rate or the current Bank of England base rate.

3.4 Interest on Late Budget Share Payments

The Authority will add interest to late payments of budget share instalments to a school's local bank account where the late payment is as a result of an error by the Authority. The interest calculation will be based on the higher of the daily 3-month London Inter-Bank Offered Rate or the current Bank of England base rate.

3.5 Budget Shares for Closing Schools

Budget shares of schools for which approval for discontinuation has been secured, will be made available until closure on a monthly basis net of estimated pay costs, even where some different basis was previously agreed.

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| SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS |
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3.6 Bank and Building Society Accounts

All schools will have the option of operating one of the following:

- a bank account organised by themselves;
- a bank account in the name of the school organised via the Authority's bankers by the Authority;
- a continuation of their imprest arrangements, with a revised imprest value to be determined by agreement with the Authority.

Where schools organise their own bank account, they will be responsible for all interest costs payable/receivable on their account.

Where a school opens an external bank account it may, if desired, transfer immediately to the account an amount agreed by both the school and the Authority as the estimated surplus balance held in respect of the school's budget share. This will be done on the basis that there is a subsequent correction when accounts for the relevant year are closed.

Any school requesting an external bank account may not have one until any deficit balance is cleared. This does not apply to schools taking up the option of a local bank account with the Authority.

New bank account arrangements can only be made with effect from the beginning of each financial year. Any school wishing to organise its own bank account or operate an account organised by the Authority should give a period of notice to the Authority of 3 months unless otherwise specified.

3.7 Restrictions on Accounts

Schools which choose to organise their own bank account (in the name of the school) will be required to choose a bank or building society from the approved list. Please contact CS Finance to obtain the up to date list. Any school closing an account used to receive its budget share and opening another will also be required to select the new bank or building society from the approved list.

A school may have an account for budget share purposes which is in the name of the school rather than the Authority. However, if this is the case, the account mandate should provide that:

- (a) the Authority is the owner of the funds in the account;
- (b) the Authority is entitled to receive statements; and
- (c) the Authority can take control of the account if the school's right to a delegated budget is suspended.

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

As an alternative, the Authority can organise via its bankers an account for each school (in the name of the school). Under such circumstances, schools would have full access to monies and retain autonomy in their spending arrangements.

Budget share funds paid by the Authority and held in school accounts will remain authority property until spent in accordance with S.49 (5) of the Schools Standards and Framework Act 1998.

Signatories for bank accounts must be employees of the Authority or school. School governors may not be signatories of bank accounts unless they are employed as members of staff.

3.8 Borrowing by Schools

Governing bodies may borrow money (which includes the use of finance leases) only with the written permission of the Secretary of State, after discussion with the Authority. **The introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools for accounting purposes. Under the Education Act 2002, all leases will be classed as borrowing and will require the Secretary of State for Education's consent.**

The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities, as set out in the [IFRS16 Maintained Schools Finance Lease Class Consent 2024](#). Leases not included in this Order will still require the written consent of the Secretary of State, and it remains the general position that schools will only be granted permission for other types of borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes to meet broader policy objectives.

~~The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives.~~

This provision does not apply to loan schemes run by the Authority (see Section 4.10). A school with an external bank account may not go into overdraft as this is the equivalent of borrowing. There is no such restriction on schools with an account arranged by the Authority.

Schools may not operate their own credit cards as this would be regarded as borrowing. However, procurement cards are available through the Authority and these may prove to be a useful means of facilitating electronic purchases.

3.9 Other Provisions

Detailed rules and guidance in respect of other aspects of banking arrangements will be prescribed by the Authority and published in the School Financial Procedures manual.

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| SECTION 4: THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES |
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4.1 Right to Carry Forward Surplus Balances

Schools may carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year. The amount of the balance should be agreed with the Authority and will form part of the Section 251 outturn statement.

Where a school wishes its provisional balance to be transferred to its own external bank account, the procedures will be as follows:

- The provisional outturn will be agreed between the school and the school's Finance Officer.
- Provided agreement is reached prior to the 31st March then the agreed amount will be transferred by the 30th April.
- On receipt of the final outturn an adjustment will be actioned within a week of notification and will include any arrears of interest where the outturn has been understated; and a deduction of interest where the outturn has been overstated.

See Section 4.10 relating to school balances and the Loan Scheme.

4.2 Controls on Surplus Balances

4.2.1 Surplus balances held by schools as permitted under this Scheme are subject to the following restrictions:-

- (a) The Authority shall calculate by 31st May each year the surplus balance, if any, held by each school as at 31st March. For this purpose the balance will be the balance category as defined in Consistent Financial Reporting Framework.
- (b) If the result before permissible expenditure categories is a sum greater than 5% of the current year's budget share for secondary schools or 8% of the current year's budget share for primary and special schools, then the School will be invited to a Schools' Forum sub-group meeting.

4.2.2 Funds derived from sources other than the Authority will be taken into account in this calculation if paid into the budget share account of the school.

4.2.3 Funds held in relation to a school's exercise of 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.

4.2.4 At the Schools' Forum sub-group meeting, schools will have the opportunity to explain plans for excessive balances based upon permissible expenditure categories and the spend period.

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| SECTION 4: THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES |
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- 4.2.5 If plans for excessive balances are agreed by the sub-group, then the school balance will be monitored at the end of the agreed spend period. If at the next year end, the funds are unspent without good reason then the excessive funds will be clawed back.
- 4.2.6 If plans for excessive balances and spend period are not agreed by the sub-group, the excessive funds will be clawed back.
- 4.2.7 The total of any amounts deducted from schools balances by the Authority under this provision are to be applied to the Schools' Forum Community Chest.
- 4.2.8 The Community Chest can be accessed by maintained community, foundation, voluntary aided and voluntary controlled schools for projects that will benefit groups of schools to improve teaching and learning, and the outcomes for children and young people. It is anticipated that the Community Chest will not be spent on capital projects.
- 4.2.9 Schools will complete twice yearly balances surveys, which will be reviewed by the Assistant Director Education, the Schools' Forum sub-group who will report to the Schools' Forum and reported to Children's Services Committee.
- 4.2.10 Set out below are the permissible expenditure categories for which a school can use to explain plans for using part of their balance brought forward:

| Permissible Expenditure Categories |
|-------------------------------------------|
| Employee Costs |
| Premises Costs |
| ICT Expenditure |
| Supplies and Services |
| Transport Expenditure |

For further information see Annex 3.

4.3 Interest on Surplus Balances

Balances held by the Authority on behalf of schools will not attract interest as this has been previously delegated to schools.

4.4 Obligation to Carry Forward Deficit Balances

Deficit balances must be carried forward from one year to the next. These will be agreed with the Authority and will be shown on the annual Section 251 outturn statement.

4.5 Planning for Deficit Budgets

In setting its budget for the financial year, a school may not plan for a deficit. Any unplanned deficit not arising from legitimate calls on contingency must be taken into account when planning the following year's budget.

Schools which go into deficit must attend formal Deficit Clinics. See Section 4.9.

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

4.6 Charging of Interest on Deficit Balances

The Authority may charge interest on deficit balances. The method of calculation of interest will be undertaken using the higher of the daily 3-month London Inter-Bank Offered Rate or the current Bank of England base rate on the school's average balance throughout the year.

4.7 Writing off Deficits

The Authority cannot write off the deficit balance of any school. The Authority does not retain any funding to give assistance towards the elimination of a deficit balance.

4.8 Balances of Closing and Replacement Schools

Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes.

4.9 Licensed Deficits

4.9.1 Schools cannot plan for a deficit, (see section 4.5). Should this situation occur the Authority would make arrangements with the governing body to plan for the deficit to be repaid, known as a "deficit agreement".

4.9.2 In making such agreements the following will apply:-

- The maximum length over which schools may repay the deficit to zero is two financial years.
- Deficit agreements will only be allowed when there is a fall in pupil numbers greater than expected or where short term corrective action would disrupt pupil's education.
- The maximum size of deficit that can be agreed is 5% for secondary school, for 8% of primary and special school's budget share.
- The sum of the deficit agreements and loans will not exceed 25% or £1,000,000 whichever the greater of the collective school balances held by the Authority.
- All agreements and any renegotiation of agreements must be approved by the Director of Children's and Joint Commissioning and the Director of Finance, **IT and Digital and Policy**.
- In exceptional circumstances (as determined by the Director, Children's and Joint Commissioning Services and the Director of Finance, **IT and Digital and Policy**) the local authority may exercise discretion to agree a licensed deficit outside of the above parameters where there are clear and cogent reasons to do so, having regard to the welfare of children within the borough and the financial integrity of the proposal. Any such exceptional agreement will be subject to bespoke conditions and requirements as determined by the local authority.
- No agreement will be entered into that would, when considered alongside all other such agreements cause the collective surplus of school balances held by the authority to be exhausted.

4.9.3 Further details of the Challenge and Support Process for Schools with a Deficit Budget are included in Annex 4.

4.10 Loan Scheme

The extent to which loans can be given to schools depends upon the aggregate level of schools' balances at the end of the previous financial year. The total amount available for loan shall not exceed 40% of the aggregate level of schools' balances held by the Authority or £400,000, whichever is the lesser.

Schools with balances in external accounts may opt to join the loan Scheme by paying over their balances to the Authority.

Loans will be available for expenditure which is to be of benefit to schools over a period greater than one financial year. Examples of the kinds of project for which borrowing would normally be considered include:

- improvements or major repairs to school properties;
- “spend to save” projects, e.g. to improve energy efficiency;
- projects to improve security in schools, or to meet health and safety requirements;
- purchases of educational equipment.

Loans must only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans must not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income. If loans are made to fund a deficit, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school in individual cases.

The minimum loan will be £1,000. The maximum loan will normally be £25,000 and will be agreed by the Director of Children's and Joint Commissioning and the Director of Finance, IT and Digital and Policy under delegated powers. Loans for more than £25,000 are likely to be approved only in exceptional circumstances and will need further approval from Members.

The normal repayment period for a loan will be three years but may be up to a maximum of five.

Further details of the Loans to Schools Scheme are included in Annex 5.

5.1 Income from Lettings

Schools may retain income from lettings of school premises, subject to alternative provisions arising from any joint use or PFI (Private Finance Initiative) agreements, and should credit this income to their budget share.

Schools may cross-subsidise lettings for community and voluntary use with income from other lettings, provided the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement.

Income from lettings of school premises should not be paid into voluntary or private funds held by the school. However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.

5.2 Income from Fees and Charges

Schools may retain income from fees and charges and credit the budget share, except where a service is provided by the Authority from centrally retained funds. However, schools must have regard to the Authority's policy on charging and remission, which is attached at Annex 6. Income from boarding charges (e.g. Carlton) is collected on behalf of the Authority and should not exceed that needed to provide board and lodging for the pupils concerned.

Schools must have regard to guidance issued by the Authority on charging Value Added Tax (VAT) on lettings, fees and charges.

5.3 Income from Fund-raising Activities

Schools may retain income from fund-raising activities and must have regard to guidance issued by the Authority on the VAT implications of such activities.

5.4 Income from the Sale of Assets

Schools may retain the proceeds of sale of assets, except in cases either:-

- (a) where the asset was purchased with non-delegated funds (in which case it will be for the Authority to decide whether the school should retain the proceeds) or
- (b) where the asset concerned is land or buildings forming part of the school premises and is owned by the Authority.

Any retention of funds from the sale of land assets is subject to the consent of the Secretary of State, and any conditions the Secretary of State may attach to that consent relating to use of proceeds.

The retention of proceeds of sale for premises not owned by the Authority will not be a matter for the Scheme.

5.5 Administrative Procedures for the Collection of Income

Procedures for the collection of income that accrues to the Authority will be issued from time to time (e.g. where a school has contracted with the Authority's meals service).

5.6 Purposes for which Income may be Used

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

6.1 General Provision

The budget share of a school may be charged by the Authority without the consent of the governing body **only** in the circumstances permitted by this Scheme. The Authority will consult schools as to the intention to so charge and will notify schools when it has been done.

The Authority may de-delegate funding for permitted services without the express permission of the governing body, provided the de-delegation has been approved by the appropriate phase representatives of the Schools Forum.

The Authority cannot act unreasonably in the exercise of any power given by the Scheme, or it may be subject of a direction under s.496 of the Education Act 1996.

6.2 Charging of Salaries at Actual Cost

The Authority is required to charge salaries of school-based staff to school budget shares at actual cost.

6.3 Circumstances in which charges may be made

- 6.3.1 Where premature retirement and/or redundancy costs have been incurred without the prior written agreement of the Authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the Authority);
- 6.3.2 Other expenditure incurred to secure resignations where there is good reason to charge this to the school;
- 6.3.3 Awards by courts and industrial tribunals against the Authority, or out of court settlement, arising from action or inaction by the governing body contrary to the Authority's advice;
- 6.3.4 Expenditure by the Authority in carrying out health and safety work or expenditure for which the Authority 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;
- 6.3.5 Expenditure by the Authority incurred in making good defects in building work funded by spending from budget shares, where the premises are owned by the Authority, or the school has voluntary controlled status;
- 6.3.6 Expenditure incurred by the Authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the Authority;
- 6.3.7 Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a published disputes procedure, and the result is that monies are owed by the school to the Authority;

- 6.3.8 Recovery of penalties imposed on the Authority by the Board of Inland Revenue, the Contributions Agency, HM Revenue and Customs, Teachers Pensions, the Environment Agency or regulatory authorities, as a result of school negligence;
- 6.3.9 Correction of the Authority's errors in calculating charges to a budget share;
- 6.3.10 Additional transport costs incurred by the Authority arising from decisions by the governing body on the length of the school day, and failure to notify the Authority of non-pupil days resulting in unnecessary transport costs;
- 6.3.11 Legal and other costs which are incurred by the Authority because the governing body did not accept the advice of the Authority;
- 6.3.12 Costs of necessary health and safety training for staff employed by the Authority, where funding for training had been delegated but the necessary training had not been carried out;
- 6.3.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect;
- 6.3.14 Cost of work done in respect of teacher pension remittance and records for schools using non-authority payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations;
- 6.3.15 Costs incurred by the Authority in securing provision specified in an Education, Health and Care Plan (EHCP) 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;
- 6.3.16 Costs incurred by the Authority due to submission by the school of incorrect data;
- 6.3.17 Recovery of amounts spent from specific grants on ineligible purposes;
- 6.3.18 Costs incurred by the Authority as a result of the governing body being in breach of the terms of a contract;
- 6.3.19 Costs incurred by the Authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- 6.3.20 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.

7.1 Value Added Tax

In order to be able to utilise the Authority's ability to reclaim VAT on expenditure relating to non-business activities, the Authority has agreed with HM Customs and Excise a set of procedures. These are fully detailed in the Authority's School Financial Procedures Manual and are summarised in Annex 7.

Note that the monthly returns for schools operating local bank accounts must be submitted no later than the fifth working day of each month in order that it is included in the Authority's monthly VAT claim. Any returns received after this deadline will not be reimbursed to schools until the following month.

7.2 VAT Procedures

If the school follows the published procedures, then any VAT it incurs on a non-business activity will be passed back to the school. This is a concession enjoyed only by public bodies and is not available to the private sector. However, the cost of any financial penalties imposed by HM Customs and Excise resulting from the negligence of a school in following these procedures may be recharged to the school.

The information required by HM Customs and Excise is at present available within the core financial management systems of the Authority. Source documentation e.g. VAT invoices, must be available for scrutiny by HM Customs and Excise inspectors on request and must be kept and be available for a period of six years.

7.3 Construction Industry Taxation Scheme (CITS)

Schools are required to abide by procedures issued by the Authority in connection with the Construction Industry Taxation Scheme.

7.4 Income Tax

Schools are required to abide by procedures issued by the Authority in connection with income tax.

8.1 Provision of Services from Centrally Retained Budgets

It is for the Authority to determine on what basis services from centrally retained funds will be provided to schools. The Authority cannot, however, discriminate in its provision of services on the basis of categories of schools except in cases where this would be allowable under the school and early years finance regulations or the dedicated schools grant (DSG) conditions of grant. The term 'services' under this section includes PRC and redundancy payments.

8.2 Provision of Services Bought Back from the Authority using Delegated Budgets

The term of any arrangement with a school to buy services or facilities from the Authority is limited to a maximum of three years from the date of the agreement. For any subsequent agreement relating to the same services the term shall not exceed five years. However, contracts for the supply of catering services may contain an extension to five and seven years respectively.

Where a service is provided by the Authority for which expenditure is not retainable centrally, under the regulations contained under Section 45A of the Act, it must be offered to schools at prices which are intended to generate income which is no less than the cost of providing those services.

8.2.1 Packaging

Where the Authority offers services to schools on a buyback basis, these services will be offered to schools in a way which does not unreasonably restrict schools' freedom of choice among the services available and, where practical, they will be offered on a service-by-service basis as well as in packages of services. The Authority reserves the right to cease providing a service when the level of take-up by schools means that the provision is no longer economically viable.

8.3 Service Level Agreements

SLAs will operate from 1st April each year. Schools should notify the Authority by the end of March of their intention to enter into SLAs.

Schools will have at least a month to consider the terms of the agreements.

SLAs must be in place by 31st March to be effective for the following year.

8.3.1 If services or facilities are provided by the Authority under a SLA - whether free or on a buyback basis - the terms of any such agreement starting on or after the inception of the Scheme will be reviewed at least every three years if the agreement lasts longer than that.

8.3.2 Where services are offered by the Authority, they will normally be available on a basis which is not related to an extended agreement, as well as on the basis of such agreements. It should be noted that where services are provided on an ad hoc basis they

may be charged for at a different rate than if provided on the basis of an extended agreement.

Centrally arranged premises and liability insurance are excluded from these requirements.

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 in relation to their budget shares.

The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the 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~~ monthly 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 shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC Scheme. The governing body shall meet any consequential costs from the school's budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the Authority which the Authority requires to submit its monthly 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 from each school. A governing body shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit specified in the AVC Scheme. The governing body shall meet any consequential costs from the school's budget share.

9.1 Private Finance Initiative/Public-Private Partnerships (PFI/PPP)

The Authority shall have the power to issue regulations from time to time relating to PFI/PPP projects. Amongst other issues these may deal with the reaching of agreements with governing bodies as to the basis of charges relating to such Schemes and the treatment of monies withheld from contractors due to poor performance.

10.1 Insurance Cover

The Authority is able to provide insurance cover for schools on a buyback basis from delegated funds. The level of insurance cover currently provided by the Authority is detailed in Annex 8.

Where funds have been delegated to a school for the provision of insurance the Authority will require the school to demonstrate that the cover obtained relevant to the Authority's insurable interests, under a policy arranged by the governing body, shall be as good as or better than the relevant minimum cover provided by the Authority. To ensure that the Authority's interests are adequately insured the school will be required to submit details of any proposed cover to the Director of Finance, IT and Digital and Policy. The evidence required to demonstrate the parity of cover should be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier. Where a school has failed to demonstrate that it has arranged adequate cover the Authority may charge the budget share of that school the cost of insurance necessary to meet the Authority's minimum requirement.

The Authority's Insurance Section have examined risks fully in the Education sector and are satisfied that all cover detailed in Annex 8 is reasonable for all schools.

11.1 Right of Access to Information

Governing bodies are required to supply all financial and other information which might reasonably be necessary to enable the Authority to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the Authority (e.g. earmarked funds) on the school.

11.2 Liability of Governors

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

An example of behaviour which is not in good faith is the carrying out of fraudulent acts. Breaches of the scheme are not in themselves failures to act in good faith; neither is rejection of Authority advice as to financial management.

11.3 Governors' Allowances**Schools without delegated budgets**

The Authority may delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' allowances. Governing bodies would not normally have discretion in the amounts of such allowances which would be set by the Authority.

Under section 50(5) of the Act, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. No payment may be made of any other allowances, nor may expenses be paid duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

Schools with delegated budgets

For schools with delegated budgets, authorities may publish, separately from the scheme, a guide to what it considers to be reasonable expenses

11.4 Responsibility for Legal Costs

Legal costs incurred by the governing body (although the responsibility of the Authority as part of the cost of maintaining the school unless they relate to the statutory responsibility of voluntary aided school governors for buildings) may be charged to the school's budget share unless the governing body acts in accordance with the advice of the Authority. This relates to the cost of legal actions not the cost of legal advice provided. If a conflict of interest arises between the Authority and the governing body, the governing body must seek legal advice and representation from a solicitor in the private sector.

11.5 Health and Safety

The Authority (or in the case of aided schools the governing body) retains prime responsibility as employer to comply with health and safety legislation. The Authority has the power to issue directions on health and safety provision. In expending the school's

budget share, the governing body is strongly recommended to comply with the Authority's health and safety policy and any directions the Authority issues on such matters. A copy of the Authority's current health and safety policy is available on the intranet.

In the event of a governing body failing to comply with the Authority's health and safety policies or not having due regard to codes of practice in such matters falling within the governing body's jurisdiction concerning the safety of those attending, working or visiting the school premises, its members may incur liability under Health and Safety at Work legislation. In the event that omissions or actions by the governing body in such matters require the Authority to incur expenditure to rectify the position, the school's delegated budget may be charged with the costs.

11.6 Right of attendance for Director of Finance, IT and Digital and Policy

Governing Bodies are required to permit the Director of Finance, IT and Digital and Policy of the Authority or any officer of the Authority nominated by the Director of Finance, IT and Digital and Policy to attend meetings of the governing body at which any agenda items are relevant to the exercise of her or his responsibilities. Attendance will normally be limited to items which relate to issues of probity or overall financial management and such attendance should not be regarded as routine. Prior notice of such attendance will be given unless it is impracticable to do so.

11.7 Spending on Special Educational Needs

Schools are required to use their best endeavours in spending the budget share to secure appropriate provision for pupils on their roll with special educational needs.

11.8 Interest on Late Payments

The terms of the Scheme cannot affect statutory requirements now introduced on this matter.

11.9 Whistle Blowing

Persons working at a school or school governors who wish to complain about financial management or financial propriety at the school should refer to the example Confidential Reporting Procedure which should have been adopted by the Governing Body, which is outlined in Annex 9.

11.10 Child Protection

The statutory guidance "Working Together to Safeguard Children" issued by the HM Government emphasises the inter-agency responsibility to safeguard and promote the welfare of children. Under sections 27 and 47 of the Children Act 1989 the Authority must co-operate with the investigating agencies in relation to Child Protection

All schools (including independent schools, academies and free schools) have duties in relation to safeguarding children and promoting their welfare. Section 175 of the Education Act 2002 places a duty on local authorities (in relation to their education functions) and governing bodies of maintained schools and further education institutions

(which include sixth-form colleges) in relation to their functions relating to the conduct of the school or the institution to make arrangements for ensuring that safeguarding and promoting the welfare of pupils. A similar duty applies to proprietors of independent schools (which include academies/free schools) by virtue of regulations made under sections 94(1) and (2) of the Education and Skills Act 2008. Schools therefore have a responsibility to provide information for, and release staff to participate in all Child protection meetings held under the auspices of the Local Safeguarding Children's Board.

11.11 Redundancy / Early Retirement Costs

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. Further guidance is provided at Annex 10.

12.1 General

Responsibility for repairs and maintenance is delegated to schools including expenditure relating to school kitchens.

12.2 Definition of capital expenditure

For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the Authority for financial accounting purposes in line with the CIPFA Code of Practice on Local Authority Accounting. The definition is defined in the Local Government Act 2003 as “*expenditure of the Authority which falls to be capitalised in accordance with proper practices*”. In general terms it represents expenditure in relation to:

The acquisition or creation of a new asset
The enhancement of existing assets

Enhancement in general refers to works that substantially increase:

The useful life of an asset
The market value of an asset
The extent to which the asset can be used.

All capital expenditure must yield a benefit for a period of more than one year.

12.3 Voluntary Aided Schools

Voluntary aided schools will continue to be eligible for capital grant from the DfE in respect of their statutory responsibilities and in addition they will have responsibility for other repairs and maintenance items on the same basis as other maintained schools.

12.4 Responsibilities

As part of the monitoring process under the Authority’s Asset Management Plan, the Authority will need to ensure that buildings are reasonably maintained, in the context of the resources available. It will be necessary to maintain condition surveys through periodic site visits.

Schools have responsibility for all cyclical maintenance of plant and equipment and are required to maintain records to demonstrate that such maintenance has been carried out in accordance with schedules issued by the Authority.

13.1 Introduction

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

However, under s.28(1), the main limitations and restrictions on the power will be those contained in the maintaining Authority's Scheme for financing schools made under section 48 of the School Standards and Framework Act 1998 as amended by paragraph 2 of Schedule 3 to the Education Act 2002. This amendment extended the coverage of schemes to include the exercise of 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 part of the Scheme does not extend to joint-use agreements; transfer of control agreements, or agreements between the Authority and schools to secure the provision of adult and community learning.

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

13.2 Consultation with the Authority – Financial Aspects

Changes made by the Children and Families Act 2014 mean that schools no longer need to consult the authority when establishing community facilities under Section 27 of the Education Act 2002. Nor do they have to have regard to advice given to them by their authority.

However, as public bodies, schools are expected to act reasonably, and this includes consulting those affected by decisions that they make

13.3 Funding Agreements – Authority Powers

The provision of community facilities in many schools may be dependent on the conclusion of a funding agreement with a third party which will either be supplying funding or supplying funding and taking part in the provision. A very wide range of bodies and organisations are potentially involved.

The Authority requires that any such proposed third party agreement should be submitted to the Authority for its comments within a reasonable timescale. However, the Authority has no right of veto on such agreements, either directly or through requiring a right to countersign the agreement.

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

13.4 Other Prohibitions, Restrictions and Limitations

The Authority requires that where a governing body makes use of the community facilities power that the governing body concerned must 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 Authority.

Schools will, as stated in paragraph 13.11, either maintain separate bank accounts for budget share and community facilities, or have one account with adequate internal accounting controls to maintain separation of funds. Schools operating the FMS6 module may operate this via a separate fund in the FMS6 system.

13.5 Supply of Financial Information

Schools which exercise the community facilities power are required to submit a summary statement to the Authority every six months for the facilities in question showing the actual income and expenditure for the previous six months and on an estimated basis, for the next six months. This will include an explanation of any significant variations from previously submitted statements.

During the first six months of operation of any venture schools will be required to submit statements on a monthly basis.

All statements and returns must be certified by the head teacher and sent to the school's designated Finance Officer within two weeks of the end of each six months (or month).

The Authority, 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, will 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.

Financial information relating to community facilities will be included in returns made by schools under the Consistent Financial Reporting (CFR) Framework.

13.6 Audit

The school must 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.

Schools in concluding funding agreements with other persons pursuant to the exercise of the community facilities power, should 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.

13.7 Treatment of Income and Surpluses

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

Schools may carry such retained net income over from one financial year to the next as a separate community facilities surplus.

13.8 Health and Safety Matters

The health and safety provisions detailed in paragraph 11.5 in the main body of this Scheme are extended to the community facilities power.

The governing body will be responsible for the costs of securing ~~Criminal Records Bureau~~ Disclosure and Barring Service clearance for all adults involved in community activities taking place during the school day. Governing bodies would be free to pass on such costs to a funding partner as part of an agreement with that partner.

13.9 Insurance

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, taking professional advice as necessary. Schools should seek the Authority's advice before finalising any insurance arrangement for community facilities.

The Authority is empowered to 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.

Instead of taking out insurance, a school may join the RPA for risks that are covered by the RPA. Schools may do this individually when any insurance contract of which they are part expires. The scheme should also provide for all primary and/or secondary maintained schools to join the RPA collectively by agreeing through the Schools Forum to de-delegate funding.

13.10 Taxation

Schools must seek the advice of the Authority and, if necessary, 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.

If any member of staff employed by the school or authority 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 13.11), the school is likely to be held liable for payment of income tax and National Insurance, in line with HM Revenue and Customs rules.

Schools must follow Authority advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

13.11 Banking

Schools must either maintain separate bank accounts for budget share and community facilities, or have one account but with adequate internal accounting controls to maintain separation of funds. Schools operating the FMS6 module may operate this via a separate fund in the FMS6 system. This would be the case where the school utilises Authority banking arrangements and would permit adequate separation of such funds from the school budget share and other authority funds.

The general approach to banking requirements are set out in the main body of this Scheme in Section 3.

| School name | DfE No. |
|------------------------------------|---------|
| <u>Primary Schools</u> | |
| Clavering | 2238 |
| Fens | 2187 |
| Golden Flatts | 2126 |
| Grange | 2364 |
| Kingsley | 2189 |
| Lynnfield | 2153 |
| Rift House | 2341 |
| Throston | 2236 |
| <u>Secondary Schools</u> | |
| High Tunstall | 4133 |
| <u>Pupil Referral Units</u> | |
| Horizon | 1100 |

**BUDGET MONITORING REPORT
SCHOOL BUDGET SHARE – YEAR TO DATE**

| | ORIGINAL BUDGET £ | LATEST BUDGET £ | COMMITTED £ | INVOICED £ | PAID £ | TOTAL EXP £ | BUDGET REMAINING £ |
|------------------------------------------|-------------------------|-----------------------|----------------|---------------|--------------|----------------|--------------------------|
| <u>EMPLOYEE COSTS</u> | | | | | | | |
| Teaching Staff | 130000 | 130000 | 104481 | 0 | 21891 | 126372 | 3628 |
| Supply Teachers | 2000 | 2000 | 0 | 0 | 500 | 500 | 1500 |
| Admin & Clerical | 6566 | 6566 | 5999 | 0 | 500 | 6499 | 67 |
| School Assistants | 20000 | 20000 | 15000 | 0 | 4230 | 19230 | 770 |
| Site Supervisor | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Supervisory Assistants | 3320 | 3320 | 0 | 0 | 698 | 698 | 2622 |
| Hourly Paid | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL EMPLOYEES | 161886 | 161886 | 125480 | 0 | 27819 | 153299 | 8587 |
| INDIRECT EMPLOYEE EXPENSES | 2513 | 2513 | 0 | 0 | 12 | 12 | 2501 |
| TOTAL EMPLOYEE RELATED | 164399 | 164399 | 125480 | 0 | 27831 | 153311 | 11088 |
| <u>RUNNING EXPENSES</u> | | | | | | | |
| PREMISES | | | | | | | |
| Repairs & Maintenance | 2920 | 2920 | 0 | 51 | 340 | 391 | 2529 |
| Grounds Maintenance | 1570 | 1570 | 0 | 0 | 0 | 0 | 1570 |
| Gas | 1245 | 1245 | 0 | 0 | 1065 | 1065 | 180 |
| Electricity | 1250 | 1250 | 0 | 0 | 0 | 0 | 1250 |
| Water | 1000 | 1000 | 0 | 0 | 0 | 0 | 1000 |
| Cleaning | 8164 | 8164 | 0 | 0 | 185 | 185 | 7979 |
| Rates | 1856 | 1856 | 0 | 0 | 0 | 0 | 1856 |
| TOTAL PREMISES | 18005 | 18005 | 0 | 51 | 1590 | 1641 | 16364 |
| TRANSPORT | | | | | | | |
| Vehicles | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Hire/Public Transport | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Car Allowances | 50 | 50 | 0 | 0 | 0 | 0 | 50 |
| TOTAL TRANSPORT | 50 | 50 | 0 | 0 | 0 | 0 | 50 |
| SUPPLIES & SERVICES | | | | | | | |
| Equipment & Materials | 352 | 352 | 81 | 25 | 30 | 136 | 216 |
| Computer Equipment | 700 | 700 | 0 | 0 | 208 | 208 | 492 |
| Printing & Stationery | 0 | 0 | 50 | 0 | 0 | 50 | -50 |
| Communications | 1185 | 1185 | 0 | 0 | 107 | 107 | 1078 |
| Agency Supply | 659 | 659 | 0 | 0 | 556 | 556 | 103 |
| Services General | 0 | 0 | 100 | 0 | 0 | 100 | -100 |
| Staff Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Services to Students | 0 | 0 | 100 | 0 | 0 | 100 | -100 |
| Staff Expenses | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Miscellaneous | 50 | 50 | 0 | 0 | 0 | 0 | 50 |
| School Meals Expenditure | 1019 | 1019 | 0 | 0 | 0 | 0 | 1019 |
| Buy Back Schemes | 10470 | 10470 | 0 | 0 | 0 | 0 | 10470 |
| TOTAL SUPPLIES & SERVICES | 14435 | 14435 | 331 | 25 | 901 | 1257 | 13178 |

| | ORIGINAL BUDGET £ | LATEST BUDGET £ | COMMITTED £ | INVOICED £ | PAID £ | TOTAL EXP £ | BUDGET REMAINING £ |
|--------------------------------|-------------------------|-----------------------|----------------|---------------|---------------|----------------|--------------------------|
| CAPITATION | 6000 | 6000 | 683 | 104 | 1324 | 2111 | 3889 |
| LEASING | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| REVENUE CONTRIBUTIONS | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| RUNNING EXPENSES | 38490 | 38490 | 1014 | 180 | 3815 | 5009 | 33481 |
| GROSS EXPENDITURE | 202889 | 202889 | 126244 | 180 | 31646 | 158320 | 44569 |
| INCOME | | | | | | | |
| Pupil Premium | 0 | -7500 | 0 | 0 | -3500 | -3500 | -4000 |
| Early Years | 0 | -10000 | 0 | 0 | -5000 | -5000 | -5000 |
| High Needs | 0 | -5000 | 0 | 0 | -2500 | -2500 | -2500 |
| Equipment Sales | 0 | -100 | 0 | 0 | -50 | -50 | -50 |
| School Meals Income | 0 | 0 | 0 | -51 | -63 | -114 | 114 |
| Exam/Tuition Fees | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Fees/Charges | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Rents | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Lettings | -220 | -220 | 0 | 0 | 0 | 0 | -220 |
| Donations | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Other Income | -4390 | -4390 | 0 | 0 | 0 | 0 | -4390 |
| TOTAL INCOME | -4610 | -27210 | 0 | -51 | -11113 | -11164 | -16046 |
| NET EXPENDITURE IN YEAR | 198279 | 175679 | 126244 | 129 | 20533 | 147156 | 28523 |
| RESERVES/(DEFICIT) | -10000 | 40000 | 0 | 0 | 0 | 0 | 40000 |
| GRAND TOTAL | 188279 | 215679 | 126494 | 129 | 20533 | 147156 | 68523 |

Notes

Figures have been rounded to the nearest £1.

The above Budget Monitoring Report shows the minimum level of information required by the Authority on a termly basis. Any additional information provided by the school will be welcomed on a voluntary basis.

Acceptable Criteria

- a) Expenditure allocations on the areas of “Permissible expenditure” are shown below:-
- (i) Employee Costs
 - (ii) Premises Costs
 - (iii) ICT Expenditure
 - (iv) Supplies and Services
 - (v) Transport Expenditure
- b) Amounts for these items will need to be evidenced in the school budget for the following year, (i.e. the year the balance has been carried forward into), in which they have been earmarked. This will apply to future years for projects that the school is “saving” for. Items must have some specific auditable evidence for amounts to be excluded from the surplus balance calculation, (additional evidence may be needed for projects that are expected to span more than one financial year).
- c) For items of expenditure that the school expects to incur in the next financial year, (i.e. the year the balance has been carried forward into), these items must be included in the schools budget and “signed off” in the “normal” way by the school governors.
- d) For projects that span more than one financial year, or items that the school is “saving” for, the school must have a plan with projected timescales and costs presented to and “signed off” by the school governors.

How earmarked balances are to be accounted for

- e) For in year expenditure schools will need to evidence that they have incurred expenditure as expected. If the full amount cannot be evidenced then any unspent balances earmarked for the setting of these areas will be added back to the surplus balance for possible capping.
- f) For large projects that may span more than one financial year, some slippage may be permissible, but will be subject to review by the Assistant Director Education, Schools’ Forum and reported to Children’s Services Committee.

How earmarked balances are to be reported and monitored

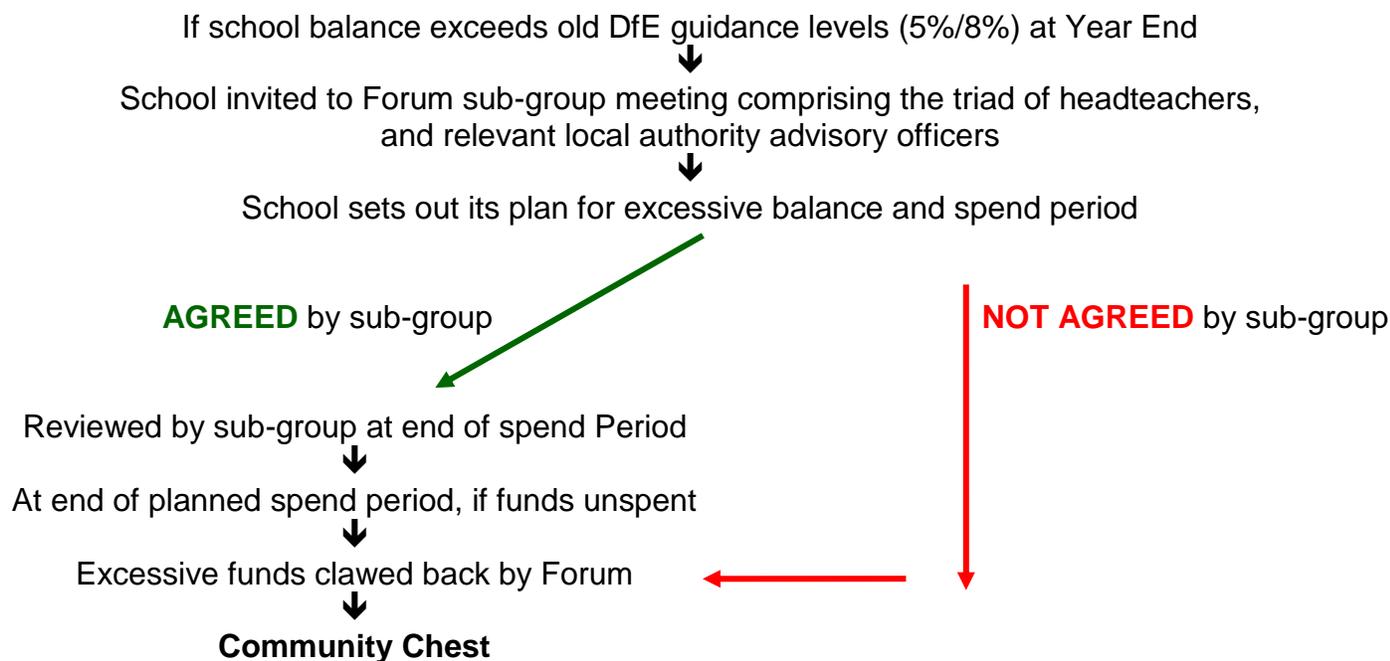
- g) All schools will need to complete a **School Balances Survey and Monitoring Form**, by mid May for the proceeding financial year, (form and exact dates will be provided each year along with the year end timetable). The survey will need to include the following details of all proposed allowable schemes / expenditure in sufficient detail that these returns can be used as a basis for the exclusion of these amounts from the capping scheme:
- (i) Details of the scheme / expenditure and why it is needed
 - (ii) Total cost of the scheme / expenditure
 - (iii) Start and end dates for the scheme / expenditure
 - (iv) Expected quarterly expenditure for the current year and amounts to be spent in future years.

- (v) Evidence that all earmarked balances have been “signed off” by the board of governors
 - (vi) The basis for the calculation for changes in pupil numbers, and set aside for workforce reform.
- h) The information provided by the schools on the School Balances Survey will be reviewed by the Authority and Schools’ Forum in accordance with the scheme.
- i) Schools are also required to update the **School Balances Survey and Monitoring Form** mid year for review by the Assistant Director Education.

Excessive School Balances Protocol

This protocol applies to maintained community, Foundation, Voluntary Aided and Voluntary Controlled schools in Hartlepool. This protocol recognises that schools will already have received financial support in financial planning and monitoring from an external finance officer, governors, a school improvement partner/adviser and the use of financial forward planning software.

This protocol will be managed by a Schools’ Forum triad of three headteachers: a primary headteacher, secondary headteacher and the Chair or Vice Chair of Schools’ Forum. This triad will have delegated authority from Schools’ Forum to make decisions, and will report regularly to Schools’ Forum.



Community Chest to be accessed by school groups that protocol applies to, for projects that will benefit groups of schools to improve teaching and learning, and the outcomes for children and young people. It is anticipated that the **Community Chest** will not be spent on capital projects. Requests for funding support from the **Community Chest** will be debated by members of Schools' Forum that represented the school groups this protocol applies to, and these members will make the decision (on a majority vote basis) on the approval or otherwise of the funding request.

Outline agenda for the Forum sub-group meeting

1. Chair of the meeting agreed from the headteacher triad
2. Introductions and welcome
3. Purpose of the meeting outlined by local authority finance officer
4. Presentation of information by the school
5. Review of information by the sub-group, with questions for the school if appropriate **
Schools departs **
6. Deliberation by the sub-group
7. Decision made by the headteacher triad on a majority basis

School informed of outcome in writing by Chair of headteacher triad within 5 working days.

Suggested evidence that the school may consider tabling at this meeting:

- Previous surveys of school balances
- Minutes of relevant governing body meetings
- Finance/budget monitoring run output
- Budget forward planning documentation
- Asset management plan

Additional suggested evidence that the headteacher triad may consider when arriving at their decision:

- School context, for example size, deprivation
- Committed funds, eg contracts in place
- Current school performance, including Ofsted judgement
- School's vulnerability, eg falling roll, impact of future funding agreements
- Other sources of funding available for future projects
- External validation of evidence provided by the school

This protocol was agreed at a Schools' Forum meeting on **26 April 2016**.

This protocol is due for review by Schools' Forum on an **annual basis**.

Introduction

The Scheme for Financing Schools prohibits schools from planning for a deficit when preparing their budget plans, except in extenuating circumstances and with the prior permission of the Local Authority. To support the Authority's monitoring role the Scheme requires:

- Schools to return a governor approved annual budget to the Local Authority by the 31st May each year.
- Schools unable to set a balanced budget to notify the Local Authority and apply for a licensed deficit arrangement.
- The maximum size of deficit that can be agreed is 5% of secondary school or 8% of primary and special school's budget share.
- The sum of the deficit agreements and loans will not exceed 25% or £1,000,000 whichever the greater of the collective school balances held by the Authority.

Schools should only apply for a licensed deficit in circumstances where they cannot set a balanced budget without seriously impacting on the educational provision at the school. The Local Authority has no power to write off the deficit balance of any school.

The licensed deficit process is used by the Authority to provide schools with an appropriate level of challenge and support to help them set a balanced budget or if this is not achievable to prepare a recovery plan that sets out the action the school will take to achieve a sustainable balanced financial position over an agreed period of time. The licensed deficit arrangement provides schools with:

- **A two year period in which to take the action required to balance the budget**
A school will normally be expected to deliver its recovery plan within a two year period. This may be extended in exceptional circumstances where a school cannot deliver a recovery plan over two years without seriously affecting its educational provision. Any extension to the two year period must be agreed by the Director of Finance, IT and Digital and Policy and the Director of Children's and Joint Commissioning.
- **Challenge**
Financial management challenge in collaboration with the Inspection Team, and other Local Authority Officers based on:
 - Benchmarking data
 - Financial analysis of the school budget
 - Audit information
 - Compliance with financial management standards and financial regulations
 - Contextual data – e.g. demographic changes
 - Curriculum Audit

Where schools persistently fail to take actions agreed under the licensed deficit arrangement, this will be challenged and ultimately may lead to further intervention by the Local Authority.

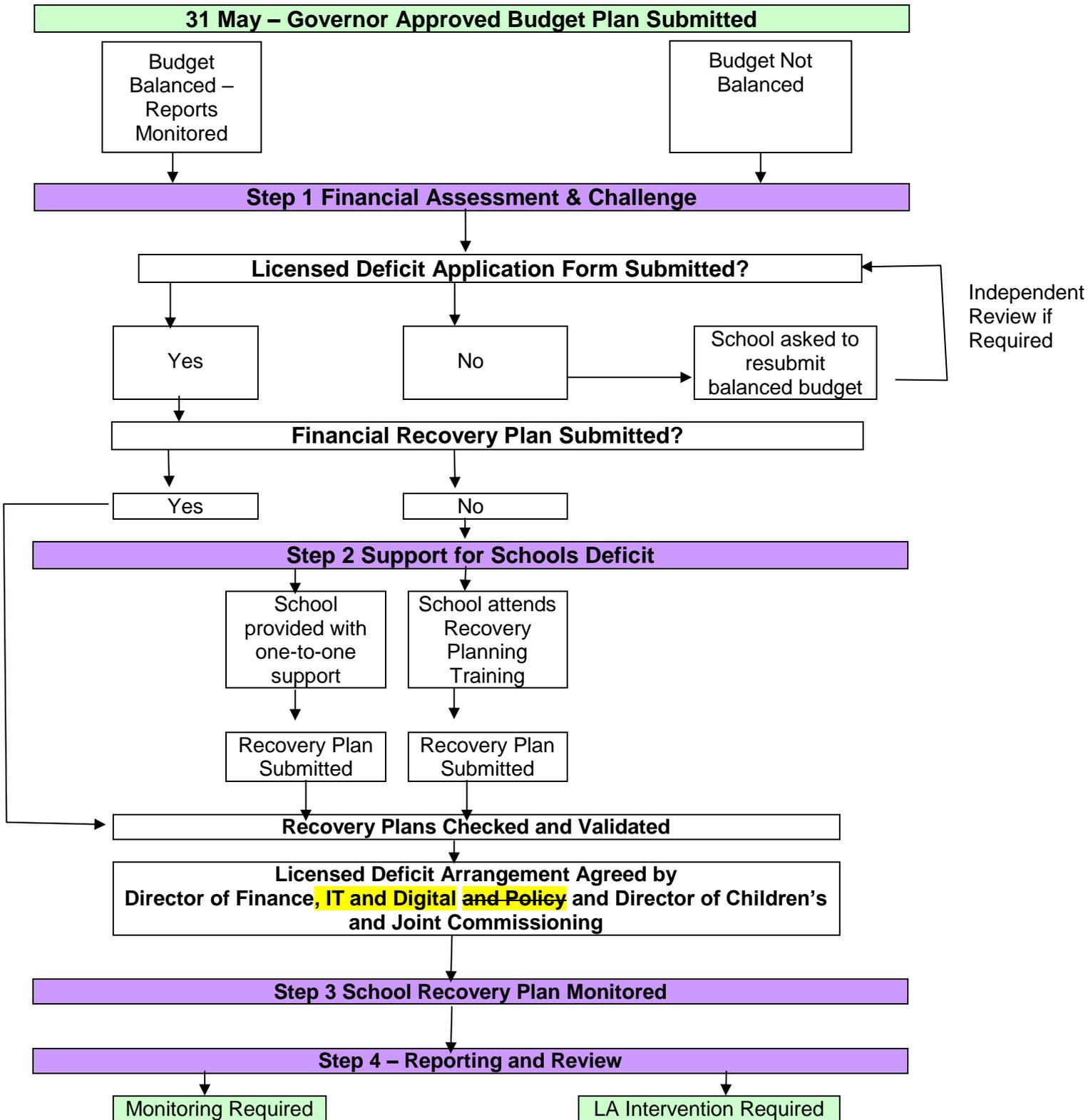
- **Support**

The following range of support is available to schools through the licensed deficit process:

- Financial information and advice on recovery planning
- Recovery planning training, and possible peer mentoring
- Advice from Human Resources and Raising Educational Achievement
- Financial management advice – strategic financial planning, financial systems and controls, multi year budget projections
- Financial Consultancy – additional support from Corporate and Schools' Finance, which may include support from a senior finance officer, (up to 2 days consultation free, additional support will incur a charge).

Deficit Schools – Challenge and Support Process

The process for challenging and supporting schools with deficit balances is defined in the diagram below:



Challenge and Support Process

Each of the steps in the diagram is explained below.

Step 1: Financial Assessment and Challenge

If a school submits a 'Governor Approved Budget Plan' that shows a deficit position they will be expected to submit an application for a licensed deficit together with a simple recovery plan which indicates how they intend to bring the schools financial position back into balance. This may be through a combination of income generation and/or a reduction in expenditure.

Schools that submit a Governor Approved Budget Plan showing a deficit position without applying for a licensed deficit will be asked to re submit a balanced budget.

Schools are required to apply for a licensed deficit on an annual basis, even where a recovery plan has been agreed previously where circumstances have changed, including an updated Governor Approved Budget Plan.

Information on how to apply for a licensed deficit and advice on setting a balanced budget and recovery planning is available to schools in Appendix 1.

Step 2: Support for Schools in Deficit

Where schools are unable to complete a recovery plan, the Local Authority will determine the appropriate type of challenge or support required by the school to enable it to complete a plan based on -

- Significance of the deficit both in year and cumulative
- Length of time the school has been in deficit
- Level of financial competency based on audit and compliance checks
- Governor involvement
- Benchmarking data
- Contextual data
- Curriculum Audit

Financial advice, information and training will be available to support schools in recovering from a deficit financial position

- Telephone support providing advice and guidance
- Recovery planning training – these sessions will be aimed at those schools who with some additional financial training and advice are able to effectively control and manage their future financial position. Schools may find that by working with colleagues in other schools where applicable, (peer mentoring), they are able to share ideas and best practice which result in reducing the financial deficit of the school.

- Consultancy Support – this support will be provided to those schools where the magnitude of the deficit makes it difficult for them to resolve the position without professional advice and some intervention by the Local Authority, (up to 2 days free).

Following the submission of a Governor Approved Budget Plan and recovery plan a number of validation checks will be completed by the Local Authority to ensure that the plans are reasonable.

This will be done by: -

- Comparing the current year's income and expenditure budgets with previous years' actuals and trends to identify any significant differences.
- Checking that the correct balances have been accounted for in the current year and all funding delegated by the Local Authority has been taken in to account.
- Ensuring actions included in the recovery plan are realistic and that by implementing them the required level of savings can be achieved.
- Reviewing all areas to ensure that are clear and achievable. Any areas that are not will be queried with the school and clarification sought.

Where the plans are deemed to be suitable then they will be accepted by the Local Authority and reviewed throughout the year.

Where the plans are not deemed to be suitable the school will be requested to review their budget and recovery plan and submit revised versions for review.

The licensed deficit application will be considered by the Authority's Director of Finance, IT and Digital and Policy and Director of Children's and Joint Commissioning. If accepted the chair of Children Services Committee will be briefed.

Written confirmation will be sent to the school and its Chair of Governors once the licensed deficit has been approved.

Step 3: School Recovery Plan Monitored

The purpose of a recovery plan is to identify the actions that can be taken to bring a school budget back to a balanced position within an agreed period of time. Schools with a licensed deficit agreement must produce a recovery plan that demonstrates they are able to achieve a balanced budget over the agreed licensed deficit period.

The plan can be a simple statement showing:

- What actions will be taken
- When the actions will happen
- How much will be saved by taking the action
- Who is responsible for the implementation of the plan
- Governor responsible for monitoring the plan

The recovery plan should also be supported by a multi-year budget showing the cumulative effects of the proposed action.

An example of a simple recovery plan is shown on the next page.

School Budget Deficit Recovery Plan**Example School**

Estimated savings to be achieved over two years £ 345,000

Year 1

Budget Deficit (£ 185,000)

Deficit Recovery Plan

| | | |
|----------------------------------------------|-------------------|-----------|
| • End 2 temporary teaching contracts 31/08 | £ 20,000 | |
| • Non replacement of teacher leaving 31/12 | £ 11,000 | |
| • Embargo on expenditure (computer Hardware) | £ 10,000 | |
| • Private Sector Sponsorship | <u>£ 60,000</u> | £ 101,000 |
| | <u>(£ 84,000)</u> | |

Year 2

Deficit Budget B/F (£ 84,000)

Planned Increases in Expenditure

| | | |
|----------------------------------------------|--|-------------------|
| • Sickness cover costs | | (£ 44,000) |
| • Necessary expenditure on resources | | (£180,000) |
| • Reduction in Yr 2 Budget (decreasing AWPU) | | (£ 37,000) |
| | | <u>(£345,000)</u> |

Deficit Recovery Plan

| | | |
|-------------------------------------------------------|-----------------|---------------|
| • Reduce teaching establishment (3 FTE) 01/04 | £ 80,000 | |
| • Reduce 2 members of SMT with post Replacement 01/04 | £ 40,000 | |
| • End temporary contracts 5.8 teachers 31/0 | £140,000 | |
| • Reduce expenditure on building improvements | £ 40,000 | |
| • Full Yr saving 2 temporary contracts from Yr1 | £ 34,000 | |
| • Reduce non teaching staff by 30 Hrs | <u>£ 15,000</u> | £349,000 |
| | | <u>£5,000</u> |

Step 4: Reporting and Review

The Local Authority will consider the financial position of schools with a licensed deficit agreement each term based on a report that will highlight the challenge and support identified for each school and their progress in moving towards a balanced position. A summary report will be provided to the Schools Forum each year.

Termly reports will be based on the governor approved returns made by schools. These returns will be reviewed to identify any significant variances from the agreed licensed deficit, where variances are identified they will be raised with the school who will be asked to provide an explanation and details of the management action they are taking.

Monitoring the School Recovery Plan

Schools with significant deficit budgets must monitor their budgets on a monthly basis, including a forecast year end outturn position; this will be checked for accuracy and reasonableness and compared with the previous financial forecasts and the school's recovery plan. This must be submitted to Corporate and Schools' Finance.

Schools will be contacted by telephone and in writing if there are any queries about the financial information or projected financial position. Where a school's financial position worsens they will be referred to Corporate and Schools' Finance and Raising Educational Achievement for more intensive support. Schools refusing to engage in the process or who are persistently in breach of the Scheme for Financing Schools will be required to attend a financial review meeting with the Local Authority to discuss their financial position.

Local Authority Intervention

Local Authority intervention will apply where:

- The school is persistently in breach of the Scheme for Financing Schools
- The school will not set a balanced budget
- The school will not engage in the licensed deficit process
- The deficit is worsening and no action is being taken by the school
- There is evidence of financial mismanagement by the school

Intervention is proposed to escalate at three levels. It is envisaged that deficit schools will engage with the Local Authority well before the need for intervention as these arrangements are the last resort, for the protection of public monies and to protect the overall resource for all schools in Hartlepool. The levels of intervention are:

- (i) Financial Review Meeting
- (ii) Notice of Concern
- (iii) Withdrawal of delegated financial powers

Level 1 - Financial Review Meeting

Schools that do not return a balanced budget or apply for a licensed deficit will be required to attend a Financial Review Meeting with the Local Authority. A similar requirement will apply to schools with a worsening deficit and also for those schools who persistently breach the Scheme for Financing Schools.

The review meeting will include Senior Officers from Corporate and Schools' Finance, Raising Educational Achievement, School Improvement Partner / Advisor, Human Resources, and the Headteacher and Chair of Governors or representative Governor.

The meeting will:

- Review the financial position of the school
- Seek an explanation from the school about the action being taken to safeguard the school's financial position
- Assess what support and challenge the school may require
- Agree an action plan
- Account for interest to be charged on the deficit to recognise the seriousness of the situation for the school.

Level 2 - Notice of Concern

A school that continues to refuse to take the necessary action will be required to attend a meeting with the Director of Children's and Joint Commissioning and the Director of Finance, IT and Digital and Policy. Following this meeting they will be given a formal notice of the action the Local Authority recommends they should take to bring the budget back in to balance including the charging of interest on the deficit. The school will be given a month to respond.

Level 3 - Withdrawal of Delegation

Where a school still refuses to take the action identified by the Local Authority the ultimate sanction will be to withdraw delegation following a meeting with the Director of Children's and Joint Commissioning and the Director of Finance, IT and Digital and Policy. Under withdrawal of delegation the Authority would take control of the budget and take the necessary action before returning control to the Governing Body. During the withdrawal school staff would be responsible to the Authority for the day-to-day financial administration in the school.

The Local Authority will report to elected members where it is felt that intervention is required.

Applying for a Licensed Deficit Agreement

A licensed deficit will only be approved in circumstances, where the school cannot balance its budget in year without a significant impact on the provision of education.

Applying for a licensed deficit gives schools access to support from experienced officers in Corporate and Schools' Finance and the Child and Adult Services Department.

It also enables them to:

- Identify and acknowledge the problem and take positive action
- Take strategic action to improve the long term financial situation of the school
- Balance their budget over an extended period of time – usually two years but in exceptional circumstances this may be extended up to three years.

To apply for a licensed deficit a school must complete a licensed deficit application form (Appendix 1) and provide a recovery plan detailing how they will balance their budget to zero over a two year period.

Completed application forms and recovery plans should be sent to Corporate and Schools' Finance.

Appendix 1

Hartlepool Borough Council

Application for Licensed Deficit

Please complete the following information:

Name of School:

Value of the Deficit for which approval is sought

£

Number of years where deficit budget is required

Reasons for the proposed deficit:

Summary of actions to be taken to eliminate deficit within two years, and named person responsible for ensuring the actions are undertaken:

Date of Governing Body Resolution Requesting the Licensed Deficit, (copy of minutes required):

Name:

Name:

Signed:

Signed:

Position: Chair of Governors

Position: Head Teacher

Date:

Date:

Please also provide the following information:

1. Amount of main School Balance Carried Forward from last 31 March i.e. main A
2. Amount of other School Balances Carried Forward last 31 March i.e. PE, Out of School etc.
3. Latest Governor Approved Budget Plan
4. Forecast Out-turn statement (if application from September onwards)
5. A three year budget forecast demonstrating the changes in income and expenditure anticipated by the school together with the financial impact of the management action to clear the deficit within two years.

1. The extent to which loans can be given to schools depends upon the aggregate level of schools' balances at the end of the previous financial year. The total amount available for loan shall not exceed 50% of the aggregate level of schools' balances held by the Authority or £400,000, whichever is the lesser.
2. Loans will be available for expenditure which is to be of benefit to schools over a period greater than one financial year. Examples of the kinds of project for which borrowing would normally be considered include:
 - improvements or major repairs to school properties;
 - "spend to save" projects, e.g. to improve energy efficiency;
 - projects to improve security in schools, or to meet health and safety requirements;
 - purchases of educational equipment.
3. Loans must only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans must not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income. If loans are made to fund a deficit, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school in individual cases.
4. A loan can only be used for the purpose for which it was granted, subject to paragraph 3.
5. A school may apply to the Director of Children's and Joint Commissioning for a loan at any time during the year, though approvals will be given each term. The application should be signed by the headteacher and chair of governors. Before the loan is actually made, it must also be approved by the governing body or a committee with appropriate delegated powers. This does not preclude an application being submitted ahead of that formal approval being obtained.
6. The minimum loan will be £1,000. The maximum loan will normally be £25,000 and will be agreed by the Director of Children's and Joint Commissioning and the Director of Finance, IT and Digital and Policy under delegated powers. Loans for more than £25,000 are likely to be approved only in exceptional circumstances and will need further approval from the Portfolio Holder.
7. No school has a right to receive a loan but all schools with delegated budgets are eligible to receive consideration. A request will be judged against the following criteria:
 - whether the loan is for eligible expenditure (see paragraph 2 above);
 - whether the school is able to meet the annual repayments: this will involve an assessment of the school's past, present and projected future budget position;

- priority will be given to those projects which contribute most to raising educational standards.
8. A school may have more than one loan but the Authority must be satisfied that the school is able to meet the total repayments.
 9. The normal repayment period for a loan will be three years but may be up to a maximum of five.
 10. Interest will be charged on loans. The interest payable will be fixed at the commencement of the loan at a rate linked to the 3 month London Inter-Bank Bid rate.
 11. Loans may be repaid at an earlier date than agreed at the outset, following agreement to revised terms by the Authority.
 12. If circumstances change (e.g. unforeseen higher costs on a building project or a significantly changed financial position at the school) it may be possible to vary the original terms of the loan, with the agreement of the Authority, though there can be no guarantee that this can be arranged.

THE AUTHORITY'S CURRENT POLICY IN RELATION TO CHARGING FOR AND REMISSION OF SCHOOL ACTIVITIES.

1. The Statement of the Council's Charging Policy

(i) Charging in kind

If the parents of pupils confirm in advance on a voluntary basis that they wish to own their children's finished products arising from pupils' participation in practical work, the actual costs of the ingredients and materials used should be met by the parents.

(ii) "Optional Extras"

These are defined as "education provided for registered pupils wholly or mainly outside school hours". The Council does not intend to fund directly "optional extras". Provided parents confirm in advance that they wish their children to take part in "optional extras", the actual costs of participation incurred by each pupil should be met by the parents. The costs can include an appropriate element for :- a pupil's travel costs; a pupil's board and lodging costs; materials, books, instruments and other equipment; non-teaching staff costs; entrance fees to, for example, museums castles and theatres; insurance costs. Where parents have agreed in advance to pay these charges, but fail to do so, action should be taken to recover the sums due as a civil debt from the parents.

(iii) Educational Visits Abroad

The Council will not fund the costs of board and lodging, transport and incidental expenses incurred by pupils participating in educational visits abroad, which take place both in term time and in school holidays. The actual charges involved should be met by the parents who should therefore be requested on a voluntary basis to confirm in advance that they wish their children to participate in the particular educational visit abroad and that they will pay the actual costs incurred.

(iv) Public Examinations

(a) Re-scrutiny of Public Examination Results

Where parents make a specific request that their children's public examination results should be re-scrutinised, any costs incurred in the re-scrutiny should be met in full by the parents.

(b) Double Entries for Prescribed Public Examinations.

Where parents insist on a double entry for a prescribed public examination in the same subject, the actual cost of the entry fee for one examination should be met by the parents.

(c) Re-sitting of Prescribed Public Examinations.

Where no further preparation has been provided for a pupil to re-sit a prescribed public examination, the actual cost of the examination entry fee must be met by the parents.

(d) Other Public Examinations

If a pupil, with parental agreement, is entered for a public examination, other than one on the prescribed list, the examination entry should be considered as an “optional extra”. The actual cost of the examination entry fee should be met by the parents in these circumstances.

(e) Recovery of Wasted Public Examination Fees

If pupils fail, “without good reason”, to complete their examination requirements for any public examination for which the governing body or the local authority has paid, or is liable to pay, examination entry fees, the actual cost of fees should be recovered from the parents concerned. Failure to complete the examination requirements might include failure to complete the necessary coursework and/or failure to sit the final examination(s).

(v) Breakages and Fines

If there is clear evidence that pupils have damaged school property (e.g. broken a window) or defaced, damaged or lost educational equipment (e.g. a textbook) belonging to the school, the parents should be requested to meet the actual replacement costs involved.

(vi) Instrumental Music and Vocal Tuition

Where instrumental music tuition, vocal tuition, and/or any other music related activity is provided parents will be asked to make a contribution towards the cost of the provision. The costs will be determined and revised by the Music Service (subject to approval by the Council) and a remission policy will be operated.

2. The Statement of the Council’s Remissions Policy

(i) Cost of Instrumental Music Tuition and Vocal Tuition

The remission in full of the cost of music or vocal tuition to pupils who participate in out-of-school music centre activities and whose parents’ main source of income is either:

- (a) income support
- (b) income-based jobseeker’s allowance
- (c) disabled person’s tax credit with prescription exemption*
- (d) working families tax credit with prescription exemption*

- * Because of the higher rates of income qualifying for Working Families Tax Credit and Disabled Person's Tax Credit compared with the benefits they replaced, the Benefits Agency has had to look at the way they operate an entitlement to free prescriptions and they now only allow the lower income families to receive exemption certification. By asking families to demonstrate that they are exempt from paying prescription charges, the Authority avoids having to adopt complicated assessment procedures or disallow all families who receive the new benefits. The simplest method of doing this is to ask parents to send in a copy of their award letter.

(ii) Board and Lodging Charges at the Authority's Residential Centre

The remission in full of the board and lodging charges to pupils who participate in residential visits at the Authority's residential centre run by the Education Authority and whose parents' main source of income is either:

- (a) income support
- (b) income-based jobseeker's allowance
- (c) disabled person's tax credit with prescription exemption*
- (d) working families tax credit with prescription exemption*

- * Because of the higher rates of income qualifying for Working Families Tax Credit and Disabled Person's Tax Credit compared with the benefits they replaced, the Benefits Agency has had to look at the way they operate an entitlement to free prescriptions and they now only allow the lower income families to receive exemption certification. By asking families to demonstrate that they are exempt from paying prescription charges, the Authority avoids having to adopt complicated assessment procedures or disallow all families who receive the new benefits. The simplest method of doing this is to ask parents to send in a copy of their award letter.

(iii) Other Costs

The Council will consider on their merit any written applications for remission of costs associated with the education of children which are submitted by their parents; however, it cannot be guaranteed that any remissions can be made.

1. **Current Procedures Schools not operating local bank account**

The Authority currently requires all invoices received to be entered onto the Integra Financial Management System unless the school is operating a local bank account (see procedure below). This system is used to record and report upon the amount of VAT incurred by the schools. This information identifies the monthly amounts of VAT reclaimable and also categorises expenditure into the different VAT classifications.

Current procedures are such that invoices need to be entered onto both the SIMS system (by the schools) and are then passed to the Local Authority to be processed in Integra.

The invoices are then passed to the Payments Section to be both released for payment and document imaged. The document imaging is the Authority's approved means of retaining a copy of the source documents required by HM Customs & Excise.

For information – all schools are currently operating local bank accounts.

2. **Current Procedures – Schools operating local bank account**

In order for the Authority to meet its statutory requirements schools operating local bank accounts must provide details of all school expenditure; this will be entered onto Integra.

In order to do this the school must produce a monthly VAT submittal report. This report identifies the amounts expended against each expenditure category and different VAT classifications, which will be included within the Authority's monthly VAT claim.

3. **Output Tax**

The Authority records its output tax in the following ways:

- debtors invoices - recorded onto the Integra Sales Invoicing System and subsequently transferred onto Integra the following day;
- other income, recorded onto analysis sheets and input directly onto Integra;
- other bank receipts e.g. BACS.

Output tax is inspected more closely than input tax by the Customs and Excise officers. The output tax is the amount of money that the Authority collects on behalf of HM Customs & Excise. It is essential that these amounts are collected and recorded correctly and promptly as this area is the one on which the majority of Interest Charges and Penalties are imposed.

4. **Specific Requirements**

In order to complete the Authority's VAT claim it is essential that the following information is provided by the 5th working day of each month:

- net and VAT amounts incurred on purchases, or charged to debtors, for the preceding month categorised by VAT type, i.e.:
 - (i) standard rated;
 - (ii) fuel rate (5%);
 - (iii) zero rated;
 - (iv) exempt;
 - (v) outside of the scope.

Additionally, it is essential that the source documentation is available for scrutiny by HM Customs and Excise inspectors on request. This documentation must be kept and be available for a period of 6 years.

5. **Income from Lettings**

The letting of facilities designed or adapted for playing any sport or taking part in physical recreation is normally standard rated.

However, the letting of such facilities may be exempt from VAT if:

- the letting is for over 24 hours;
- or, there is a series of lettings to the same person over a period of time.

Single lets of sports and physical recreation facilities for a continuous period of over 24 hours to the same person are exempt from VAT provided the person to whom they are let has exclusive control of them throughout the period.

Anyone who lets out sports or physical recreation facilities may exempt the supply from VAT if the facilities are let out for a series of sessions provided:

- the series consists of 10 or more sessions; and
- each session is for the same sport or activity; and
- each session is in the same place (although a different pitch, court or "lane", or a different number of pitches, courts or "lanes", at the same sports ground or premises is acceptable); and
- the interval between each session is at least a day and not more than 14 days (although the duration of each session can be varied). Letting for every other Saturday afternoon fulfils this condition but there is no exception for longer intervals than 14 days which arise through closure e.g. for public holidays; and

- the series is to be paid as a whole, and there is written evidence to that effect. This must include evidence that payment is to be made in full for the series whether or not the right to use the facility for any specific session is actually exercised. A formal agreement, exchange of letters, or an invoice issued in advance requiring payment for the sessions specified on the invoice would be sufficient evidence. Provision for a refund in the event of the unforeseen non-availability of the facility would not break this condition but provision for refund in other circumstances would; and
- the facilities are let out to a school, club, association or an organisation representing affiliated clubs or constituent associations (such as a local league); and
- the person to whom the facilities are let has exclusive use of them during the sessions.

The level of insurance cover currently provided by the Authority is as follows:-

1. **Property - Buildings** - The Authority provide Insurance for the risks of damage by fire, lightning, explosion, earthquake, riot, malicious persons, storm, flood, escape of water and impact, both for its own benefit, and that of governing bodies. All other losses not referred to above will become the responsibility of the school.
Basis of cover: Reinstatement
2. **Property - Contents** - The Authority provide Insurance for the risks of damage by fire, lightning, explosion, earthquake, riot, malicious persons, storm, flood, escape of water and impact, both for its own benefit, and that of governing bodies.
3. **Property - Business Interruption** - The Authority provides Insurance to cover additional expenses occurred and loss of revenue as a direct result of damage or destruction by any insured peril. The cover also extends to include denial of access, contagious or infectious diseases.
Basis of cover: Increased cost of working £5 million
4. **Employer's Liability** - The Authority provides Insurance cover for all employees in schools maintained by the Authority, including volunteers assisting in any work or project organised by the Authority. The insurance will meet the cost of any sum which the Authority or governing body may become legally liable to pay to employees or volunteers as a result of death, injury or illness arising out of or in the course of their employment.
Basis of cover: Limit £35 million
5. **Public Liability** - The Authority provides Insurance cover to meet the costs of any sums either it or the governing bodies may become legally liable to pay to any third party arising from death, injury, illness or damage to property. This would include any such sums which become payable to volunteers. It also covers similar legal liabilities which may fall either on volunteers, employers or governors arising out of their work for the Authority or governing body.
Basis of cover: Limit £35 million
6. **Officials Indemnity** - The Authority provides Insurance cover which is similar to Public Liability except that it covers legal liabilities attaching in the absence of any physical injury, loss or damage being sustained by the claimant. The cover again extends to include the governing bodies.
Basis of cover: Limit £3 million.

Whilst the Authority's liability policies described above cover liabilities arising from defective equipment it should be understood that such cover does not extend to indemnity the supplier or hirer of such equipment. Governors should regard the vetting of suppliers or hirer for suitability, including their insurance arrangements, as part of their responsibilities (Further assistance in relation to the latter insurance element can be obtained from Paul Hamilton, Insurance/Risk Manager 01429 523170).

7. **Libel & Slander** - The Authority provides Insurance for any compensation which may become payable following libel or slanders uttered in good faith. This policy extends to cover governing bodies, or any person volunteering to act for the Authority in the discharge of its duties.
Basis of cover: Limit £3 million
8. **Fidelity Guarantee** - The Authority provides Insurance to cover the loss of money or other property arising out of the deliberate and dishonest act of an employee.
Basis of cover: Limit £2 million
9. **Money** - The Authority provides Insurance to cover for the loss of money belonging to the Authority, or forming part of the delegated budget of governing bodies. Loss of money must be from a clearly identifiable incident.
Basis of cover: Situated within a locked safe or strongroom - Limit £7,500
Basis of cover: Situated within any other locked receptacle - Limit £500
10. **Personal Accident** - The Authority provides Insurance upon application for lump sum benefits for all staff killed or permanently injured by assault whilst in the course of their employment. Similar benefits are available also to volunteers whilst carrying out the activities of the Authority, but in their case benefits are also payable in respect of temporary periods of disablement.
Basis of cover: Benefits based upon Continental scale with Capital sum of £200,000.
11. **Professional Indemnity** - The Authority provides no insurance in relation to schools or governing bodies.
12. **Travel - Outings & Trips** - The Authority provides Insurance which includes a wide range of benefits for either pupils, teachers or volunteers engaged in trips or holidays within the UK or abroad. The benefits include cancellation, loss of personal items, loss of money, death or bodily injury and medical expenses. (Application forms and further information are available from the Insurance Section telephone 01429 523170).
13. **Pupil Injury & Personal Effects** - Except under the school journey policy, the Authority does not provide cover in relation to compensation to pupils for personal injuries or loss of property in the absence of any legal liability to pay compensation.
14. **Engineering** - The Authority provides Insurance to cover the periodical inspection of plant, lifts, lifting equipment and flume cupboards in relation to statutory requirements. The cover also extends to include unforeseen damage to own surrounding property from pressure plant.
Basis of cover: Own surrounding property £500,000.
15. **Computer** - The Authority provides Insurance to cover the physical loss or damage (including breakdown not covered by a maintenance agreement) of computer systems, storage and retrieval systems, data processing equipment and peripherals.
NB The cover does not extend to include Hacking or the result of Viruses.

16. **Lettings** - If the school or governing bodies make arrangements for the use or hire of the premises or equipment of the school, they must ensure prior to the letting taking place that the user/hirer has adequate and appropriate Public liability insurance cover, which includes cover for the damage to the property by the hirer. Further assistance in relation to this can be obtained from Paul Hamilton, Insurance/Risk Manager (01429 523170).

- **Excesses**

All of the above policies are generally subject to an excess of £500, However, Flood claims have a £1,000 excess and school journey travel claims has a nil excess.

- **Claims handling**

The provision of Insurance is controlled within the Finance division of the Chief Executive's department. The Insurance section is responsible for the processing of all claims to the relevant Insurer.

- **Notification of Claims**

It is a requirement of most Insurance policies that any claim is reported within 30 days, or the Insurer can at their discretion refuse the claim. To allow the Insurance section time to investigate the circumstances of each and every claim prior to submission to the Insurer, Schools are reminded that **any loss, theft or damage that gives rise to a claim must be notified to the Insurance section within 7 days.**

School Logo

Confidential Reporting Policy & Procedure

Policy

This policy has been introduced to enable employees, and other persons working for the School on School premises, together with suppliers and those providing services under a contract with the School, to confidentially voice serious concerns over malpractice and wrong doing within the School.

1. Introduction

- 1.1 Employees are sometimes the first to realise that there may be something seriously wrong within their School. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the School; or they may fear harassment, victimisation or other reprisals. In these circumstances it may be easier to ignore the concern rather than report what may be just a suspicion of malpractice.
- 1.2 The School and LA are committed to the highest possible standards of service provision and for full accountability for those services. In line with that commitment employees are encouraged to come forward and voice any serious concerns they may have about the School's work. It is recognised that certain cases will have to proceed on a confidential basis. This policy document makes it clear that any individual can do so without fear of reprisals. This policy is intended to encourage and enable an individual to raise serious concerns within the School rather than overlooking a problem or "blowing the whistle" outside.
- 1.3 The policy applies to all employees and those contractors working for the School on School premises, for example, agency staff, builders, and drivers. It also covers suppliers and those providing services under a contract with the School.
- 1.3 The Public Interest Disclosure Act 1998 protects workers who 'Blow the Whistle' about wrongdoing. It makes provision about the kind of disclosures, which may be protected; the circumstances in which the disclosures are protected; and the persons who may be protected. The provisions introduced by the Act protect most workers from being subjected to a detriment by their employer. Detriment may take a number of forms, such as denial of promotion, facilities or training opportunities which the employer would otherwise have offered. Employees may make a claim for unfair dismissal if they are dismissed for making a protected disclosure.

2. Aim and Scope

- 2.1 This policy aims to:
 - (a) provide avenues for the complainant to raise concerns and receive feedback on any action taken;
 - (b) allow the complainant to take the matter further if they are dissatisfied with the School's response to the concerns expressed; and
 - (c) reassure the complainant that they will be protected from possible reprisals or victimisation.

- 2.2 This policy does not replace the School's complaints procedure. There are also existing procedures in place relating to Disciplinary, Grievance, and Capability etc. The Confidential Reporting Policy is intended to cover concerns that fall outside the scope of these procedures e.g. malpractice or wrongdoing.
- 2.3 Thus any serious concern that the complainant may have regarding the suspicion of malpractice or wrongdoing in any aspect of the School provision, or the conduct of staff within School, or others acting on behalf of the School, can and should be reported under this policy. Employees are expected to report malpractice and wrongdoing. They may be liable to disciplinary action if they knowingly and deliberately do not disclose information relating to malpractice or wrong doing in any aspect of the School's provision or the conduct of staff or others acting on behalf of the School.

3. What is Malpractice or Wrongdoing?

3.1 Malpractice and wrongdoing may be about something which:-

- is unlawful; or
- against the School 's or LA's policies; or
- is not in accordance with established standards of practice; or
- amounts to improper conduct by an employee.

The overriding concern should be that it would be in the public interest for the malpractice to be corrected and, if appropriate, sanctions to be applied.

The following are examples of issues which could be raised under this policy. It is not intended to be an exhaustive list and there may be other matters which could be dealt with under this policy:

- any unlawful act or omission, whether criminal or a breach of civil law
- maladministration, as defined by the Local Government Ombudsman
- breach of any statutory code of practice
- breach of, or failure to, implement or comply with any policy determined by the School or LA.
- failure to comply with appropriate professional standards or other established standards of practice
- corruption or fraud
- actions which are likely to cause physical danger to any person, or give rise to a risk of significant damage to property
- failure to take reasonable steps to report and rectify any situation which is likely to give rise to a significant avoidable cost, or loss of income, to the School or would otherwise seriously prejudice the School or LA
- abuse of power, or the use of the School's powers and authority for any unauthorised or ulterior purpose
- unfair discrimination in the School's employment or provision
- dangerous procedures risking health and safety
- abuse of clients
- damage to the environment
- other unethical conduct

4. Safeguards

4.1 Harassment or Victimisation

The School and LA recognise that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice or from the School as a whole. The School will not tolerate any harassment or victimisation and will take appropriate action in order to protect an employee if they raise a concern in good faith. In addition an employee is protected by law by the Public Interest Disclosure Act, which gives employees protection from detriment and dismissal where they have made a protected disclosure, provided the legal requirements of the Act are satisfied.

This does not necessarily mean that if an employee is already the subject of disciplinary procedures that those procedures will be halted as a result of a concern being raised under this policy.

4.2 Confidentiality

It will be easier to follow up and to verify complaints if complainants are prepared to give their names. However, wherever possible the School will protect those who do not want their names to be disclosed. It must be appreciated that any investigation process may reveal the source of the information and a statement from the complainant may be required as part of the evidence.

4.3 Anonymous Allegations

Concerns expressed anonymously are much less powerful, but they will be treated with caution and considered at the discretion of the School. In exercising this discretion the factors to be taken into account would include:

- the seriousness of the issues raised;
- the credibility of the concern; and
- the likelihood of obtaining the necessary information and confirmation of the allegation.

4.4 Deliberately False or Malicious Allegations

The School will view very seriously any deliberately false or malicious allegations it receives, and will regard the making of any deliberately false or malicious allegations by any employee as a serious disciplinary offence which could result in dismissal.

If an allegation is made in good faith but it is not confirmed by the investigation, no action will be taken against the complainant.

The School will try to ensure that the negative impact of either a malicious or unfounded allegation about any employee is minimised. However, it must be acknowledged that it may not be possible to prevent all of the repercussions potentially involved.

5. How to Raise a Concern

5.1 If the complainant suspects wrongdoing in the workplace:

- **they must not** approach or accuse the individuals directly
- **they must not** try to investigate the matter themselves
- **they must not** convey their suspicions to any one other than those with the proper authority but **they must do** something

5.2 As a first step, the complainant should normally raise concerns with their immediate line manager or supervisor. However, the most appropriate person to contact will depend on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice. For example, if the complainant believes that the Head Teacher is involved in the matter of concern, or the normal channels of communication are inappropriate for some reason, they should approach the Chair of Governors. If, for some significant reason, the complainant does not feel comfortable raising the concern within the School, they should approach one of the Nominated Officers' identified on page 1 of this policy.

5.3 Concerns may be raised verbally but are better raised in writing. The complainant is invited to set out the background and history of the concern giving relevant names, dates and places where possible, and the reason why they are particularly concerned about the situation.

5.4 The earlier a concern is expressed; the easier it is to take appropriate action.

5.5 Although the complainant is not expected to prove the truth of an allegation that is made, it will be necessary for them to demonstrate to the person contacted that there are sufficient grounds for concern.

5.6 Advice and guidance on how matters of concern may be pursued can be obtained from Human Resources, Schools Team.

5.7 Alternatively, the complainant may wish to seek advice from their trade union or professional association.

6. How the School will Respond

- 6.1 The action taken by the School will depend on the nature of the concern. Where appropriate, the matters raised may:
- be investigated by management, internal audit, or through the disciplinary process
 - be referred to the Police
 - be referred to the external Auditor
 - need to be the subject of a referral to the Teaching Agency
 - need to be the subject of a referral to the Independent Safeguarding Authority
 - form the subject of an independent enquiry
- 6.2 In order to protect individuals and the School, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. Concerns or allegations which fall within the scope of specific procedures (for example child protection or capability issues) will normally be referred for consideration under those procedures.
- 6.3 Some concerns may be resolved by agreed action without the need for investigation.
- 6.4 Within 10 working days of a concern being raised under this procedure the Officer considering the issues will write to the complainant:
- (a) acknowledging that the concern has been received;
 - (b) indicating how it is proposed to deal with the matter;
 - (c) giving an estimate (so far as reasonably practicable) as to how long it will take to provide a final response;
 - (d) informing them whether any initial enquiries have been made; and
 - (e) informing them whether further investigations will take place and if not, why not
- 6.5 The amount of contact between the complainant and the Officer considering the issues will depend on the nature of the matters raised; the potential difficulties involved and the clarity of information provided. If necessary, further information will be sought from the complainant.
- 6.6 Where any meeting is arranged, the complainant has the right, if they so wish, to be accompanied by a trade union or professional association representative or a colleague who is not involved in the area of work to which the concern relates.
- 6.7 The School will take appropriate steps to minimise any difficulties the complainant may experience as a result of raising a concern. For example, if they are required to give evidence in criminal or disciplinary proceedings the School will advise them about the procedure.
- 6.8 The School accepts that the complainant needs to be assured that the matter has been properly addressed. Therefore, subject to any legal restraints, the complainant will receive as much information as possible about the outcomes of any investigation.

7. How can the matter be taken further?

7.1 This policy is intended to provide employees and other persons with an avenue to raise concerns within the School and it is hoped that they will take this option in the first instance. The School hopes they will be satisfied but if not, and the complainant feels it is right to take the matter outside the School, then depending upon the nature of the issue involved, the following are possible contact points:

- (i) the District Auditor
- (ii) relevant professional bodies or regulatory organisations
- (iii) the Police
- (iv) the Local Government Ombudsman
- (v) the Teaching Agency
- (vi) the Independent Safeguarding Authority
- (vii) the local Citizen Advice Bureau
- (viii) an independent legal adviser within the meaning of the Public Interest Disclosure Act 1998
- (ix) a regulatory body designated for the purposes of the Public Interest Disclosure Act

7.2 If the complainant does wish to take the matter outside the School, they must first ensure that they do not disclose confidential information. In addition, if the complainant wishes to secure the protections afforded by the Public Interest Disclosure Act, they must ensure that their disclosure is protected within the meaning of the Act and that it complies with a set of specific conditions which vary according to whom the disclosure is made.

7.3 If necessary the complainant may wish to seek advice from Human Resources, Schools Advisory Team or their Trade Union or Professional Association.

7.4 In the case of an issue where an individual does not feel comfortable raising concerns within School, officers have been nominated for the purpose of dealing with concerns raised under this policy.

The Nominated Officers are currently as follows:
Director of Children's and Joint Commissioning
Assistant Director of Child & Adult Services

8. Responsibility for the Policy

8.1 The responsibility for the effectiveness and efficiency of this policy rests with the Governing Body. The Governing Body will be advised about and maintain records of concerns raised and the outcomes (but in a form which does not endanger the complainants confidentiality) and will report if necessary to the Local Authority.

The following sections summarise the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central Schools Budget or the local authority's non-schools budget.

Section 37 of the 2002 Education Act says:

- (4) costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met.
- (5) costs incurred by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.
- (6) The fact that the authority have a policy precluding dismissal of their employees by reason of redundancy is not to be regarded as a good reason for the purposes of subsection (5); and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c. 18).

The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

Charge of dismissal/resignation costs to delegated school budget:

- If a school has decided to offer more generous terms than the authority's policy, then it would be reasonable to charge the excess to the school,
- If a school is otherwise acting outside the local authority's policy,
- Where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit,
- Where staffing reductions arise from a deficit caused by factors within the school's control,
- Where the school has excess surplus balances and no agreed plan to use these,
- Where a school has refused to engage with the local authority's redeployment policy.

Charge of premature retirement costs to local authority non-schools budget:

- Where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards,
- Where a school is closing, does not have sufficient balances to cover the costs and where the central Schools Budget does not have capacity to absorb the deficit,
- Where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale,
- Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of local authority or government intervention to improve standards.

Central Budget within the Schools Budget

The LA can retain a central budget within the schools budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the schools forum agree.

Hartlepool Borough Council Arrangements

The DfE Guidance details above circumstances where it might be appropriate for redundancy costs to be met by a school. This list is illustrative only. For the avoidance of doubt, any potential redundancy costs to be met by LA must be expressly agreed by the Director of Children's and Joint Commissioning and the Director of Finance, IT and Digital and Policy before the commencement of the retirement/ redundancy process.

Premature Retirement Costs and Redundancy Costs for Community Facilities Staff

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.
- (8) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.



The IFRS16 Maintained Schools Finance Lease Class Consent 2024

The general consent

1. The Education Act 2002 (“the Act”) provides for each maintained school to have a governing body which is a body corporate constituted in accordance with statute. Schedule 1 to the Act¹ contains general provisions relating to the governing body as a body corporate.
2. Paragraph 3 of that Schedule sets out the governing body’s powers, including in particular power to borrow such sums as the governing body think fit and, in connection with such borrowing, to grant security over any land or other property of the governing body (sub-paragraph (3)(a)). That power to borrow money and grant security may, however, only be exercised with the written consent of the Secretary of State in relation to England (sub-paragraph (4))². Such consent may be given for borrowing of a particular class.
3. The Secretary of State for Education hereby grants consent for borrowing comprised in a lease entered into by or for one or more maintained schools where the lease is of a description specified in the Schedule to this general consent.
4. This general consent comes into force on 1 April 2024 and may be cited as “The IFRS16 Maintained Schools Finance Lease Class Consent 2024”.

Signed on behalf of the Secretary of State for Education

Signed 
Deputy Director, Central Capital Unit

Dated 26/03/2024

¹ brought into effect by section 19(6) of the Act

² unless the Secretary of State makes provision (under sub-paragraph (5)) by order for that function to be instead exercised by the maintaining local authority: no such order is in force

Schedule

1. All existing leases in place on 1 April 2024 for items included in this list
2. Leases related to IT equipment (for example laptops, tablets, desktop computers, printers, photocopiers, servers, door entry security systems, CCTV Systems, whiteboards and touch screen boards)
3. Leases related to telephony (for example mobile phones, landline phones and telephone systems)
4. Leases related to catering and cleaning equipment (for example tills, water coolers, vending machines, dishwashers, washing machines, ovens, fridges, freezers, water boilers, small kitchen appliances, crockery and cutlery)
5. Leases related to furniture (for example desks, tables and chairs)
6. Leases related to bathroom and sanitary items (for example hand dryers, towel dispensers, sanitary bins)
7. Leases related to gym equipment (for example treadmills, free weights and weight machines, rowing machines and exercise bikes)
8. Leases related to groundskeeping equipment (for example lawn mowers, string trimmers, leaf blowers and salt spreaders)
9. Leases related to LED lighting system (for example lightbulbs, control mechanisms and control panels) - consent is granted where the product has been sourced with support from the Department for Education through [Get help buying for schools](#) or from a recommended route on our [Find a framework](#) website
10. Leases related to minibuses and other vehicles for the use of the school
11. Leases related to temporary classrooms and equivalent structures (but not land leases they sit on, which may require separate consent – see [school land transactions guidance](#))

Report to Hartlepool Schools' Forum 27 June 2024
From Rachel Clark, Head of Human Resources

Agenda Item 4 - Trade Union Facility Time (Update)

1. Purpose of Report

- 1.1 The purpose of the report is to update Schools' Forum on the activity and spending for trade union facility time under the Service Level Agreement (SLA) arrangement.

2. Background

- 2.1 Trade union representatives, and members of an independent trade union which is recognised by the employer, have a statutory right to time off when taking part in trade union activities.
- 2.2 The benefits of funding trade union facility time and utilising representatives across all schools in Hartlepool has been established and accepted by the Schools' Forum. In June 2019, Schools' Forum agreed to fund the sharing of non-teaching trade union facility time and contribute to the local authority costs on an annual basis.
- 2.3 With effect from budget year 2022/23, Schools' Forum agreed to cease the funding of de-delegated services and move instead to buyback / SLA arrangements. This agreement included the Trade Union Facility Time service.
- 2.4 In 2019/20 the funding was reduced from £2.45 per pupil to £1.25 per pupil for all primary and secondary schools including academies, bringing it well below the mean average spend per pupil across the North East Local Authorities.
- 2.5 It has been agreed that the current price per pupil will remain at £1.25 for the 2024/25 financial year (1st April) under the SLA arrangement.
- 2.6 Trade Unions have agreed a recording mechanism for time spent in schools which has been formalised following a review with Joint Trade Unions of the Trade Union Recognition and Facility Time Agreement.

3. LA managed Trade Union Facility Time Update

- 3.1 In 2023/24 and to date for 2024/25, there has been no facility time request made on the budget.
- 3.2 The reserve balance relating to Trade Union Facility Time had an opening balance of **£31,604** at 1 April 2023. Schools' Forum agreed to fund the Hartlepool school's contribution to the Dedicated Education Officer (DEO) post in 2023/24 from the reserve balance. After funding the DEO for 2023/24, there was a closing reserve balance of **£13,808** at 31 March 2024.

- 3.3 At their meeting on 18 November 2022, Schools' Forum agreed that future funding of the DEO role be approved automatically so long as sufficient reserves remain as a result of underspending against the Trade Union Facility Time service.
- 3.4 Underspending against the Trade Union Facility Time service is expected to continue in 2024/25, leaving sufficient funding in the reserve. In line with this agreement, the Hartlepool schools contribution to the DEO post in 2024/25 will be funded from the reserve. Contributions from both the early years and further education sector will continue to be charged in 2024/25.

4. Recommendation

Schools' Forum are asked to note the contents of the report, including the assumption that the reserve balance will continue to be utilised for the DEO post.

Report to Hartlepool Schools' Forum 27 June 2024
From Fiona Stobbs (Senior Advisor Inclusive Learning & SEND)

Item 5: In-year School Admissions Support

1. Introduction

- 1.1 The purpose of the report is to present a proposal for the creation of a new role to support a reduction in mid-year transfers across Hartlepool.

2. Background

- 2.1 The Local Authority co-ordinates in-year school admissions for all Hartlepool schools in accordance with the School Admissions Code (2021). Requests for in year admissions have been increasing year on year. Detailed below are the number of applications received and processed to schools for 2021/22, 2022/23 academic years and up to 31 May 2024.

| | 2021/22 | 2022/23 | 2023/24 (as @ 31/05/24) |
|----------------------------------------------|------------|------------|-------------------------|
| Total | 671 | 756 | 871 |
| Hartlepool to Hartlepool | 293 | 305 | 320 |
| Moved into Area | 360 | 434 | 551 |
| of which, Out of Area (UK) | 282 | 274 | 358 |
| of which, Out of Area (Overseas) | 78 | 160 | 193 |
| Home Education transferring back into school | 18 | 17 | 44 |

- 2.2 Reasons for in-year school admissions are recorded. Whilst a number of reasons given for transfers are recorded as 'move of address', 'distance' and 'arranged by SEN team', of the 320 Hartlepool to Hartlepool transfers, 151 of these were due to 'parental request' and a further 76 due to 'waiting list' spaces becoming available.
- 2.3 Over the past 10 years the reasons for movement between Hartlepool schools has been investigated at length and the main reasons being:
- a) Housing moves: parents of primary students needing to move for accessibility to local schools
 - b) Families' avoidance of services involvement
 - c) Relationship breakdown between home and school
 - d) Waiting lists

The need for an independent voice to discuss and avoid moves is essential at a time when such a high level of movement into the town is affecting all schools.

3. Additional background data

- 3.1 Of the children currently accessing Horizon, 24 have been to more than 1 primary school, 16 children have been to more than 1 secondary school and 7 children have been to more than 1 primary and secondary school.

- 3.2 The Hartlepool Inclusion Partnership (HIP) is set up to discuss children who are either at risk of permanent exclusion, and/or children with complex SEMH difficulties. Of the 10 primary school children referred to the HIP in 2023/24, 6 have been to more than 1 primary school. Of the 48 secondary school children referred to HIP, 30 have been to more than 1 secondary school
- 3.3 The above information indicates that a high number of children with complex difficulties are transferring schools around the town.

3. In-year admissions proposal

- 3.1 Schools' Forum will recall that there is an allocation of money which has been set aside to support children with Social, Emotional and Mental Health difficulties ('The SEMH Pot').
- 3.2 The proposal creates 2 Family and Young Person Engagement Officers on a 18 month fixed term contract.
- 3.3 The role of the Family and Young Person Engagement Officers would be to:
- Engage with families that are referred by the School Admissions and Attendance Team who are indicating that they are wishing to move schools outside of the main rounds of entry.
 - Form meaningful relationships with young people to discuss their situation, feelings and aspirations and define a way forward for them with regard to their future education and support they may need to be successful.
 - Work with all schools to identify a "student maintenance" plan so that the parents and the young person stays in their chosen education establishment.
 - Hold regular updates with the family of the young person to discuss progress and any issues/needs and take remedial steps/ action where necessary.
 - Support with the transition information sharing process in the event that a mid-year transfer is deemed appropriate.
- 3.4 The cost of the 2 roles at Band 9 would be £115,446.

4. Recommendations

- 4.1 Forum is asked to review the proposal set out above and approve the allocation of funding.

Please note: All Forum Members are eligible to vote on this recommendation.

Report to Hartlepool Schools' Forum 27 June 2024
From Amanda Whitehead (Assistant Director - Education)

Agenda Item 6 – Dedicated Schools Grant Final Outturn 2023/24

1 Introduction

- 1.1 The purpose of the report is to update Schools' Forum on the outturn position for the Dedicated Schools Grant (DSG) budgets for the financial year 2023/24.

2 Background

- 2.1 In accordance with the Education and Skills Funding Agency (ESFA) 'Schools Revenue Funding 2023/24 Guide', the local authority is required to report the Dedicated Schools Grant financial outturn at the end of the financial year.
- 2.2 DSG funding is received across 4 blocks – Early Years, High Needs, Central School Services Block and Schools Block (including Growth Fund).
- 2.3 As anticipated, the authority is reporting a DSG deficit for the first time in the 2023/24 accounts.

3 DSG Financial Position for 2023/24

- 3.1 The table below summarises the DSG actual spend against budget. There was an overall overspend across DSG budgets of £2.218m.

| DSG Block | 2023/24 Funding £m | 2023/24 Block Tfrs £m | 2023/24 Budget £m | 2023/24 Actual £m | 2023/24 Variance +over / (-) under |
|-------------------------|-----------------------|--------------------------|----------------------|----------------------|------------------------------------------|
| Early Years | 6.455 | | 6.455 | 6.305 | (0.150) |
| High Needs | 15.249 | | 15.249 | 17.597 | 2.348 |
| Central School Services | 0.711 | (0.139) | 0.572 | 0.579 | 0.007 |
| Schools, incl Growth | 20.403 | 0.139 | 20.542 | 20.555 | 0.013 |
| TOTAL DSG | 42.818 | 0.000 | 42.818 | 45.036 | 2.218 |

- 3.2 Opening DSG reserves were £0.629m. After releasing these reserves against the overspend of £2.218m in the table above, this resulted in a DSG deficit of £1.589m as at 31 March 2024. This deficit as per accounting regulations is held by the local authority as an unusable reserve.

4 Early Years Block

- 4.1 The overall underspend of £0.150m against the early years block is outlined in the following table.

| Description | Budget £m | Actual £m | Variance £m |
|------------------------|--------------|----------------|----------------|
| 2YO Provision | 1.370 | 1.449 | 0.079 |
| 3-4YO Provision | 4.941 | 4.819 | (0.122) |
| Pupil Premium | 0.158 | 0.139 | (0.019) |
| SEN Inclusion Fund | 0.031 | 0.016 | (0.015) |
| Disability Access Fund | 0.053 | 0.033 | (0.020) |
| Centrally Retained | 0.262 | 0.262 | - |
| Block Funding | (6.815) | (6.868) | (0.053) |
| TOTAL | 0.000 | (0.150) | (0.150) |

- 4.2 The overspend of £0.079m against 2 year old provision is significantly less than historic financial shortfalls usually in the region of £0.150m.
- 4.3 The underspend of £0.122m against 3 to 4 year old provision reflects lower attendance during the year compared to census point funding.
- 4.4 The regulations state that local authorities must pass through at least 95% of 3-4 year old funding to providers. The actual pass through rate in 2023/24 was below the minimum requirement at 92.4%. This is directly linked to the lower attendance compared to census points. Although the lower pass through rate is of concern, clawback of funding by DfE has not been actioned to date since the start of the block.
- 4.5 The £0.053m underspend against Block Funding reflects our estimate of further grant owed relating to 2023/24 which will be received in 2024/25 once the January 2024 census is reconciled by DfE. We accrue for this amount in the 2023/24 accounts.

5 High Needs Block

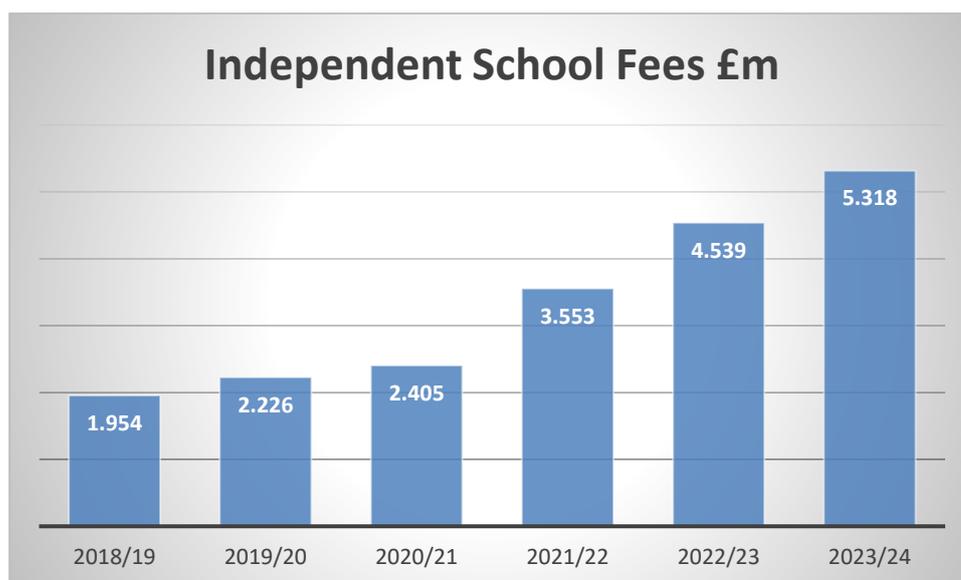
- 5.1 The High Needs Block overspent by £2.348m in 2023/24. Schools' Forum will recall that the High Needs Block budget for 2023/24 exceeded the grant available by £2.147m. The final position is outlined in the following table.

| Description | Budget £m | Actual £m | Variance £m |
|-----------------------------------------------------|---------------|---------------|----------------|
| Place Funding | 4.135 | 4.037 | (0.098) |
| Independent School Fees | 5.016 | 5.318 | 0.302 |
| Out of Area Placements | 0.587 | 0.530 | (0.057) |
| Top-ups and Support (IPS, special schools and ARPs) | 8.142 | 8.352 | 0.211 |
| Horizon School and AP | 0.932 | 1.028 | 0.094 |
| Post-16 Support | 1.291 | 1.141 | (0.151) |
| Support Services | 0.705 | 0.605 | (0.100) |
| Approved budget shortfall | | | 2.147 |
| TOTAL | 20.808 | 21.011 | 2.348 |

- 5.2 Total Place Funding (academies and maintained) was £0.098m below budget. New and extended ARPs at St Helen's Primary School and High Tunstall College of Science were paid on the basis of cost as opposed to place funding and top-up

whilst they become established. These payments are costed against the Top-ups and Support budget line as opposed to place funding.

- 5.3 The final outturn for Independent School Fees resulted in an overspend of £0.302m. This was an improvement of £0.081m from the projected spend reported to Forum for quarter 3. The reduction arose from a year-end review of historic prior year accruals where settings had not billed the Council as expected. Records show several unbilled periods of provision dating back a number of financial years. Where invoicing was assessed as extremely unlikely, amounts were not re-accrued, hence a saving in 2023/24. The annual trend of expenditure is shown in the graph below.



- 5.4 The final outturn for Out of Area Placements returned an underspend of £0.057m. This was an improvement of £0.066m from the projected spend reported to Forum for quarter 3. A similar year-end review was completed as for Independent School Fees – outlined at paragraph 5.3.

- 5.5 The £0.211m overspending against Top-ups and Support relates primarily to agreements on Individual Pupil Support (IPS) funding exceeding available funding. Agreements exceeded funding by £0.591m. This is directly linked to the growth in group arrangements. Although the growth in group funding has resulted in overspending, alternative approaches would have been more costly. This cost comparison is a key element for approval of group funding arrangements.

Savings against expected top-ups for pupils placed in ARPs has significantly offset the overspend on IPS, resulting in an overall overspend of £0.211m on this budget line.

- 5.6 The cost of delivering education for permanently excluded pupils is covered in a separate report on this same agenda. The £0.094m overspend is outlined in detail in the separate report.
- 5.7 Significant increases to the budget to support Post-16 pupils with SEND who remain in education were agreed in 2023/24. The final outturn returned an underspend of £0.151m against the revised budget.
- 5.8 Support Services were £0.100m underspent in 2023/24. Charges to the High Needs Block for the new Early Year's Portage Offer did not commence until later in the

financial year as staff were appointed. This underspend position will not continue into 2024/25.

6 Central School Services Block (CSSB)

- 6.1 There was an overall overspend of £0.007m against the block. This includes the continuing financial pressure of £0.008m relating to the pension costs for historic redundancies at Brierton School.

7 Schools Block

- 7.1 The overspend of £0.013m is primarily linked to the growth disbursement for 2023/24 being slightly higher than the growth funding in-year.
- 7.2 2023/24 was the final year of growth disbursement for the PAN increase at two Hartlepool secondary schools.

8 DSG Reserves

- 8.1 As outlined at paragraph 3.1, the authority now has a DSG deficit of £1.589m.
- 8.2 Where a deficit DSG reserve exists, the local authority will be required to submit a recovery plan. Department for Education have already contacted council officers to request a copy of the recovery plan and a follow up meeting.

9 Recommendations

- 9.1 Forum is recommended to note the contents of this report.

Report to Hartlepool Schools' Forum 27 June 2024
From Danielle Swainston (Assistant Director – Joint Commissioning)

Item 7: Seeking Support Cluster arrangements – Terms of Reference

1. Introduction

- 1.1 The purpose of the report is to seek approval for the seeking support cluster arrangements terms of reference.

2. Background

- 2.1 Discussion took place at the Schools Forum meeting of 7 March 2024 in relation to the cluster arrangements and it was agreed that terms of reference needed to be established to ensure everyone understands the scope/limitations of the new arrangements.
- 2.2 It was agreed that this would be discussed at the next High Needs Block Review meeting. Subsequently, this was discussed at the HNB meeting and amendments were made to a draft terms of reference.
- 2.3 The Terms of reference are attached as Appendix One with the following associated paperwork:
Appendix A – Support request form
Appendix B – Seeking support checklist
Appendix C – Request for funding criteria

3. Recommendations

- 3.1 Forum to agree terms of reference for the seeking support cluster arrangements (as attached)
- 3.2 To agree to review the terms of reference in December 2024.

Seeking Support – Terms of Reference

April 2024

Cluster seeking support meeting

Membership: SENDCO from each school

Chair: Agreed by each cluster – could be one chair for period of time or rotating chair

Purpose of the meeting:

- SENDCOs to share strategies/ SEND processes/ SEND developments that are working well
- Identify development work that can take place outside of the seeking support meeting e.g new SENDCOs being supported/ visiting settings to observe best practice
- Share expertise
- Identify any cluster workforce development/ training
- SENDCOs to request support for individual children or groups of children or generally about curriculum/ environment and meetings needs of SEND areas of need
 - Peer to peer support
 - Sharing of strategies
 - Sharing of processes/paperwork etc...
- SENDCOs to review any requests for funding (individual children only) and collectively make decision whether to recommend the funding allocation at the townwide seeking support meeting (See Annex C)
- SENDCOs to have opportunity to share information about cases when they are thinking of submitting a request for an EHC needs assessment to offer peer to peer discussions to enable to sharing of best practice

Meetings will take place: Half termly

Appeal: If a school is not happy with the decision made by the cluster they can refer this to the townwide seeking support meeting for a review of the decision.

Townwide Seeking Support meeting

Membership: SENDCO rep from each cluster, Head of SEND Development, Senior Advisor Inclusive Learning & SEND, Finance officer

Chair: Head of SEND Development/ Senior Advisor Inclusive Learning & SEND

Purpose of the meeting:

7 Appendix 1

- For the group to review 1-1 funding requests that have been referred from the cluster seeking support groups and make decisions whether funding should be allocated as per recommendation
- For the group to review group funding requests and make decisions on whether group funding should be allocated (see Annex C)
- To review allocations to each cluster to inform High Needs Block review
- To identify any themes that are being presented from the clusters and decide if townwide action is needed e.g training/ clarification of processes etc..

Meetings will take place: Half termly

Appeal: No appeal will be available until the recommendations made by the townwide seeking support have been implemented. Once the recommendations have been implemented a school can re-present the request if there is still a need that is not being met.

Discretion of Head of SEND Development

There will be occasions when the Head of SEND Development needs to make a decision in relation to allocation of funding without presenting to the townwide seeking support meeting e.g allocation of emergency funding for a child that has moved into area. These decisions will be made by Head of SEND Development but will be shared and minuted at the next available town-wide seeking support group



Request for Additional Support- April 2024 Onwards

This pro forma should be completed by schools who wish to make a case to the town wide cluster group/Local Authority for children with SEND. This may include:

- peer to peer support
- outreach advice and guidance
- training opportunities
- staff development opportunities
- sharing best practice
- cluster based high needs funding at an individual or group level, this will be according to identified SEND needs.

If funding support is put in place this will be subject to regular review and moderation.

Once completed please return your application form to sen@hartlepool.gov.uk.

All applications will be considered by a panel made of partners, which will include representatives from school clusters and Local Authority staff. The panel may come back to you for clarification on the needs of the children and young people identified in your application, the graduated response followed prior to the request, the staffing levels highlighted for support or the amount of funding requested, to allow us to respond to you as quickly as possible, please provide as much detail as possible.

You will be notified in writing of the panel's decision within 21 days of receipt of the application. Following the panel's decision any appeals can be made in writing to Louise Allen, CETL, Brierton Lane, Hartlepool TS25 4BY, (01429) 523209.

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| School | |
| Completed By | |
| <p>I can confirm that parental consent has been obtained by all parents included in the request.</p> <p><i>Please note- Schools must hold a copy of parental consents and may be asked to provide this if requested.</i></p> | |
| Signature of Headteacher | |
| Date completed | |

1. Information about the school

| |
|-------------------------------------------------------------------------------------------------------------------------|
| Context <i>(Number of pupils on roll, particular challenges faced, number of classes/staff)</i> |
| |
| SEN Information |
| <i>(Number of pupils in need of support, percentage of the cohort, number of pupils at different stages of the CoP)</i> |
| |

2 Needs of Children/ Support Requested

| |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) Give details of the children the support is for by providing a brief pen portrait of each child summarising their needs - This must include names and date of birth's of children |
| |
| b) Tell us about what support has already been implemented (graduated response) and the impact of this. |
| |

c) Following the implementation of your graduated response, please set out what further support your school is seeking for the children identified in 2a

*If you have implemented **your graduated response** and feel you need financial support to implement further interventions please complete the following:*

2. Delegated SEN funding

What is the school's notional SEN budget? – As set out in your budget pack/ budget proforma

£

How do you allocate this funding?

How many children currently receive individual pupil support funding and what is the total amount of funding provided by the LA?

Do you currently receive any group funding/ exceptional funding? What is the total amount of funding provided by the LA and what is this funding for?

If you are applying for group funding, would this reduce any of the above costings relating to individual pupil support? If so please outline any savings

Is your request for high needs funding, if so please provide relevant information

YES/NO

Amount of funding requested?

How would the funding be used in schools to meet the support needs of identified children or young people/group model? Please include staffing ratios/specific interventions on any other relevant information.

If the funding requested is to build capacity in relation to staffing, how long is the funding requested for?



Seeking Support Checklist

April 2024 onwards

| | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------|------------------------------|-----------------------------|
| Personal details (all fields MUST be completed) | | | |
| Child or young person's name: | | | |
| Current school/setting: | | | |
| Date of Birth: | | Age: | NC Year: |
| Address: | | | |
| Name(s) of parents/carers: | | | |
| Address if different from above: | | | |
| Is this a protected address? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | |
| Tel: | | | |
| Email: | | | |
| Is the child or young person looked after? | | Yes <input type="checkbox"/> | No <input type="checkbox"/> |
| The following essential evidence MUST be included with the request. This may be presented in different ways. | | | |
| 1) Educational advice from the nursery/school/college setting out: | | | |
| a) The C/YP's aspirations and views; | | | |
| b) The parents/carers aspirations and views; | | | |
| c) The nature, extent and context of the C/YP's SEN | | | |
| d) Evidence of the C/YP's development/attainment and progress over time | | | |
| e) The relevant and purposeful action, including intervention and support already provided by the setting to meet and overcome the difficulties; and | | | |
| 2) Evidence of the assess, plan, do, review cycles and copies of at least two reviewed Coordinated Support Plans. | | | |
| 3) Advice from external specialists, where involved: evidence of the extent to which this has been followed and with what effect. This should be evidenced on the Coordinated Support Plan. | | | |
| 4) An up to date support timetable | | | |
| 5) Examples/Copies of independent work | | | |
| 6) Highlighted Range Descriptor sheet | | | |
| 7) The C/YP's primary special educational need | | | |
| 8) Signed consent from CYP and/or parent (the form should state that this has been sought, however the setting must hold evidence of this and should be presented on request. Referrals will be shared amongst the panel and it is the responsibility of the setting to confirm the consent has been obtained. The signatures below will be taken as confirmation from the setting. | | | |
| Signed (referrer) | | Dated | |
| Name of referrer | | Role of referrer | |
| Signed: Head Teacher | | Dated | |
| Full name of Head Teacher | | | |

| Primary Need | |
|--------------------------------------------------|----------------------------------------|
| | |
| 1. Communication and Interaction | Range: <input type="checkbox"/> |
| Autism Spectrum | |
| Speech and Language Delay | |
| Speech and Language Disorder | |
| | |
| 2. Social, Emotional and/or Mental Health | Range: |
| Emotional Difficulty | |
| Social Difficulty | |
| Underlying mental health difficulties | |
| | |
| 3. Sensory and/or Physical | Range: |
| Hearing Impaired | |
| Visually Impaired | |
| MSI | |
| Physical Disability | |
| | |
| 4. Cognition and Learning | Range: |
| Specific Learning Difficulty | |
| Moderate Learning Difficulty | |
| Severe Learning Difficulty | |
| | |

Requests for individual funding:

- Request for support goes to cluster
- If cluster make recommendation for funding
- Funding request is forwarded from the school making the request to the SEND Team inbox at least 1 week prior to panel meeting
- Panel meets- cluster rep presents the case on behalf of the requesting school and gives update on the discussion that has taken place within the cluster/ rationale for recommendation
- Panel makes final decision
- Cluster rep may feedback to their own cluster on discussions regarding their requests
- Louise Allen/ Fiona Stobbs will notify school of outcome in writing within 21 days

Criteria:

- Schools need to use the banding and ranges document to determine level of funding they are requesting
- Checklist should be used to support request with evidence of need
- Children must be identified at SEND Support and we would expect evidence of an assess, plan, do, review cycle as part of the graduated response (their maybe exceptional cases whereby we consider requests outside of this remit, this should be discussed with Louise Allen/ Fiona Stobbs prior to these requests being made)
- EHCP funding will be done through the annual review process and/ or discussion directly with the SEND Officer

Group funding requests:

- School making request contacts Louise Allen/ Fiona Stobbs to notify plans to make a request
- Louise Allen/ Fiona Stobbs meet with school to discuss request
- School make request to SEND Team inbox
- Louise Allen/ Fiona Stobbs make decision on request to fund
- Louise Allen/ Fiona Stobbs share request and decision with panel and talk panel through the decision making process.
- Cluster rep may feedback to their own cluster on discussions regarding their requests
- Louise Allen/ Fiona Stobbs notify school of outcome in writing within 21 days of panel and offer a follow up discussion at school request following receipt of letter

(this is the process until April 2025 and then it will be reviewed)

Criteria:

- Group requests are for cohorts of children which may be of a similar age, level of need, learning etc
- Schools must be explicit in demonstrating the use of school based funding (e.g. notional SEN) as their contribution to the support requested
- Children must be identified at SEND Support and we would expect evidence of an assess, plan, do, review cycle as part of the graduated response (their maybe exceptional cases whereby we consider requests outside of this remit, this should be discussed with Louise Allen/ Fiona Stobbs prior to these requests being made)
- School will need to demonstrate how the additional funding brought by the high needs block will be funded by school in the longer term as need moves from exceptional to predictable.
- Names and DOB's of children must be provided against the group funding request (initials can be provided on the form, however full names and DOB will need to be sent to the SEND team on confirmation of funding being agreed) School will need update SEND team if there are movements throughout the year between children accessing the group funding e.g a child moves out of a nurture group and another child moves in

- If request is for funding to be renewed, school must demonstrate the impact that the high needs block funding has had and future intended impact
- Request needs to clearly identify what the funding request is to be used for and the intended outcomes of the support

Report to Hartlepool Schools' Forum 27 June 2024
From Amanda Whitehead (Assistant Director - Education)

Item 8: The Horizon School and Alternative Provision 2023/24 Final Outturn

1. Introduction

- 1.1 The purpose of the report is to provide an update to Forum on the final 2023/24 outturn for the Horizon School and Alternative Provision (AP) services.
- 1.2 The school and AP services are managed as a combined budget and are the responsibility of the Executive Head Teacher who is accountable to the Management Committee.

2. Background

- 2.1 The Horizon School and AP Services are funded from the High Needs Block with a budget of £0.854m. The school utilised £0.019m of reserves brought forward, giving a total budget of £0.873m in 2023/24. The funding is based on 28 commissioned places for Horizon School and 12 commissioned places for Haven.
- 2.2 Actual pupil numbers managed by the service during 2023/24 are significantly greater than the number of commissioned places. Earlier reports to Schools' Forum have highlighted the concerning trend of increased permanent exclusions and the associated impact on cost.
- 2.3 Schools' Forum approved additional funding of £0.250m in 2024/25 as a short-term solution to address rising costs. An overspend position was also anticipated for 2023/24.

3. Horizon School and Haven Pupils

- 3.1 The following tables provide an analysis of pupils managed within the Horizon School, including Haven as at 26 April 2024.

Horizon School

| Key Stage | Year Group | PEX | | Dual Registered | | Total |
|--------------|------------|-----------|-----------|-----------------|----------|-----------|
| | | Girls | Boys | Girls | Boys | |
| KS2 | Y5 | | | | | |
| | Y6 | | | | | |
| KS3 | Y7 | 4 | 3 | | 2 | 9 |
| | Y8 | 3 | 6 | 1 | 1 | 11 |
| | Y9 | 10 | 8 | 2 | 2 | 22 |
| KS4 | Y10 | 2 | 8 | 1 | | 11 |
| | Y11 | 7 | 12 | | | 19 |
| Total | | 26 | 37 | 4 | 5 | 72 |

Haven

| Key Stage | Year Group | Home Hospital | | Outreach | | Total |
|--------------|------------|---------------|----------|----------|----------|-----------|
| | | Girls | Boys | Girls | Boys | |
| KS2 | Y5 | | | | | |
| | Y6 | | | | | |
| KS3 | Y7 | | | | | |
| | Y8 | | | 1 | | 1 |
| | Y9 | 1 | | | | 1 |
| KS4 | Y10 | 4 | | 2 | | 6 |
| | Y11 | 2 | 1 | | | 3 |
| Total | | 7 | 1 | 3 | 0 | 11 |

4. Final Outturn 2023/24 – Horizon School and Alternative Provision (AP)

- 4.1 Horizon School and AP overspent by **£0.094m** in 2023/24, largely owing to school fees in relation to alternative provision.
- 4.2 Expenditure against budget for 2023/24 is shown in the following table.

| Cost Heading | Budget £m | Outturn £m | Variance £m |
|---------------------------|--------------|---------------|----------------|
| Employees | 0.807 | 0.771 | (0.036) |
| Running Expenses | 0.260 | 0.325 | 0.065 |
| School Fees | 0.084 | 0.456 | 0.372 |
| Grant and Other Income | (0.170) | (0.203) | (0.033) |
| Excluding School Clawback | (0.108) | (0.283) | (0.175) |
| TOTAL | 0.873 | 1.064 | 0.193 |
| Less use of reserves | | (0.099) | 0.094 |

- 4.3 School fees relating to provision for eighty one pupils during the year cost £0.456m in 2023/24. This created an adverse variance of £0.372m.
- 4.4 The cost of placements in AP is largely funded by the clawback of AWPU and other pupil characteristics from the excluding school. Clawback of pupil funding for permanently excluded pupils is only possible where the pupil was on a school roll during the latest funding period (i.e. financial year). Clawback of funding was possible for 61 pupils in 2023/24 and £0.283m was passed to Horizon and AP, resulting in a favourable variance of £0.175m.
- 4.5 The school had a brought forward reserve of £0.099m, these were available to offset the overspend. Had the reserves not been available, the 2023/24 overspend would have been £0.193m.

5. Summary

- 5.1 For 2023/24, the overspend of £0.094m for the Horizon School and Alternative Provision was charged to the high needs block.

6. Recommendations

- 6.1 Forum is asked to note the contents of the report.

Report to Hartlepool Schools' Forum June 2024
From Amanda Whitehead (Assistant Director – Education)

Item 9: Permanently Excluded Pupils (PEXs)

1. Introduction

- 1.1 The purpose of the report is to set out the current position for Permanent Exclusions (PEXs). The report outlines the impact of the anticipated increase of PEXs on the Horizon School and Alternative Provision Budgets and subsequently on the High Needs Block.

2. Background

- 2.1 The local authority has a legal duty to provide all pupils who are permanently excluded with a full time appropriate education from day 6 of the exclusion¹. This has been provided via the Pupil Referral Unit, The Horizon School, and is funded through a combination of place funding, top up, additional grants and AWPU (Average Weighted Pupil Unit) Clawback.
- 2.2 All PEXs are managed by the Horizon School Executive Head Teacher, with a number of pupils placed in Alternative Provision (AP) where required. AP represents a more costly option than pupils placed in Horizon School.

3. Funding Available

- 3.1 The current income is based on 40 students² across Horizon School, including Haven, along with a budget of £0.053m for AP.
- 3.2 Funding available in 2024/25 for PEXs (both Horizon and Haven Schools and Alternative Provision) is shown in the following table.

| Funding | Funding Source | Amount £m |
|--------------------------------------|-----------------------------|----------------------|
| Horizon Place Funding- 28 places | High Needs Block | 0.280 |
| Horizon top up - 28 places | High Needs Block | 0.392 |
| Haven Place funding- 12 places | High Needs Block | 0.120 |
| Haven top up- 12 places | High Needs Block | 0.019 |
| Additional Grants ³ | Grant funded | 0.159 |
| Other Income | High Needs Block / External | 0.008 |
| Alternative Provision | High Needs Block | 0.053 |
| AWPU Clawback from Excluding Schools | Individual School Budgets | 0.230 |
| Additional Funding Approved by Forum | High Needs Block | 0.250 |
| TOTAL | | 1.511 |

¹ 'Suspension and Permanent Exclusion from maintained schools, academies and pupil referral units in England, including pupil movement- Guidance for maintained schools, academies, and pupil referral units in England' Department for Education, September 2023

² 28 Horizon students and 12 Haven students

³ Teacher's Pay Grant, Teacher's Pension Grant, Teacher's Pay Additional Grant, Supplementary Grant, AP Additional Grant, Pupil Premium and Recovery Funding

- 3.3 Schools Forum previously agreed the funding from the High Needs block for 28 places within Horizon and 12 places within Haven at the following funding rates:

| | |
|-----------------------|---------|
| Horizon Place Funding | £10,000 |
| Horizon top up | £14,000 |
| Haven Place Funding | £10,000 |
| Haven top up | £1,600 |

4. Permanent Exclusions – Current Position

- 4.1 The numbers of permanent exclusions have risen significantly in recent years.

| Academic Year | In-Year PEXs | Fair Access / Reintegrated |
|----------------------|---------------------------------------|----------------------------|
| 2020-21 | 5 | 2 |
| 2021-22 | 19 | 6 |
| 2022-23 | 37 | 8 |
| 2023-24 ⁴ | 58 Estimated total for year: 69 | 0 |

- 4.2 It was estimated in February 2024 that if the rate of exclusions continued at the current volumes there would be a total of 63 children permanently excluded this academic year. With 6 academic weeks remaining, based on the exclusion figures from September 2024 to date, the estimated total has increased to **69** students (11 students more than currently on roll)
- 4.3 Over the last 4 academic years an average of 4 children have returned to mainstream school following permanent exclusion via Fair Access Protocol. At present there are 2 students currently re-integrating back to mainstream.
- 4.4 There are currently **93** students on Horizon/ Haven roll.
- 4.5 A trajectory was provided to Forum in February 2024 which identified that an estimated total on roll at Horizon in September 2026 would be 215 Students. This trajectory has been updated given the number of permanent exclusions since September 2024. It utilises the current rate of exclusions/ in year less fair access to estimate numbers on roll in future years.

⁴ To date of writing report (10.06.2024)

| Academic Year | | |
|---------------|-----------------------------------------------|------------|
| 2023-24 | Actual total on roll 10.06.2024 | 93 |
| | Return under In year Fair Access ⁵ | 2 |
| | Additional PEx | 11 |
| 2024-25 | Estimated Total on roll | 102 |
| | Return under In year Fair Access | 4 |
| | PEx | 69 |
| 2025-26 | Estimated Total on roll | 167 |
| | Return under In year Fair Access | 4 |
| | PEx | 69 |
| 2026-27 | Estimated Total on roll | 232 |

4.6 Thus, if current exclusion rates continue there will be **232** pupils on roll of Horizon by September 2026. This does not take into account any rise in the rate of permanent exclusions.

5. Funding Gap – Current Position

5.1 The impact of rising PEX volumes is seen in the significant overspend against the current year's budget. As the current funding arrangement and capacity for Horizon School is based on 28 pupils, this has led to an additional requirement for more costly alternative provision, along with increased staffing costs within Horizon School.

5.2 The increase in permanent exclusions has placed significant pressure on accommodation to meet the needs of the children and young people. Officers are currently reviewing the situation and looking at potential feasibility studies in order to increase accommodation. Alternative accommodation will be required to ensure appropriate education for all permanently excluded students and reduce the need for costly, alternative provision which does not provide an appropriate curriculum to be able to support students back to mainstream education.

5.3 Alternative accommodation will require one off capital spend and will come with an increased revenue cost due to the running costs of a larger education provision.

5.4 The 2023/24 budget was overspent by **£0.193m**. This was offset by an underspend in the previous financial year (school reserve balances) to reduce the overspend to £0.094m, however this funding is not available moving forward.

5.5 Horizon School and Alternative Provision is funded via the High Needs Block and this overspend was included within to the High Needs Block deficit in 2023/24 of £2.348m. The forecast deficit on the HNB for 2024/25 is £2.171m which does not include the additional costs which will occur owing to higher exclusions and potential new accommodation costs.

5.6 Schools Forum are engaged with the work underway as part of the High Needs Block review to reduce the High Needs Block deficit. The increase in PEXs and associated pressure on the High Needs Block has the potential to wipe out any savings identified arising from the review, therefore reducing the budget available to support children with special educational needs.

⁵ Two students are currently re-integrating back to mainstream. Four students is the average over the last 4 academic years

5.7 The Local Authority are taking opportunities which, it is hoped, will lead to a reduction in exclusions and thus a reduction in spend. This includes the use of grant funding to create a '3 Tier Alternative Provision⁶' model. Over time it is expected that the impact of this model, through working in close collaboration with schools, will reduce the number of children permanently excluded and therefore reduce the pressure on the High Needs Block.

6. Future Funding Gap - Considerations

6.1 Therefore, the current budget for Horizon and AP does not cover the required provision for the significant increase in permanent exclusions.

6.2 Should the trajectory shown at table 4.5 of this report materialise, the current spending pressure could potentially quadruple. Therefore, Schools' Forum are asked to again urgently consider the position and identify solutions to manage the volume of PEXs.

6.3 The High Needs Block is primarily for children with special educational needs and the overspend in Horizon and AP means that there is less funding available to support these children. This is when the needs of our children are increasing.

6.4 The local authority is not prepared to fund an ongoing increase in PEXs. The DSG deficit position is currently being cash flowed by the council at cost, and the forecast reductions to council funding make this option increasingly untenable going forward. Therefore if PEXs do not reduce the local authority will request for a Schools Block transfer to the HNB. The responsibility of permanently excluded children lies with the school therefore they need to take responsibility for the funding of the provision they need. Especially as reintegration back into mainstream is so low.

7. Recommendations

7.1 Forum is asked to:

- Note the contents of the report;
- Consider ways to limit future PEX volumes.

⁶ Alternative Provision Specialist Taskforces (APST), Department for Education, March 2024 [Alternative provision specialist taskforces \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1184427/Alternative_provision_specialist_taskforces.pdf)

Report to Hartlepool Schools' Forum 27 June 2024
From Danielle Swainston (Assistant Director – Joint Commissioning)

Item 10 Special School Cost Model Proposals AY 2024-25

1. Introduction

- 1.1 The purpose of the report is to present proposals for the funding of Hartlepool's special schools from September 2024.

2. Background

- 2.1 At their meeting of 13 June 2023, Schools' Forum agreed to implement a cost model arrangement for special schools. Year 1 of the cost model arrangement will cease at the end of summer term 2024. At the current time, year 1 actual costs are in line with cost models.
- 2.2 Cost models for year 2, Academic Year 2024-25 have been submitted by each special school for consideration.
- 2.3 As part of the High Needs Block budget setting process for 2024/25, Children's Services Committee agreed to a 3% inflationary increase to special school funding in 2024/25.

3. Proposed Cost Models and Illustrative Top up rates

- 3.1 Each special school has produced an updated cost model based on pupil admissions and expected budgets for AY 2024-25. In summary, each school calculates overall running costs, then deducts place funding income and any grant income to arrive at a net cost for the school. Costs are then allocated across each pathway or team to give a top-up per pupil.
- 3.2 The local authority has commissioned additional places from September 2024 in each special school. To enable an accurate comparison to prior year funding and to assess whether year 2 cost proposals represent the 3% budgeted increase, adjusted comparisons are provided below.
- 3.3 The proposed top up rates for Springwell AY 2024-25 based on the three needs based pathways are set out as follows:

| Team | Top-up Proposed | Pupils AY 2024-25 | Proposed Cost |
|---------------|-----------------|-------------------|-------------------|
| Africa | £27,420 | 30 | £822,605 |
| South America | £18,757 | 35 | £656,498 |
| Asia | £9,069 | 36 | £326,471 |
| TOTAL | | 101 | £1,805,574 |

- 3.4 There have been two key changes for AY 2024-25 that are important to reflect in comparison of proposed costs against the funding agreed for AY 2023-24. Firstly, the place funding to Springwell School has increased from 88 places to 94

places. This results in an additional £0.060m place funding income to the school so reduces the top-up requested at table 3.3 by the £0.060m.

- 3.5 Secondly, an additional 9 places have been commissioned by the local authority for AY 2024-25. The cost of the additional places is estimated at £161,712 by the school based on provision of a full additional class. Therefore, to ensure a meaningful comparison to AY 2023-24 costs, the £1,805,574 should be restated to £1,703,862 (£1,805,574 + £60,000 - £161,712).
- 3.6 Therefore, the true increase proposed is £66,592, or 4.1% when compared to the total AY 2023-24 cost of £1,637,270. If the increase was capped at 3%, this would reduce the funding request by £17,866.
- 3.7 The difference between the 4.1% increase proposed and the 3% budget increase agreed by Committee can be explained by the pay award assumptions included in the special school cost models. The assumptions used were provided by the local authority and represent the most appropriate estimates at this stage. The assumptions are:
- Increase on teaching main scales of 3.3% from September 2024
 - Increase of £1,290 (flat rate) for NJC staff from April 2024 – an estimated average 5.3% increase
 - Increase of 5% for NJC staff from April 2025
- 3.8 Catcote Academy educates both pre-16 and post-16 pupils. The same pathways are in place across the full school. The proposed top up rates for Catcote Academy for AY 2024-25 based on the three pathways are as follows:

| Team | Top-up Proposed | Pupils AY 2024-25 | Proposed Cost |
|------------------|-----------------|-------------------|-------------------|
| Yellow (Pre-16) | £29,815 | 27 | £805,005 |
| Blue (Pre-16) | £17,796 | 32 | £569,472 |
| Red (Pre-16) | £11,663 | 89 | £1,038,007 |
| Yellow (Post-16) | £17,502 | 13 | £227,526 |
| Blue (Post-16) | £11,010 | 11 | £121,110 |
| Red (Post-16) | £7,765 | 31 | £240,715 |
| TOTAL | | 203 | £3,001,835 |

- 3.9 In AY 2024-25, the local authority has commissioned 148 places at pre-16 (a reduction of 4 places from AY 2023-24) and 55 post-16 places (an increase of 11 places). The cost of the net 7 additional places is estimated at £173,873 by the school. Therefore, to ensure a meaningful comparison to AY 2023-24 costs, the £3,001,835 proposed in the table at 3.8 should be restated to £2,827,962.
- 3.10 Therefore, the true comparison to AY 2023-24 gives an increase of £100,680, or 3.7% when compared to the overall AY 2023-24 cost of £2,727,282.

- 3.11 As outlined at paragraph 3.7 in relation to Springwell School, the difference between the 3.7% increase proposed and the 3% budget increase agreed by Committee can be explained by the pay award assumptions included in the special school cost models.
- 3.12 Additional income such as government grants, along with other relevant income that contributes towards costs has reduced the top-up amounts (i.e. special schools are not being double funded).
- 3.13 Place funding at £10,000 per place will continue to be paid direct by ESFA to each school on the basis of the latest place numbers – 180 Catcote and 94 Springwell.

4. Other considerations

- 4.1 The budget to fund special schools for AY 2024-25 was approved at a 3% inflationary increase by Children's Services Committee at their meeting on 14 March 2024.
- 4.2 The local authority has commissioned additional places at both special schools in AY 2024-25. It is acknowledged that the cost of educating additional pupils is outside of the 3% inflationary increase approved by Committee.
- 4.3 Were each special school increases to be capped at the agreed 3% of total cost, this would impact Springwell and Catcote Schools by £0.018m and £0.019m respectively.
- 4.4 If the 3% cap is not applied this will be a further pressure on the HNB of £0.037m which will increase the projected overspend to £2.208m.

5. Recommendations

- 5.1 To implement a 3% cap as approved by Children's Services Committee.

Report to Hartlepool Schools' Forum 27 June 2024
From Amanda Whitehead – Assistant Director Education

Item 11: Schools' Forum Constitution and Membership

1. Introduction and Background

- 1.1 This report introduces a review of the Forum Constitution and presents the proposed revised membership of Forum based on the October 2023 census pupil numbers.
- 1.2 The report has been prepared with reference to the Schools Forums: Operational and Good Practice Guide March 2021 produced by the Department for Education (DfE).

2. Forum Constitution

- 2.1 The School Forum Constitution is attached at **APPENDIX 1**, along with the current membership of Forum at **APPENDIX 2**.

3. Changes to Forum Constitution

- 3.1 The Constitution has been updated to reflect revised job titles for local authority officers.
- 3.2 The wording of paragraph 6.9 has been updated to reflect the current practice of a warning being issued after failure by a Forum member, or their representative to attend two consecutive meetings without submitting apologies or appointing a substitute.

4. Changes to Schools' Forum Membership Composition

- 4.1 Members are reminded that there are currently 23 members on the Schools' Forum and that sector/organisation membership is as follows: 17 school members and 6 non-school members (see **APPENDIX 2**).
- 4.2 Of the 17 school members, there are currently four primary (including one governor representative), one secondary, eleven academy and the Pupil Referral Unit (PRU).
- 4.3 All school and non-school members' terms of office are due to end on 31 August 2024.
- 4.4 Following calculations based on the October 2023 census figures, along with the planned conversion of Clavering Primary School, the composition of Forum membership is to change to ensure that the number of representatives fairly reflects the number of pupils in each type of educational establishment in line with section 2 of the constitution (**APPENDIX 1**).
- 4.5 There would continue to be 17 school members and 6 non-school members. However, the number of primary school representatives would reduce from four

to three (to include one governor representative) and the number of academy representatives would increase from eleven to twelve. The number of representatives for secondary schools and the Pupil Referral Unit (PRU) would remain unchanged.

4.6 ACTION:

- a) Each sector body (primary, secondary and academy) is to decide on the schools that each individual Member will represent.
- b) Each representative body is to select representatives for all members whose term of office comes to an end on 31 August 2024, along with a named substitute, in line with section 3 of the constitution.
- c) The new representatives must be selected ahead of the next Schools' Forum to be held on 24 September 2024. The representatives would have a maximum two year term of office starting on 1 September 2024.
- d) Nominations must be sought by the local authority for the 6 non-school members whose term of office comes to an end on 31 August 2024, along with a named substitute in line with section 4 of the constitution.
- e) The new non-school members must be appointed by the next Schools' Forum to be held on 24 September 2024. The non-school members would have a maximum two year term of office starting on 1 September 2024.

5. Other Points for Consideration

- 5.1 The term of office for the current Chair of Schools' Forum must not exceed two years and will expire on 31 August 2024. The move of Vice Chair to Chair needs to be confirmed and a new Vice Chair appointed.
- 5.2 All new members will be required to attend an induction programme which the Chair will organise as outline in paragraph 2.8 of the Constitution.

6. Recommendations

- 6.1 Forum is recommended to:
 - a) Convene the necessary meetings with head teachers (both maintained schools and academies) to agree the assignment of schools to each Forum School Representative by 17 September 2024 (one week prior to the next Forum meeting) as outlined in paragraph 4.6 of this report;
 - b) Academies will need to appoint a co-ordinator who will advise the local authority of the names, positions and email addresses for each of their representatives and deputies by 17 September 2024 (one week prior to the next Forum meeting).
 - c) Maintained schools will need to agree a process for appointing representatives and their deputies and advise the local authority accordingly by 17 September 2024 (one week prior to the next Forum meeting).

- d) The local authority must consult all existing non-school members and their deputies to confirm if they wish to be reappointed for a further two years. Nominations must then be sought for any vacancies that arise and appointments made by 17 September 2024 (one week prior to the next Forum meeting).
- e) Consider the term of office of the current Chair, the move of Vice Chair to Chair and the appointment of a new Vice Chair as detailed in paragraph 5.1 of this report.
- f) As detailed in paragraph 5.2 of this report, the new Chair to arrange an induction programme (if needed) for any new Forum Members to attend.

Hartlepool Schools Forum Constitution

1. Introduction

- 1.1. Local authorities are required to establish and maintain a Schools Forum in their area, to advise on school funding matters. This is a requirement of the 2002 Education Act. The operation of Forums must comply with the requirements of The Schools Forums (England) Regulations 2021 (the Regulations).
- 1.2. This document sets out the Constitution of the Hartlepool Schools Forum (Forum), covering the administrative area served by Hartlepool Borough Council (the local authority).
- 1.3. This Constitution supersedes any previously approved Constitution.

2. Membership of the Forum

- 2.1. Membership of the Forum shall consist of maintained school members, academy members and non-school members, with school and academy members being at least two-thirds of the total membership. The balance between maintained primary, maintained secondary and academy members should be representative of the number of pupils in each area.
- 2.2. The Hartlepool Schools Forum shall have **23 members**. The membership is consistent with the Regulations, comprising elected school members and appointed non-school members. The composition of the Forum is set out in **APPENDIX A**. The Governor Representative will represent both the primary and secondary sectors.
- 2.3. The numbers of members will be reviewed annually by the local authority. The local authority shall recommend amendments to the Constitution of the Forum where appropriate, taking account of the distribution of pupils between maintained schools and academies, as recorded in the previous October's census.
- 2.4. No person who is an elected councillor of the local authority or officer of the local authority may be appointed as a non-schools member of Schools Forum. However, the elected councillor with primary responsibility for education in the local authority and the elected councillor with primary responsibility for the resources of the local authority may attend and speak at the Forum meetings. Equally the local authority's Executive Director of Children's & Joint Commissioning services and Director of Finance, IT and Digital (or their representatives) may attend and speak at the Forum meetings.

- 2.5 Any person presenting a paper or other item to Forum on the meeting's agenda may attend but will be restricted to contributing to matters related to the item they are presenting.
- 2.6 An observer appointed by the Secretary of State may attend and speak at meetings of the Schools Forum.
- 2.7 All persons present at each Forum meeting will be recorded in the minutes of the meeting.
- 2.8 All new members will be required to attend an induction programme which the Chair will organise.

3. Election and Appointment of School Members

- 3.1 Schools Forum members shall be appointed for a term of up to two years or until they cease to hold the office to which they were elected or appointed, or they resign from the Forum by giving notice in writing or verbally in a Forum meeting which is recorded in the minutes of that meeting. They shall not be restricted to headteachers, principals or governors.
- 3.2 School members of the Forum who are headteachers or headteachers representatives shall be nominated by the appropriate representative body, for example primary school headteachers nominate primary school representatives.
- 3.3 The appropriate represented body should determine how their member be elected, ensuring that there is a transparent and representative process by which Schools Forum members are nominated and elected to represent their constituents.
- 3.4 Academy members shall be appointed by the proprietors of academies in the local authority's area. It is for the proprietors to determine who shall be appointed a member of Forum. The local authority shall, however, advise the proprietors of the outcome of the annual review and set out its view of what would be an appropriate representation to reflect the numbers of pupils in each phase.
- 3.5 If the appropriate representative body is unable to nominate school or academy members within three months of a vacancy arising, or the selection process results in a surplus of candidates, further action must be taken within the representative body to resolve the filling of vacancy places as a matter of urgency.

4. Election and Appointment of Non-school members

- 4.1 The local authority shall seek nominations for non-schools members from relevant bodies, as identified in **APPENDIX A**.
- 4.2 The local authority shall, on receipt of a nomination under paragraph 4.1:
 - (a) make an appointment pursuant to that nomination, or
 - (b) provide the relevant body with the grounds on which they determine not to make such an appointment.
- 4.3 Where the local authority has proceeded under paragraph 4.2 (b), they shall seek a further nomination from the relevant body concerned.
- 4.4 The local authority shall inform all its maintained schools of the name and relevant body of all non-school appointees to the Schools Forum.
- 4.5 If a non-school member of the Schools Forum resigns, or otherwise ceases to serve as a member, the local authority will commence procedures to secure a replacement.
- 4.6 Non-school members may number no more than one third of Forum's total membership.

5. Arrangements for allowing substitutes for Schools Forum members

- 5.1 A named substitute will be recorded for each member of Forum. Substitutes are able to vote at meetings of the Schools Forum on behalf of school and non-school members.
- 5.2 It is the responsibility of members of the Schools Forum unable to attend a meeting to arrange for the named substitute to attend in their place and to receive any necessary papers, and the outcomes of any consultations with the group they represent.

6. Meetings and proceeding of the Forum

- 6.1. The Forum shall meet at least four times during an academic year.
- 6.2. Dates for meetings shall be agreed, at least a term in advance, for example autumn term meeting dates agreed at summer term meeting.
- 6.3. Dates for additional meetings shall be agreed at the preceding meeting, or in exceptional circumstances by the Chair.
- 6.4. Papers shall be circulated by email at least five working days to all headteachers as well as Forum members in advance of the meeting. In exceptional circumstances this requirement may be suspended with the

agreement of both the local authority's Executive Director of Children's & Joint Commissioning services (or their representative) and the Chair. Minutes of meetings shall be published on the local authority's website as soon as they are available.

- 6.5. All meetings of the Forum shall be public meetings.
- 6.6. Meetings shall be quorate if at least 40% of the total membership is present at the meeting (excluding vacancies).
- 6.7. If a meeting is not quorate it can proceed but it cannot legally take decisions (such as election of a chair, or a decision relating to funding conferred by the funding regulations). A meeting that is not quorate can respond to consultation by the local authority.
- 6.8. The members of the Forum shall elect a person as Chair and a Vice-chair from among their number and determine the Chair's term of office, which shall not exceed two years.
- 6.9. Unless Schools' Forum agreed to formally accept apologies because of particular circumstances, failure by a Forum member, or their representative, to attend two consecutive meetings will result in the member being asked to stand down.
- 6.10. The members of the Forum may not elect as Chair any member of the Forum who is an elected member of the Council or officer of the local authority.
- 6.11. Members of the Forum may determine their own voting procedures, excepting that all members of the Forum shall be entitled to vote on all matters put to a vote with the exception of:
 - matters relating to the formulae to be used by the local authority to determine the amounts to be allocated to schools and early years providers, where voting is restricted to school and academy members and non-school members representing early years providers
 - decisions about retaining funding for statutory duties relating to maintained schools only is limited to maintained primary, maintained secondary and PRU members.
- 6.12. Voting procedures and outcome shall be formally recorded in the minutes of the Forum.
- 6.13. The proceedings of the Forum are not invalidated by:
 - any vacancy among their number
 - any defect in the election or appointment of any member
 - any defect in the election of the Chair.
- 6.14. The Forum shall have the discretion to convene working parties of the Forum, either with a nominated membership, or open to all members of the Forum

wishing to attend. Working parties shall report to the Forum on the outcome of their meetings. The Forum can invite other persons to participate in working groups, but should agree this in advance and such a decision should be recorded in the minutes of the meeting at which this was decided.

- 6.15. The Forum shall have the discretion to nominate named members of the Forum to take decisions on its behalf where an item has been discussed at a meeting, but a final decision cannot be taken because information is not available at the time of the meeting. Decisions taken in this way shall be recorded in the minutes of the meeting.

June 2024