

Bristol Schools Forum

Agenda Tuesday, 30th November, 2021 at 5.00 pm

Virtual Meeting via Zoom

	Start	Item	Action	Owner	Paper
1.	17:00	Welcome	A	Chair	
2.	17:05	Forum Standing Business (a) Apologies for Absence (b) Confirmation meeting is quorate (c) Appointment of new members/Resignations: Resignation – Ruth Pickersgill – Secondary Academy Governor Rep (d) Notification of Vacancies: 2 x Secondary Academy Governors Primary Academy Governor PRU Governor Non School Member - Diocese of Clifton Dept for Schools & Colleges (e) Declarations of Interest	A	Clerk	
3.	17:10	Minutes of the Previous Meeting (a) To confirm as a correct record (b) Matters arising not covered on agenda	A	Chair	3 - 8
4.	17:15	Director of Education and Skills Update - to include proposal for Schools Forum to continue to support Education Transformation Programme in 2022/23		AH	9 - 21
5.	17:35	DSG Management Plan Update Report to follow		AA	
6.	17:55	DSG Budget Monitor (P6)		AL	22 - 25
7.	18:05	Schools Block School Funding Formula 2022/23 including feedback from Finance Sub-Group		TY	26 - 37
8.	18:25	De-delegation 2022/23		TY	38 - 46
9.	18:40	Revision to Scheme for Financing Schools		AA	47 - 102
10.	18:50	Any Other Business			

(*) A = Admin, I = Information, De = Decision required, C = Consultation, Di = Discussion

Clerk: Corrina Haskins email: corrina.haskins@bristol.gov.uk**FUTURE MEETINGS**

Date	Items
13 January 2022	Schools Block School Funding Formula 2022/23 De-delegation 2022/23
29 March 2022	
24 May 2022	
12 July 2022	

Bristol Schools Forum

Minutes of the meeting held on Tuesday, 28th September, 2021
at 5.00 pm at Virtual Meeting via Zoom

Present:

Melanie Bunce	Maintained Primary Headteacher Rep, St Barnabas
Rob Davies	Nursery Governor Rep, Speedwell and Little Hayes Nursery Federation
Simon Eakins	Academy Primary Head Rep, Cathedral Primary
Simon Holmes	Nursery Head Rep, St Phillips Marsh Nursery
Tracy Jones	Academy Primary Headteacher Rep, Merchants Academy
Sarah Lovell (Vice-Chair)	Academy Secondary Headteacher Rep, Bristol Metropolitan Academy
Kate Matheson	Maintained Primary Governor Rep, St Barnabas
Aileen Morrison	Pupil Referral Unit Rep, St Matthias Park
David Otlet	Recognised Teaching Professional Association (NEU)
Sam Packer	Private Voluntary Independent (PVI) Early Years
Chris Pring	Maintained Primary Headteacher Rep, Cabot Primary
Cedric Sanguigno	Maintained Primary Governor Rep, Bishop Road Primary
Simon Shaw	Maintained Secondary Head Rep, St Mary Redcliffe & Temple
Jeff Sutton	Non School Member, GMB
Liz Townend	Diocese of Bristol Board of Education
Rebecca Watkin	Academy Special School Headteacher Rep, LearnMAT

In attendance from Bristol City Council:

Abioye Asimolowo (AA)	Finance Manager
Samantha Flowers (SF)	Programme Manager, Education Transformation
Corrina Haskins (Clerk)	Clerk to Schools Forum
Denise Murray (DM)	Director of Finance
Angel Lai (AL)	Finance Manager (Children's and Education)
Travis Young (TY)	Principal Accountant

	Action
1. Welcome	
SL (Vice-Chair) chaired the meeting in the absence of a Chair. She welcomed everyone to the meeting.	
2. Election of Chair 2021-2023	
It was agreed that, as no one had come forward to take on the role, the election of Chair would be revisited at the next meeting.	
3. Forum Standing Business	
a. Apologies for absence	
Apologies for absence were received from: Trish Dodds, Academy Primary Governor Rep, Fishponds Academy	

<p>Steve Mills, Non School Member, UNISON Ruth Pickersgill, Academy Secondary Governor Rep, City Academy Emma Richards, Maintained Special School Headteacher Rep, Claremont Cameron Shaw, Academy Secondary Head Rep, Bristol Metropolitan Stephanie Williams, Academy Primary Head Rep, Bannerman Road Community Academy</p> <p>It was also noted that Alison Hurley, Director of Education and Skills, was unable to attend the meeting due to illness.</p> <p>b. Quorate The Clerk confirmed the meeting was quorate.</p> <p>c. Resignations The Clerk reported that the terms of office of the following members had expired and they would not be seeking re-election: Christine Townsend, Maintained Primary Governor Rep and former Chair of Schools Forum David Yorath, Academy Secondary Governor Rep and former Chair of Schools Forum.</p> <p>AGREED that both Christine and David be thanked for their work on Bristol Schools Forum.</p> <p>d. Appointment of New Members The following new members were noted: Cameron Shaw - Academy Secondary Head Rep, Bristol Metropolitan Jeff Sutton – Union Rep (GMB) David Otlet – Union Rep (NEU)</p> <p>e. Notification of Vacancies The following vacancies were noted: Academy Secondary Governor Rep Academy Primary Governor Rep PRU Governor Rep Clifton Diocese Rep</p> <p>f. Declarations of Interest There were no declarations of interest.</p>	CH
<p>4. Minutes of the Previous Meeting</p>	
<p>RESOLVED - that the minutes be confirmed as a correct record</p> <p>Matters Arising</p> <p>1. DSG Management Plan</p> <p>It was noted that the DSG Management Plan would come back to the next meeting in November.</p> <p>2. De-delegated accounts update</p>	

<p>AA confirmed that the current amount outstanding from 2020-2021 had reduced from £140k to £80k.</p> <p>3. Teachers pay and pensions grant</p> <p>AA confirmed that the grant had been subsumed into the DSG for the current year and this would continue to be the case going forward so there would no longer be a separate allocation. He undertook to provide Schools Forum members with a link so that they could check the position for different settings.</p> <p>In response to a further question about how the funding was calculated in relation to special schools, TY confirmed that it was based on historic place data, but he would provide information on individual schools on request. It was agreed that it would be useful to share the response with Forum members.</p>	TY
<p>5. Verbal Update from Director of Education and Skills</p>	
<p>It was noted that as the Director of Education and Skills was unable to attend the meeting, she would provide an update at next meeting on 30 November.</p>	AH
<p>6. Education Transformation Programme Update</p>	
<p>SF gave an update on the Education Transformation Programme as follows:</p> <ol style="list-style-type: none"> 1. This was the third update to Schools Forum on the Education Transformation Programme. 2. Work had started on the programme in October 2019 with a formal launch in March 2020, although some of the SEND improvement work predated the programme. 3. The programme was an umbrella for a number of projects (often those where funding was assigned) but there was also a lot of service improvement work happening outside the programme. 4. The report gave an update on progress against spend, especially in relation to the funding transferred to the High Needs Block as previously agreed by Bristol Schools Forum. 5. In terms of progress and spend, there had been a delay as a result of the Covid pandemic especially in relation to school-based interventions. 6. As the money had been ringfenced for the transformation programme, this had been carried forward. 7. In terms of governance, there was an Education Transformation Board chaired by Alison Hurley, the programme was included in the Council's change portfolio and reported to the Corporate Leadership Board as well as updates being provided to Schools Forum. 8. There were links to the SEND Written Statement of Action and the DSG Management Plan was now also a part of the programme. 9. The RAG rating related to the delivery of the major investment pieces in the programme rather than performance of projects. 10. The programme had an end date of September 2022. <p>The following comments and questions were raised by Forum Members:</p> <ol style="list-style-type: none"> 1. <i>There was a request for a representative of FLORA (Families Local Offer Resources & Advice) to attend the next meeting of the Early Years Task and Finish Group.</i> 2. <i>While noting that the RAG rating was about programme delivery, it was important for Schools Forum to have information about the impact and outcomes of the programme.</i> 	SF

SF responded that a lot of the income and outcome data was already in the public domain such as the timeliness of assessments for Education Health and Care Plans and the number of exclusions, attendance data and specialist provision. She also stated that some of the benefits might not be realised with immediate effect.

3. *Was there any feedback to evidence that parents/carers were having a more positive experience?*

SF responded that there was an annual parent/carer survey, the baseline was the survey which had taken place in the October after the Ofsted visit and the results of the next survey were due to be published soon.

4. *There appeared to be a disconnect between lived experience for families and the reported improvements as a number of families were struggling to get support in relation to the SEND process and their voices needed to be heard.*

5. *It would be good to see evidence of input from health colleagues, family support and social care to ensure an integrated approach for families.*

It was suggested that this could be fed back to the SEND Partnership Group via AH and reported back to a future meeting of Schools Forum.

DM confirmed that the Education Transformation Programme was a live document and there needed to be a feedback loop to reassure Forum that any comments raised would be considered and actions amended accordingly.

SF/AH

It was noted that there may be a future request for Forum to transfer funds from the Schools Block to the High Needs budget to continue the projects beyond September 2022.

AGREED to note:

1. the progress made across the Education Programme to date.
2. that the Programme is ongoing until September 2022.
3. the current spend profiles against the funding allocation (committed and forecast).

7. DSG Budget Monitor

AL introduced the report and drew attention to the following:

1. The report gave an update of the position as at the end of July (period 4).
2. The DSG ended the 2020/21 financial year with an overall deficit of £10m and there was an in-year forecast deficit of £11m.
3. Schools Block: forecast underspend due to 3 schools closing and 1 opening which meant a surplus of £400k and also a current underspend in Growth Fund.
4. Early Years: forecast overspend due to emerging SEN.
5. High Needs: forecast overspend of £11.5m in this academic year, the main driver being top up funding requests.
6. In response to comments raised earlier about the ask for next year, it was likely that Forum would be requested to transfer £450k to the High Needs block to continue supporting the Education Transformation Programme.
7. There would be a further update on the DSG Management Plan at the November meeting.
8. The Period 5 report had been published on the previous day and so this information was now in the public domain.

In response to questions, Forum was advised:

1. There had been a further increase of £3m in the deficit position from period 4 to period 5.

2. The position continued to be worrying with the ongoing pressures of £24m and risk of further increases as a result of future panel decisions.
3. The DSG was the only area of the Council budget that could carry a deficit, but a plan was required to manage this going forward.
4. The DSG Management set out the rationale for the increase in spending and would look at interventions and whether these could flatten the curve.
5. The increase in High Needs spending was a national issue and not unique to Bristol.
6. The Council had also made representations to DfE and MHCLG and asked for confirmation on when the Government would publish its review of the SEND system, how historic deficits would be dealt with and the ability to carry deficits going forward.
7. If the 2021 Spending Review did not address the points raised and increase funding envelopes, Forum could assist by providing case studies and joining the Council in future representations.
8. Government guidance was clear that Council reserves could not be used to fund the increase in High Needs expenditure.
9. The report included commitments/money owed until the end of the financial year.

AGREED – that the in-year 2021/22 position for the overall DSG be noted.

8. Update on DSG 2022-23 with potential funding levels

TY introduced the report as follows:

1. The report included information on what had been announced by the Education and Skills Funding Agency (EFSA) as indicative funding and arrangements around the settlement, but it was based on current pupil data and may change as a result of the spending review.
2. Early Years: was not part of this announcement but it was looking like there would be a return to the pattern of using data from the January census.
3. Schools Block: there would be an increase in the national funding for schools. The funding floor would increase (by 2%), as would the minimum per pupil funding levels. Bristol already funded above the level of the percentage increase.
4. Central Block: this was slightly down due to the unwinding of historic elements.
5. The Local Authority would be consulting with schools and would bring a further report back for decision at the November meeting of Schools Forum.
6. EFSA was consulting on the introduction of a hard National Funding Formula (NFF) from 2023/24 and so this could be the last chance to influence NFF in Bristol.

In response to questioning, Forum was advised:

1. In relation to the Health and Social Care tax, the Council had been advised that it would be fully compensated for the additional national insurance contribution, but officers would be checking the formula once detailed information was received.
2. The consultation with schools would ask questions on the level of the minimum funding guarantee, any movement out of the Schools Block to other blocks and maintained mainstream schools would also be consulted on the de-delegated budget. The consultation would be sent to Heads via the Heads' Bulletin and Trading with Schools would also send to Business Managers.

<p>The further additional comments were raised:</p> <ol style="list-style-type: none"> 1. In asking schools to consider a movement between blocks, it would be useful to include information about what the money would be used for if approved. 2. There was a request that the consultation also be sent to Schools Forum members. 3. To assist schools in making a decision about de-delegation, information was required on the maternity scheme to include how much schools were paying/receiving and the level of reserves. It was also noted that there had been a decision to put on hold the funding for TU contributions in the previous year and this would need revisiting. 4. In considering membership of the Finance Sub-Group, it was agreed that SE, SL, CP, CS and RW would be invited to attend. <p>AGREED that</p> <ol style="list-style-type: none"> 1. the potential 2022/23 indicative funding levels be noted. 2. the proposed restrictions relating to the DSG be noted. 3. the Local Authority consultation with schools on items in the local formula, particularly MFG, transfers between blocks, and formula factors be noted, and the consultation details be circulated to Schools Forum members in addition to Heads; 4. the Local Authority consultation with schools on their views on de-delegation be noted and the results of the consultation be reported to Forum for their decision at the meeting in November. 5. the Finance Sub-Group be re-established for a meeting in October to consider funding formula proposals for 2022-23. 6. the proposed funding levels are subject to change following update of the Spending Review 2021 and the Autumn 2021 census data be noted. 	<p>TY</p> <p>CH</p>
<p>9. Any Other Business</p>	
<p>1) Scheme for Financing Schools</p> <p>AA advised that a consultation on a revised scheme for financing schools 2022/23 would be launched in October and Forum members were asked to promote the consultation to ensure a meaningful response rate with a view to the scheme being reported back to Schools Forum for final approval.</p>	<p>AA</p>

The meeting closed at 6.14 pm.

Bristol Schools Forum

Proposal for Schools Forum to continue to support Education Transformation Programme in 2022/23

Date of meeting:	Tuesday 30 November 2021
Time of meeting:	5pm
Venue:	Zoom

1. Background & Context:

Discussions about investment began with Schools Forum in September 2019 following the local area SEND inspection which identified 5 areas of significant weakness instructed to be remedied via a Written Statement of Action. The council had already been investing heavily in this area and Schools Forum were asked to make an investment to support and extend the scope of the programme in recognition of the local area/whole-system response needed to improve outcomes in this area. The focus of the programme at this time was based primarily in SEND improvement activity, and proposal also sought to address the wider inclusion agenda.

Schools Forum agreed to invest on this basis and a transfer of 0.5% of the High Needs Block was agreed for 2020/21. An additional transfer in the sum of £1.4m was made in 2021/22. At the same as the first transfer occurred, the country went into its first national lockdown due the global pandemic.

2. Programme Phase 1 (Sept 2019 to March 2021) & Phase 2 (April 2021 to March 2022):

Despite the challenges presented by Covid, the Programme was able to continue and progress on its key aims and objectives, albeit a little more slowly than originally intended. Over the period September 2019 to the present day, the key areas of activity supported by Schools Forum funding include:

2.1 Sufficiency of Specialist Provision Project

This project was established to respond to the shortage of supply of specialist provision places in the city against known demand. An innovative approach was taken where existing education settings were invited to submit expressions of interest (Eoi) to provide new placements. The benefits of the approach taken are:

- Children and young people can be educated closer to their home, communities, and friends
- Reduced numbers of children and young people educated out of area
- Reduced pressure on Home to School Travel budget
- Increased inclusion for children and young people

Feasibility studies for each of the Eois established the potential number of placements in that setting, the capital cost and indicative construction timelines. Detailed dialogue with settings which had promising ideas were also completed. This informed decisions for projects to proceed where good quality placements would be realised in the right part of the city, in the shortest time, and within the budget envelope.

Additionally, discussions are being held to work in partnership with established providers from within the independent market to develop and tailor specialist provision, within the city to meet Bristol's individualised demand.

The specialist provision project has delivered 82 SEND placements for September 2021 with 16 SEMH places confirmed for November and the potential for another 110 between January and September 2022.

The Council has committed to deliver 450 SEND placements within the next three years. Specialist Provision Phase 2 began in November 2021 and will contribute to fill the gap between placements in the pipeline and this commitment.

Delivery of placements has been slower than anticipated due to:

- Impact of COVID-19 pandemic on education settings and the Local Authority. This especially impacted on the ability to support detailed conversations with settings regarding potential placements.
- Ability of external construction partner to schedule capital works which align to the academic year.

Work is continuing with education settings, the DfE and construction partners to deliver the schemes that have been identified. Additional placements will be announced when legal obligations have been agreed and are in place.

Following closure of the Specialist Provision Project, additional SEND placements will be delivered as business-as-usual activity in Phase 2 and beyond. A Specialist Placements Manager has been recruited to support this. Phase 2 will take the same broad approach as previously, incorporating the learning received from the Specialist Provision Project to speed up delivery of placements.

As before, education settings will be asked to provide Expressions of Interest to provide new specialist placements. However, the approach will be more targeted than in Phase 1 and submissions that meet defined criteria related to type of need and area of the city will be invited. The criteria will be informed by projections of future need. Quality of potential provision will be assessed at the start of the process. This will be completed in conjunction with DfE to ensure resource is focused on schemes that are likely to move forward.

Phase 2 has defined timescales so that all parties are clear on what is expected when. Regular sessions between the setting, DfE and construction partners will also ensure that communications between all parties are improved.

Schools Forum investment has funded a project manager, an education leader to undertake the detailed dialogues and is currently funding a Specialist Places Manager to see the work go forward to Phase 2 (funded to October 2022).

2.2 FLORA (Families, local offer, resources and Advice)

FLORA was originally proposed to Schools Forum as 'First Call' which described a single point of contact services for parents, carers and professionals – aligned to the Family Support and Inclusion Team – to ensure an accessible pathway to advice and referrals to SEND Local Offer for families that need support before or after an EHC Plan is in place (wording taken from published Written Statement of Action). The service was renamed FLORA following coproduction with parents and offers non-statutory support for children with the early identification of additional needs. These children and families are unlikely to be known to statutory social care or SEN. FLORA hold the 'early identification register' for SEND which currently has 504 children's names, having been identified as needing additional support. The children are identified through early years settings, and health. Systems are being created to align with the disabled children's register; data sets for sufficiency planning and throughput of EHC statutory pathways.

FLORA team have a phone line and email address which went 'live 'in June 2021. FLORA provides families with a single point of contact to help them to know where to go for support when they are at the early stages of understanding the needs of their children. Parents can contact the team via telephone or email, and professionals can also refer. Service user feedback is routinely collated and provides evidence of the positive impact of the team.

338 enquiries have been made to FLORA since March, and the number of enquires has grown month on month reaching 79 in September. The main reason for contact relates to autism (56 enquiries). Onward referrals include 7 to Education and 30 to SENDIAS (now known as 'SEND and You' – SAY) and there have been 9 pre-EHCP assessment conversations. On average it takes around 3-4 hours to deal with each query (excluding time on telephone calls) this includes making calls to other professionals and services; researching and tailoring information and advice; completing referral forms; collating response information then follow up with parent (Email and/or call).

Themes emerging from parents' and carers' contact:

- many of the parents have attended parental and specialist training courses but are unsure how to implement the systems into their home settings.
- Parent carers have expressed they feel shame, exhausted and embarrassed asking for help from other professionals and have welcomed someone listening to them; this has resulted in call times being extended.
- The FLORA team are also returning calls to parent carers to deal with multiple and at times complex issues.

Schools Forum investment pays for the Flora Team Manager and 3 Practitioners (funded to March 2022).

2.3 Attendance & Belonging Task Group

The ABTG was established in September 2020 and works across directorates to support improving attendance for pupils across the city. This work also includes exploring the reasons for the high levels of fixed term exclusions within Bristol when compared to statistical neighbours and core cities. The ABTG meets fortnightly and consists of a core team of colleagues expected to attend every meeting, with additional colleagues invited to attend to address specific attendance related issues. Each meeting produces an action plan that is carefully monitored through the Action Tracker. Topics covered by the ABTG include:

- Increase in Elective Home Education notifications
- Blended and Remote Learning Guidance
- Admissions arrangements
- Attendance of vulnerable groups
- The Children Missing Education Working Group Meeting – this has now become the Attendance Working Group focusing on individual cases, cohorts and settings
- Temporary Education Arrangements – Pupils Missing Education and Negotiated Transfers

There has been significant work to ensure the data reporting regarding attendance and exclusions is fit for purpose to allow adequate analysis and subsequently appropriate actions put in place to address areas of concern. The review of data has been exploring issues associated with accuracy, quality, consistency and the impact of legacy data and systems. This work is almost complete, and the reports that can now be produced are providing colleagues and schools with a much greater understanding of suspensions at a granular level.

This information is being used to work with schools strategically and individually. There have been presentations and data sharing at the phase associations' meetings throughout lockdown and this work is being taken forward with the new data sets from a city-wide perspective. The focus is on targeted challenge and support for schools causing concern in relation to the inclusion agenda.

Schools and settings, who account for most of the fixed term exclusions in the city, will be provided with monthly reports so they can see their position in relation to exclusions with other settings and therefore facilitate the comparison of data. A named officer from the local authority will be allocated to each secondary school to discuss the issues surrounding their exclusions rates and areas of concern, as well as outlining the support and help that is available to reduce the risk of exclusion and the management of earlier intervention for pupils.

Schools Forum funding supports the work of this group with an ABTG Strategy Manager (seconded) and two ABTG officers (fixed term to August 2022).

2.4 Review of Alternative Learning Provision

An independent [review of Alternative Learning Provision \(ALP\)](#) was commissioned and undertaken in October and November 2020. The review provided 31 recommendations for improvement of the ALP system. The Council has accepted all the recommendations and committed £16.5m investment over a five-year period to deliver a range of initiatives outlined in a new Alternative Learning Provision Commissioning Strategy 2022-27. The recommendations cover the following areas:

ALP and SEND	refers to the current inter-dependency between SEND and ALP with actions to clarify and strengthen processes and relationships between these two areas. There are extremely high numbers of pupils with SEND with EHC Plans or proceeding through the EHC Needs Assessment process, currently in ALP. High numbers of pupils going to ALP are also presenting with additional needs, particularly SEMH, Speech and Language and low literacy and maths skills.
ALP and Schools	is concerned with supporting and challenging schools with the aim of implementing a graduated response to prevent exclusions and reliance on ALP
ALP and Data	indicates improvement is necessary in data capture to facilitate accurate planning and reporting.
ALP and Finance	shows ALP is used to cover a deficiency in the number of appropriate SEND placements and links to the current review of element 3 funding. While both the ALP and SEND budgets are from the 'High Need' block, different LA Officers are making different placements. A clear protocol for placing children/ young people with an EHC plan into AP needs to be agreed.
ALP and Commissioning	mandates a joint ALP and SEND commissioning strategy along with joint quality assurance processes. This links to the recommissioning of ALP in progress.
ALP and Safeguarding	covers the strengthening of systems for sharing key information between school and ALP, social and mental health support along with capturing the pupil and parent voice.
ALP and Post-16	will improve careers advice and guidance to young people and is concerned with moving post-16 support from Education and Skills Funding Agency (ESFA) funding back into the Local Authority. It will also cover arrangements for supporting young parents.
ALP and Governance	links ALP to actions in progress with respect to corporate themes such as the WSOA and the Belonging Strategy. There is also the need for clear system-wide

strategic leadership of ALP as the ALP Hub has been working in isolation, with insufficient direction or accountability built into structures.
--

The final [ALP Statement of Action \(ALP SOA\)](#) has been co-produced with stakeholders including education settings, children and young people, parent/carers and other interested parties. This will be achieved through formation of four reference groups which will help to co-produce the plans and also continue to be involved during delivery of the plan.

Schools Forums funding has been used to commission the independent review (complete) and fund the project manager and the Subject Matter Expert until March 2022.

2.5 Implementation of new High Needs Block funding framework

This project predated the current Education Programme, but it was bought into the portfolio and governance structure in September 2019. The project is charged with delivering a fairer more efficient process and funding matrix for schools to apply for support for children and young people to meet needs early and avoid needs escalating (to replace current Top Up Funding process). Following some delay caused by Covid, the project is now progressing well and has been awarded funding from the [Local Digital Fund Round 5](#) to develop the web interface for the new funding matrix. 49 councils applied to fund and only 9 were awarded so this is a significant achievement and one that will deliver a step-change in how schools and SENCOs experience the new process when it is launched later in 2022.

While largely delivered with in-house resources, Schools Forum funding enabled the acceleration of the matrix development by accessing Education Psychology consultancy and funded the developer who built the technical and financial functionality which will sit behind the user experience.

2.6 SEND School Improvement Offer

Delivering a SEND school improvement offer to all education settings to ensure the council is providing effective support and challenge to schools relating to what is 'ordinarily available' for all and the needs and outcomes of vulnerable learners.

2.6.1 SEMH Training Pilot

The SEND SIO signed up three schools for a SEMH training pilot (2 primary 1 secondary) in Term 6. The content of this training is practical – what to do in the classroom. Training was delivered as an INSET in one primary school and in the other two schools the SENDCO was trained to deliver the whole school training. This complements the [Relationships Based Approach](#) and the wider SEMH work happening across the city.

The SEND SIO is also working with a separate primary school on an induction programme for TAs which other schools have shown interest in. Feedback and levels of attendance demonstrate that there is a huge appetite for training from all school staff, so to maximise impact, sustainability and ensure ownership and development at a local level, this offer is aimed at upskilling SENDCOs and pastoral leads to enable them to deliver training and build their setting's capacity.

Alongside these developments, the SEND SIO has developed a short CPD twilight programme for SENDCOs and Pastoral Managers with the senior EP, CAMHS and the HoS Inclusion for this academic year.

2.6.2 Ordinarily Available Provision

The OAP is the key to Bristol schools' graduated response

- Following its 'soft' launch during the 2021 virtual SEND conference, 'March 4 SEND', initial training and briefings took place over the summer term for SENDCOs, Governors and Early Years colleagues.
- A supporting audit tool was developed and shared with schools
- A parent version is being co-produced with parent carers

The SEND SIO is leading on the full roll out and has shared with a wide range of stakeholders to help embed good practice. The approach to SENDCO training is a 'train the trainer' model, and the training slide deck was sent to all SENDCOs to deliver to the whole school staff. Training delivery is being monitored to measure reach and there will be a follow up session at the next SENDCO briefing.

2.6.3 Support for pupils in a mainstream setting awaiting specialist provision

To better support children and young people with SEND in a mainstream educational setting, BCC introduced a system to enable greater oversight of this cohort. This includes the Mainstream Awaiting Placement Panel (MAPP) whose purpose is to:

- Discuss the children and young people currently awaiting specialist placement.
- Offer an individualised approach to support children and young people, so they can continue to be educated in mainstream settings until an appropriate specialist setting is available.
- Keep the focus on learning in the current educational setting.
- Ensure all local options have been considered including supporting current mainstream provider with additional library of specialist support.
- Ensuring placements can be found as soon as possible.

The MAPP meetings are providing a robust challenge and consistency of approach to the decision-making process for each of the children and young people in this cohort and having a range of professionals in the meeting allows for a holistic approach to solution finding.

The SEND School Improvement Offer is fully funded by the Schools Forum investment and the above is a selection of the wide range of work taking place in this area.

2.7 Autism Education Trust (AET) Training

Education Settings: over 1,700 educational practitioners have been trained across early years, primary and secondary. Each setting identified an area for development which they will complete within a given period and this will be monitored through advice clinics. A detailed, progressive 3-year plan for a BAT competency framework, progression framework and AET standards is being embedded with school level agreement at cohort meetings.

AET Wider Workforce development:

- Families in Focus Autism Clinic discussed 6 cases with 60 Families in Focus colleagues in attendance, this will be a rolling programme at least 3 times a year
- Family Support & Intervention service appointed new Autism lead, linked with social care to map referral process and looking at different roles and support.
- Social Care Autism Awareness training bespoke course for social care practitioners
- BAND training for out of school activity clubs

Schools Forum investment paid for the 3-year AET licence (to 2023) and as well funding 2 specialist autism teachers (fixed term to August 2022)

2.8 DSG Management Plan

Around May/June 2020 – in response to the steep increase in HNB overspend – the Education Programme extended its remit to work in partnership with Schools Forums to enhance understanding of demand and supply management levers in order to publish a fully populated DSG Management Plan by March 2022. Task & Finish Groups were established for Early Years and High Needs Block to enable more detailed discussions to take place alongside the Schools Forum programme of meetings.

As part of this work, the project and interventions funded by the Education Programme were viewed through a deficit mitigation lens i.e., what will be/might be the financial benefit of each project or intervention. A series of hypotheses were formulated, and their impact analysed using tools developed by a Data & Finance Analyst. A sensitivity analysis was developed to predict changes to the deficit if (a) there are changes to pupil numbers in the different provisions and (b) if there are percentage changes to activities within each provision. These are then refined with Education DMT and Service Managers and grouped into themes **Demand Management** and **Supply Management**.

While this will continue to remain a work in progress and be required to be continually reviewed and adjusted, the outcome of the work and the mitigating impact that pre-existing Programme funded projects and interventions is considered to have on the overall DSG position is contained in the report DSG Management Plan also being presented to Schools Forum.

Schools Forum funding was used to employ the Data & Finance Analyst to work up the sensitivity analysis and scenario modelling tools. Other core programme roles contributed to the work in this area.

2.9 Other work supported by Schools Forum funding (some of which has now concluded)

Core Programme Team

The core programme team comprises various fixed-term resources which contribute to the day-to-day management and oversight of the programme and wider SEND/Written Statement of Action improvement work. It extends to developing and improving management information capability, particularly in relation to understanding the drivers for the increasing DSG deficit, as well project support capacity for projects without a dedicated project manager.

PASS and GCI Pilots

Two systems for the early screening and identification of student wellbeing across whole school communities in Bristol have been piloted (PASS and GCI). 10 schools took part and every participating school completed one full survey and attended two focus group-style, semi-structured interviews, to ascertain their experiences of the system they piloted in their setting. The interviews and survey have provided the primary source of data for the final project report and recommendations which are currently being considered.

SEND into EET

The original programme funded fixed-term appointments have concluded, however, on-going momentum is secured through a combination of capacity in the SEND team regarding support for young people with an EHCP into education (funded by the Programme) and the new We Work for Everyone employment support project (regarding support for young people with an EHCP into employment).

Significant improvements evidenced through EET participation performance alongside improved data cleansing and reporting. Young people waiting for their EHCP to be ceased reduced from 195 to 92 during this period.

Time4Change

An extensive project to deliver improvements across the statutory EHCP process with five key areas:

- Co-designing a new EHCP template
- Improving children and young people’s voice (Person Centred/PATH¹)
- Improving professional contributions through a new Professional IT Portal
- Improving family access to their children’s SEND files and all reports and documentation through a Family Portal
- Improving annual review – process and paperwork

Over the last 18 months each project area has gone through a comprehensive review, co-production and development; and going into 2022 will enter the implementation phase.

3. Programme Phase 3 (if funding approved):

In the event that Schools Forum choose to invest again in the Education Programme, an outline of the how the funding would be used is set out below:

Up to £400k	To sustain and continue some of the projects and interventions from Phase 1 and Phase 2 beyond current contracted end dates e.g., Flora team, SEND School Improvement Officer, SEND Partnership Engagement Manager and the core programme team. <i>This aligns to GREEN rated interventions in Appendix A.</i>
£200 to £300k	To explore additional deficit mitigation projects – identified through the DfE’s learning from the safety valve interventions – and fund their implementation if appropriate and relevant to Bristol’s context. <i>This aligns to RED rated interventions in Appendix A</i>
£900k to £1m	It is proposed to create a school-led/school-based programme of activity designed to support and drive schools in Bristol to meet a higher level of need in a more cost-effective way within mainstream settings, while maintaining the quality of provision, developing a culture in which demand is more effectively managed throughout the authority. This programme would be separate to the existing LA-based Education Programme and the management of it would be offered as a secondment opportunity from Bristol’s education sector. Bids would be invited from schools that can deliver measurable and scaleable change. Suggested themes include: <ul style="list-style-type: none"> • Early Intervention & Support • Workforce Development & Capability • Reduction of suspensions of children with SEND • Decrease persistent absence of children with SEND • Demonstrates value for money, community/locality impact • Sustainability (exit strategy) Bids would be assessed by a Panel – drawn from LA officers, parent carer representation and school leaders – and funding decisions made. The seconded programme lead would be responsible for the monitoring of the overall programme, including dissemination of learning from successful projects across the sector. <i>This aligns to Amber rated interventions in Appendix A.</i>
£1.5m approx.	

¹ PATH – Planning Alternative Tomorrows with Hope

APPENDIX A

DfE Safely Valve Agreements: Mitigation Validation Exercise

Significant pressures on high needs budgets have resulted in many local authorities accruing deficits on their Dedicated Schools Grant (DSG). High needs reforms and savings targets have been agreed for local authorities with the highest dedicated school grant deficits as part of Safety Valve Arrangements (SVAs). There were two principal goals identified during the programme which were critical for the local authorities' ability to reach sustainable positions:

- *appropriately managing demand for Education, Health and Care Plans (EHCPs), including assessment processes that are fit for purpose*
- *use of appropriate and cost-effective provision. This includes ensuring mainstream schools are equipped and encouraged to meet needs where possible, whilst maintaining high standards for all pupils.*

Five local authorities moved into those agreements in the last academic year - Bury, Hammersmith and Fulham, Kingston upon Thames, Richmond upon Thames, and Stoke on Trent. Kingston Upon Thames and Richmond Upon Thames' safety valve agreements with the DfE mirror each other, they have therefore been combined in the table below.

Bristol has cross-referenced the current activity occurring within the Education Transformation Programme and wider improvement activity underway across the local area against the five published SVAs to determine how much of the existing activity aligns to DfE approved measures and interventions to reduce deficits. The following RAG rating was applied:

GREEN: our work in this area is well scoped and progressing well

AMBER: our work in this area is emerging and developing

RED: we are not currently doing anything in this space (note **RED** = an opportunity to move into a new area).

LA	Recommendation	Theme	Sub-Theme	RAG
Bury	Strengthen their Special Educational Needs assessment and placements process, including clarifying assessment thresholds for Education Health and Care Plans (EHCP) by March 2022. This should include reviewing transition arrangements for children and young people throughout 2021-22.	Local Placement Sufficiency and Managing Demand	EHCP Assessment and Review	

APPENDIX A

LA	Recommendation	Theme	Sub-Theme	RAG
Bury	Strengthen their Special Educational Needs assessment and placements process, including clarifying assessment thresholds for Education Health and Care Plans (EHCP) by March 2022. This should include reviewing transition arrangements for children and young people throughout 2021-22.	Local Placement Sufficiency and Managing Demand	Transitions	Yellow
Bury	Improve quality and timeliness of management information to enable evaluation of impact of central services.	Data, Outcomes and Digital		Green
Bury	Ensure robust planning for future provision, including reducing the use of independent school placements by increasing the availability and suitability of local provision within Bury. This should include developing a model for forecasting future needs by March 2022.	Local Placement Sufficiency and Managing Demand		Green
Bury	Support and drive schools in Bury to meet a higher level of need in a more cost-effective way within mainstream settings, while maintaining the quality of provision. Develop a culture in which demand is more effectively managed throughout the authority.	Local Placement Sufficiency and Managing Demand	School Provision and Process	Yellow
Bury	Remodel financial practice to ensure accurate contributions from appropriate funding sources, by December 2021.	Financial Efficiencies		Red
Hammersmith and Fulham	Increase early intervention activity, including but not limited to the creation by September 2021 of a speech, language and communication needs offer for children and young people on SEND support, to reduce escalation of need to Education Health and Care Plan (EHCP) level.	Local Placement Sufficiency and Managing Demand	Early Intervention	Yellow
Hammersmith and Fulham	Development of a more robust local offer.	Local Placement Sufficiency and Managing Demand	Local Offer	Green
Hammersmith and Fulham	Review and reform of the Alternative Provision (AP) model and funding to create efficiencies from 2021-22.	Financial Efficiencies	ALP Model	Green

APPENDIX A

LA	Recommendation	Theme	Sub-Theme	RAG
Hammersmith and Fulham	Support and drive schools in Hammersmith and Fulham to meet a higher level of need in a more cost-effective way within mainstream settings, while maintaining the quality of provision.	Local Placement Sufficiency and Managing Demand	School Provision and Process	Yellow
Hammersmith and Fulham	Review and reform of outreach services to create savings from 2021-22.	Financial Efficiencies		Red
Hammersmith and Fulham	Implementation of a case management system to facilitate predictive modelling.	Data, Outcomes and Digital		Green
Kingston upon Thames/Richmond Upon Thames	Improve support available in schools to manage demand more effectively and reduce escalation of need.	Local Placement Sufficiency and Managing Demand	School Provision and Process	Yellow
Kingston upon Thames/Richmond Upon Thames	Expand specialist provision to avoid placements in more expensive Non-Maintained Special Schools and independent special schools.	Local Placement Sufficiency and Managing Demand	School Provision and Process	Green
Kingston upon Thames/Richmond Upon Thames	Manage demand for Education Health and Care Plans (EHCP) by scrutinising provision at each annual review and continuing to work with consultants Mastodon C to forecast and manage growth during 2021-22.	Local Placement Sufficiency and Managing Demand	EHCP Assessment and Review	Green
Kingston upon Thames/Richmond Upon Thames	Improve efficiency of commissioning services to drive down cost.	Financial Efficiencies	Commissioning	Yellow
Kingston upon Thames/Richmond Upon Thames	Increase contributions from health and social care.	Financial Efficiencies	Partner funding	Red
Kingston upon Thames/Richmond Upon Thames	Commission a Local Government Association (LGA) peer review and implement any recommendations arising from it which drive sustainability in their high needs system.	Financial Efficiencies		Red
Kingston upon Thames/Richmond Upon Thames	Reform of the authority's post-16 offer, including but not limited to development of new provision.	Local Placement Sufficiency and Managing Demand	Local Offer (Especially Post-16)	Yellow

APPENDIX A

LA	Recommendation	Theme	Sub-Theme	RAG
Kingston upon Thames/Richmond Upon Thames	Contribute to the reduction of the cumulative deficit via alternative council funding sources in each financial year covered by this agreement.	Financial Efficiencies		
Stoke-on-Trent	Reduce the authority's use of independent school places by increasing the availability and suitability of local provision, beginning in 2021-22 and continuing throughout the period of the agreement.	Local Placement Sufficiency and Managing Demand	School Provision and Process	
Stoke-on-Trent	Review and reform of the 'Education Health and Care Plan (EHCP) offer' with all planned action completed no later than the end of 2022-23.	Local Placement Sufficiency and Managing Demand	EHCP Assessment and Review	
Stoke-on-Trent	Development of a Transition Action Plan by September 2021.	Local Placement Sufficiency and Managing Demand	Transitions	
Stoke-on-Trent	Review and reform Early Years pathways, including implementing a new Early Years offer from September 2021.	Local Placement Sufficiency and Managing Demand	Early Years	
Stoke-on-Trent	Support and drive schools in Stoke-on-Trent to meet a higher level of need in a more cost-effective way within mainstream settings, while maintaining the quality of provision. This includes recruiting a dedicated Strategic Manager in 2021.	Local Placement Sufficiency and Managing Demand	School Provision and Process	
Stoke-on-Trent	Reform commissioning practices to address sufficiency problems.	Local Placement Sufficiency and Managing Demand	Commissioning	
Stoke-on-Trent	Reform post-16 offer from 2021 onwards including but not limited to development of new provision and establishment of a review cycle. New provision should largely be in place during the 2021/22 academic year.	Local Placement Sufficiency and Managing Demand	Local Offer (Especially Post-16)	
Stoke-on-Trent	Improve financial planning and collaboration with other funding streams.	Financial Efficiencies		

Bristol Schools Forum **DSG Budget Monitor 2021/22 P06**

Date of meeting:	30 November 2021
Time of meeting:	5.00 pm
Venue:	Virtual meeting

1 Purpose of report

- 1.1 This report provides information of the forecast financial position for the DSG overall as at Period 6 (to end of September 2021).

2 Recommendation

2.1 **Schools Forum is invited to:**

- a) **note the in-year 2021/22 position for the overall DSG.**

3 Background

- 3.1 The report updates Schools Forum on the financial position at Period 6 (end of September) 2021/22.

4 Budget monitoring 2021/22

- 4.1 The DSG ended the 2020/21 financial year with an overall deficit of £10.004m.
- 4.2 This period 6 monitor is showing that the in-year forecast net deficit is £14.572m, which when added to the brought forward balance will give a total net deficit to carry forward at the end of the 2021/22 financial year of £24.567m. The variation is predominantly attributed to the High Needs block which is forecasting an overspend in-year of £14.947m.

The Period 6 position is set out in **Table 1** with more detail set out in **Appendix 2**.

Table 1: Forecast position on overall DSG for 2021/22 at Period 6 (as at September 2021)

<i>All figures £'000</i>	<i>b/f Deficit</i>	<i>DSG Funding 2021/22</i>	<i>Forecast Outturn Period 06 2021/22</i>	<i>In-year variance</i>	<i>Forecast Carry- forward Period 06 2021/22</i>
Schools Block	(619)	295,864	295,023	(840)	(1,459)
De-delegation	(553)	0	0	0	(553)
Schools Central Block		2,627	2,627	0	0
Early Years	(621)	37,185	37,651	466	(155)
High Needs Block	12,609	68,645	83,591	14,947	27,556
Education Transformation Funding	(812)	1,400	1,400	0	(812)
		(405,721)	(405,721)	0	0
Total	10,004	0	14,572	14,572	24,576

- 4.3 **Schools Block (-£0.840m underspend).** The formula funding for maintained mainstream schools and academies has been fully allocated. Scope for variation is in the growth fund, or if schools close during the year. Three schools (St Pius X, St George and St Michael on the Mount) are closing at the end of August 2021, and one new school (Willow Park) opening on 1st September. It is these movements which account for £0.407m forecast variance on Schools Block. Spend on the growth fund will depend on the pupil number information included on the October 2020 pupil census, any variation will be calculated and reported following receipt of this data, but at this stage known growth commitments are expected at £2.500m against funding of £2.861m, an underspend of £0.361m.
- 4.4 **De-delegated resources (Nil variance).** At this stage of the year it is anticipated that this will achieve a balanced position. Any variance should one materialise, will be carried forwards to future years.
- 4.5 **School Central Services Block (Nil Variance).** Current forecasting indicates that all of the services in this block will spend to budget.
- 4.6 **Early Years Block (£0.466m forecast overspend).** Early Years income and expenditure is based on participation throughout the academic year, and as such the reported position may be subject to change in subsequent reports as further details becomes available. Early Years is experiencing significant pressure in emerging SEN; the current overspend in this area is £0.571m.
- 4.7 **High Needs Block (£14.947m forecast overspend).** The High Needs block is currently forecasting an in-year overspend of £14,947m for the 2021/22 financial year.
- 4.8 Top-up funding remains the single greatest pressure, with a significant forecast overspend of £11.475m, followed by forecasted overspend in

pre/post 16 placements totalling £3.858m and ISP's overspend of £1.022m; offset slightly by underspends in Core Place funding -£0.820m, Sen Equipment -£0.110m and SEN Assessment & Therapy -£0.119m.

Detailed breakdown of HNB Top Up overspends is summarised in Appendix 1.

- 4.9 The Education Transformation Programme commenced in 2020-21 and is primarily concerned with consequently the High Needs Block, the programme aims to improve outcomes and achieve long term sustainability. Nationally High Needs funding continues to be challenging and in Bristol this has been exacerbated by work to clear the backlog of EHCP and complexity of need.
- 4.10 Following agreement of Forum, the amount transferred from the Schools Block in 2021/22 is being earmarked to the Education Transformation Programme and we are currently forecasting that this funding of £1.4m will be fully utilised in 2021/22.
- 4.11 **Funding (Nil Variance).** £405.721m is the latest DSG amount notified by the ESFA as at July 2021.

Appendix 1 - Top up funding breakdowns	Brought forward 1.4.21 £'000	Funding 2021/22 £'000	Outturn Period 06 2021/22 £'000	In-year movement £'000	Carry forward 31.3.22 £'000
HNB: Top Up - Special Schools		15,823	20,756	4,933	
HNB: OLA Top Up		1,648	2,231	583	
HNB: GFE Top Up		2,213	3,632	1,419	
HNB: Top Up - Resource Bases		1,885	2,129	244	
HNB: Top Up - Mainstream Schools		9,134	12,505	3,371	
HNB: Top Up - PRUs		1,334	2,260	926	
HNB: Top Up	0	32,037	43,512	11,475	0

Appendix 2 - Forecast position for Overall DSG 2021/22 as at Period 6 (Block financing position)

	Brought forward 1.4.21	Funding 2021/22	Outturn Period 06 2021/22	In-year movement	Carry forward 31.3.22
	£'000	£'000	£'000	£'000	£'000
Maintained Schools		84,395	83,916	(479)	
Academy Recoupment		208,608	208,608	0	
Growth Fund		2,861	2,500	(361)	
Schools Block	(619)	295,864	295,023	(840)	(1,459)
De-delegation Services	(553)				(553)
Admissions		526	526		
Centrally Retained		2,101	2,101		
Schools Central Services	0	2,627	2,627	0	0
National Formula		29,269	29,269	1	
2 Year Old Funding		3,498	3,436	(62)	
Pupil Premium (EYPP)		538	538	0	
Additional Support Services		500	500	0	
SEN Top up		1,275	1,846	571	
Staffing		1,986	1,940	(46)	
Disability Access Fund		121	122	2	
Early Years Block	(621)	37,185	37,651	466	(155)
Commissioned Services		2,301	3,228	927	
Core Place Funding		9,639	8,819	(820)	
Staffing		1,160	1,652	492	
Top Up		32,037	43,512	11,475	
Placements		9,044	12,003	2,959	
Pupil Support		814	727	(87)	
HOPE Virtual School		236	235	(1)	
Academy Recoupment		13,415	13,415	0	
Education Transformation		1,400	1,400	0	
High Needs Block	11,797	70,046	84,992	14,946	26,743
Funding		(405,721)	(405,721)		
Total	10,004	0		14,572	24,576

Bristol Schools Forum **Schools Block School Funding Formula 2022/23**

Date of meeting:	30 th November 2021
Time of meeting:	5:00 pm
Venue:	Virtual Meeting : Zoom

1. Purpose of report

- 1.1 To inform and seek agreement of the Schools Forum on the principals of the funding formula for mainstream schools and academies for 2022/23, prior to final allocations being made available by the ESFA in December, for final formula agreement in January 2022.

2. Recommendations

Schools Forum is invited to:

- 2.1 Note the changes in the formula methodology for 2022/23
- 2.2 Provide feedback, as appropriate on the proposed arrangements for the 2022/23 mainstream funding formula, including the amount set aside for the Growth Fund to allow final proposals to be made and agreed on the Schools Budget for 2022/23 in January 2022. Specifically;
- a. transfer 0.5% to High Needs Block
 - b. set MFG at 0.5%
 - c. retain lump sum at current level
 - d. allocate any spare funding (after mandated items) to AEN
 - e. allocate £2m to Growth Fund
- 2.3 Note the potential changes to the National Funding Formula for 2023/24.

3. Changes between the 2021/22 NFF and the 2022/23 NFF

- 3.1 The main formula in 2022/23 is similar in operation to the formula in 2021/22. However, the ESFA has introduced some changes for 2022/23. Changes applicable to Bristol are described below.
- 3.2 The minimum per pupil funding amounts have been increased from the 2022-23 levels. KS1 & KS2 are now £4,265 from £4,180. KS3 is now £5,321 from £5,215 and KS4 is now £5,831 from £5,715.
- 3.3 NFF factor unit values have been increased. The increases in NFF unit values are as set out in **Appendix A**.

4. Funding available

- 4.1 Provisional school block allocations were announced in July 2021 are set out in the table below, and are based upon the October 2020 school census data. Schools Forum is cautioned to note that final allocations will be different, being based upon the October 2021 school census data.

This indicates that the provisional funding for Schools Block in 2022/23 is £302.8m. The equivalent figure for 2021-22 was £282.9m (increase of £20.1m). In addition, there will be an as yet unannounced allowance for Growth. For 2021-22 this was £2.3m. **Table 1** sets out how the indicative 2022-23 funding is composed.

Table 1: Initial indicative Schools Block Budget 2022/23

	Unit of funding	2021/22 pupil numbers	£ total
Primary	£4,733.44	35,868	£169,779,029
Secondary	£6,168.48	19,938	£122,987,154
Actual 2021-22 funding through the premises factors			£9,995,759
Growth funding element			Not yet announced
Provisional NFF 2022-23 schools block funding (excluding funding through the growth factor)			£302,761,939

5. Funding formula

- 5.1 The DfE continues to base the calculations for each authority on a soft National Funding Formula (ie the NFF is calculated on a per pupil, per school basis, but this determines how much the Local Authority gets, not how much each individual school is entitled to – a local formula for distributing DSG still prevails).
- 5.2 **Minimum per pupil funding levels.** Minimum funding levels per pupil are set as part of the NFF, for 2022/23 these will be £4,265 for primary schools and £5,321 for KS3 and £5,831 for KS4 in secondary schools (the calculation includes the lump sum but excludes other premises factors). This averages at £5,525 across secondary phases.

- 5.3 **Positive Minimum Funding Guarantees (MFG).** For 2022/23 funding formula the MFG can be set within the range +0.5% and +2.0%.
- 5.4 For the 2021/22 funding formula, the MFG also had to be set within the range of +0.5% to +2.0%. An MFG of +0.5% was agreed and applied, as both the LA and Schools Forum recognises the effect the MFG has in protecting funding that is no longer due to schools, for reasons of changing pupil characteristics.
- 5.5 For 2022/23 the LA is proposing setting at the minimum allowable again, at +0.5% for the same reasons as last year. This is in line with discussions at the sub-group and in line with the consultation results (the consultation is discussed at 6.33 – 6.36 and summary consultation results are shown at 6.37) .
- 5.6 **Growth Funding.** Developing a fair and sustainable way of including sufficient resource in the formula to take account of growing pupil numbers continues to be a challenge. Previously the DfE have used historic spend as the basis, but this did not help authorities with new, rapid growth. For 2022/23, the DfE are continuing with the formulaic basis for distributing growth funding, based on population changes in medium super-output areas, that was introduced for 2019/20. The allocation for 2022/23 will not be known until it is announced, which is expected during December 2021.
- 5.7 Growth funding is discussed in greater depth later in the paper, however as in previous years it is expected that the final allocation into Schools Block to be similar to the anticipated commitment.
- 5.8 **Movements between blocks.** The government's announcement of more funding into schools will raise expectations that the additional funding will be passed on to them, and indeed a number of the changes to the formula for 2022/23 enforce this. However LAs retain much discretion over application of the formula and so, discretion over how increases are passed on.
- 5.9 As in previous years, the position of the High Needs budget remains of concern. Whilst additional funding has been made available for the High Needs block directly, in 2021/22 we transferred 0.5% of the Schools Block (£1.4m) to be specifically earmarked to support the Education Transformation programme. For 2022/23 the LA has scope to again seek permission to transfer up to 0.5% of the Schools Block (up to an estimated £1.5m) into the High Needs Block to support to continuation of this programme.
- 5.10 The Authority continues to explore all options in closing the High Needs funding gap and create a stable platform for the future, and this includes considering the transfer of funding from Schools Block. Transfers between blocks to support the Education Transformation Programme is discussed elsewhere in the agenda, however for the purposes of this paper the maximum transfer that can be locally agreed has been modelled, based on current funding announcements and in line with the feedback from the consultation, alongside the results with no transfer.

6. Funding formula proposals

- 6.1 **Block transfer of up to 0.5% to High Needs:** The LA seeks School Forum views on whether a transfer of up to 0.5% of the available Schools Block to High Needs would be supported.
- 6.2 The LA is aware of School Forum's previously expressed concerns around transfers not supporting general High Needs activities and so, just as with the transfer last year, any funds transferred would be earmarked for specific utilisation to support the continuing Education transformation programme. This amount would be ring-fenced for this purpose and there will be clear and transparent reporting to Schools Forum on the use of this fund. The prime focus of the continuation of the Transformation Programme will need to be the sustainability of the High Needs Budget.
- 6.3 A block transfer was one of the areas consulted upon, with 23 of the 37 responses supporting a transfer of up to 0.5%
- 6.4 **Minimum Funding Guarantee:** The range in which the MFG can be set for 2022-23 remains the same as for 2021-22, in that the value must be between +0.5% and +2.0%.
- 6.5 The LA has discussed this in previous years with Schools Forum and this term worked with the finance sub-group, where the prevailing view has been that the MFG should be set at the lowest allowed value in order to avoid overly protecting schools with reducing AEN characteristics, and also to maximise any available funding remaining after dominating formula commitments to target areas of local priority.
- 6.6 The consultation with schools also sought their views on the level of MFG for 2022/23 and 36 of the 37 responses were in favour of setting the MFG at +0.5%.
- 6.7 Given the strong preference expressed, and previous practice, the LA once again proposes to set the MFG at the lowest allowable value of +0.5% for 2022/23.
- 6.8 **Application of the formula funding for 2022/23:** Once mandated formula commitments such as the minimum per pupil funding, minimum funding guarantee, premises factors, growth fund and any falling rolls fund allocations have been met, the LA seeks the views of School Forum as to how to apply any remaining available funding remaining within the Schools Block.
- 6.9 In previous years formula funding has been targeted at preserving the value of the lump sum and prioritised the Additional Educational Needs (AEN) factors: Deprivation, EAL and Prior Attainment.

- 6.10 Forum is being asked whether it will continue to support preserving the lump sum and targeting the AEN factors, or if the AWPU should be prioritised, or any other component of the funding formula.
- 6.11 The question as to preserving the lump sum and whether the AWPU or the AEN should be targeted in the formula was put to schools in the consultation. Schools were free to choose from six options, in various combinations of the AWPU, the AEN and the lump sum. All 37 responding schools answered this question, with 31 opting to preserve the lump sum and support the AEN over the AWPU, 1 school voted to preserve the lump sum and support the AWPU over the AEN, whilst five schools wanted to preserve the lump sum and support both the AWPU and the AEN.
- 6.12 **Preference to target any particular sector in the unit funding:** Forum will have noticed that the school funding formula uses differing unit values for factors for primary and secondary schools. This has been a feature of the funding formula since its inception and remains a feature of both the LA local formula and the NFF.
- 6.13 In previous discussions Forum has noted that locally the shift towards the NFF has benefitted larger schools to a greater degree than smaller schools. Forum has also noted that primary schools are no longer seeing substantive growth in pupil numbers, and indeed some schools are experiencing a decline in roll.
- 6.14 The LA seeks Forum's views on whether the LA should target or prefer the primary unit values over the secondary unit values to any degree when allocating any remaining available formula funding.
- 6.15 This question was asked of schools responding to the consultation. Of the 37 schools that replied: 19 schools wanted to see Primary targeted exclusively, with the remaining 18 responding schools wanting no distinction between sectors made.
- 6.16 **Other formula factors – premises factors:** In addition to other considerations, and in keeping with established practice, the LA is proposing to continue with:
- Appropriate allocations for NNDR
 - Appropriate allocations for PFI
 - Retaining the current split-sites policy
- 6.17 **GROWTH FUND:** The forecast costs of growth, funded from both the Growth Fund and via the APT for “new and growing schools” are set out in **Appendix C**. This projection is based on the current policy, the expected growth in September 2021 and the current rates at which the LA supports growth.
- 6.18 This table also includes a forward projection of growth in these schools through to September 2025.
- 6.19 New school openings are treated as “New and Growing Schools”, and funded as such via the Schools Block formula rather than as bids to the Growth Fund.
- 6.20 It should be noted that the growth in secondary schools will be moving through year groups, and some will move from KS3 to KS4, becoming proportionately more

expensive to support due to the higher KS4 AWPU, over the KS3 AWPU. This will increase the cost to the Growth Fund.

- 6.21 The actual level of cost will depend on actual pupil numbers recorded in the census and on the final formula considerations in those financial years. The projections shown are at an average of the current 2021/22 funding values.
- 6.22 Existing growth pressures continue to shift away from Primary Schools and into Secondary Schools. The degree at which there will need to be expansion of existing secondary schools in September 2022 and beyond is not yet certain, but the projection includes a small level of expansion of existing schools.
- 6.23 The commitment on the Growth Fund for 2022/23 – projected in the appendix at 2021 funding levels – is projected at £1.9m. The actual cost will depend on actual pupil numbers recorded in the Autumn 2022 census, the prevailing 2022/23 funding formula values, and the possible need to identify further expansions resulting from the Spring 2022 admissions round. Therefore the actual cost is likely to be higher than £1.9m, but this increase cannot be quantified at this time.
- 6.24 The LA proposed and School Forum supported establishing a Growth Fund of £2.0m for 2021/22. Whilst commitments in Primary schools is expected to reduce in 2022/23, commitments to secondary school growth will increase, so again the LA is proposing to allocate £2.0m to the Growth Fund.
- 6.25 Funding for the Growth Fund is primarily supported from the as yet unannounced Growth element of the Schools Block. The actual allocation is expected to be announced in December 2021 alongside the release of the final DSG allocations and the final school census data.
- 6.26 Allocations will be available once the ESFA releases the data on their website, and will be shown to School Forum at the January 2021 meeting, alongside presentation of the proposed final formula.
- 6.27 **FALLING ROLL FUND:** The LA may set aside some of the school block funding in order to create a small fund to support Good or Outstanding schools with falling rolls, where planning data shows the surplus places will be needed within the next three financial years.
- 6.28 BCC last operated the Falling Rolls fund in the 2016/17 financial year. At the meetings of November 2016 and January 2017, Forum received reports on the Falling Rolls fund and subsequently decided against continuation of the fund.
- 6.29 The School Forum finance sub-group revisited consideration of a Falling Rolls fund for 2020/21 at their meeting of 16th July 2019. The decision was not to re-establish a Falling Rolls fund for 2020/21.
- 6.30 The wording of the current (though dormant) locally agreed criteria restricts eligibility to secondary schools. Given the current and expected pupil population in secondary schools, it is questionable whether any school would qualify for support under the

current criteria. Any re-establishment of a falling rolls fund would be at the expense of funding applied through the mainstream formula, reducing the available funds to all schools. The wording of the currently dormant Falling Rolls fund is reproduced in **Appendix B**

6.31 At this time the LA is not proposing to reinstate the Falling Rolls fund for 2022/23.

6.32 Summary of proposals:

- a. Note the changes made to the formula by the ESFA
- b. That the MFG be set at +0.5%
- c. The transfer of 0.5% of the Schools Block to High Needs, for the purposes of the Transformation Programme
- d. The lump sum be preserved at £125,000 for both Primary and Secondary
- e. That funds remaining after meeting mandated requirements be distributed to the AEN factors
- f. No bias of this distribution to either primary or secondary
- g. Premises factors (NNDR, PFI, Split Sites) are appropriately funded, consistent with previous years
- h. £2.0m be allocated to the Growth Fund
- i. No re-establishment of a Falling Rolls fund

6.33 **Consultation with schools:** the LA consulted with schools on various aspects of the funding formula for 2022/23. The consultation was communicated to schools through the Service Director Education, Skills regular newsletter, via email and through school forum members. The consultation ran from 22nd October to 12th November.

6.34 The consultation consisted of two main sections. The first was open to all schools and sought opinion on:

- a. any block transfer to High Needs
- b. on the MFG
- c. on the prioritisation of any available funding after mandated commitments
- d. on whether primary should be prioritised in the distribution of any remaining available funding
- e. any other comments

6.35 The second section was open to the maintained mainstream schools only and asked their views on the areas open to de-delegation. The results of the de-delegation section are discussed in a separate paper elsewhere on the agenda.

6.36 Thirty-seven schools responded to the consultation:

	Maintained	Academy
Primary	11	15
Secondary	2	8
All-through		0
Special		0
PRU		1

Nursery	0	-
Grand Total	13	24

6.37 The summarised responses to the questions were:

		Yes	No
Q1	Agree to Block transfer	23	13
Q2	Comments received	Twelve from "Yes"	Seven from "No"
Q3	Agree to MFG 0.5%	36	1
Q4	Comments received	15 from "Yes"	One "No" response
Q5	Preferred formula option	A=31, B=0, C=1, D=0. E=5. F=0	
Q6	Prefer any sector? All / Primary	All = 18 , Primary = 19	
Q7	Comments received	Twelve comments,	

7. Future funding arrangements

- 7.1 On 8th July 2021 the DfE launched a consultation on establishing a firm, or hard national funding formula. The intent of the consultation is to obtain views of LAs, academy trusts, schools and other stakeholders on the introduction of a hard national funding formula from 2023-24
- 7.2 The results from that consultation have not yet been announced, however if the ESFA are to proceed with the introduction of a hard NFF from 2023-24 then this current formula setting round will be the last opportunity for local influence of the settlement to schools.
- 7.3 Bristol's Schools Block is funded at a level above that needed to implement a hard NFF in full. It is not clear whether that once any hard NFF is in operation if Bristol schools will be protected at this higher funding level by any future MFG or other floor mechanism. If there are no protections then some Bristol schools may see funding allocations fall in future years, in line with the NFF award alone.
- 7.4 The consultation closed on 30th September 2021, the DfE has not yet provided a time frame for announcing the results of that consultation.

Appendix A - comparison of 2022/23 NFF unit values to Bristol's 2021/22 formula unit values

	2022/23 National Funding Formula values	2021/22 National Funding Formula values	Local 2021/22 Formula Values
Factor			
Basic Entitlement (Primary)	£3,217	£3,123	£3,123
Basic Entitlement (KS3)	£4,536	£4,404	£4,404
Basic Entitlement (KS4)	£5,112	£4,963	£4,963
Free School Meals (Primary)	£470	£460	£497
Free School Meals (Secondary)	£470	£460	£497
Free School Meals Ever 6 (Primary)	£590	£575	£621
Free School Meals Ever 6 (Secondary)	£865	£840	£908
IDACI (P F)	£220	£215	£232
IDACI (P E)	£270	£260	£281
IDACI (P D)	£420	£410	£443
IDACI (P C)	£460	£445	£481
IDACI (P B)	£490	£475	£513
IDACI (P A)	£640	£620	£670
IDACI (S F)	£320	£310	£335
IDACI (S E)	£425	£415	£449
IDACI (S D)	£595	£580	£627
IDACI (S C)	£650	£630	£681
IDACI (S B)	£700	£680	£735
IDACI (S A)	£890	£865	£935
EAL3 (P)	£565	£550	£594
EAL3 (S)	£1,530	£1,485	£1,605
Low Attainment (P)	£1,130	£1,095	£1,183
Low Attainment (S)	£1,710	£1,660	£1,794

Lump Sum P	£121,300	£117,800	£125,000
Lump Sum S	£121,300	£117,800	£125,000

Appendix B – Falling Rolls bid criteria (dormant document, from September 2016)

Falling Rolls Fund Bid Criteria

As outlined in the EFA document “2014-15 Revenue Funding Arrangements”, Local Authorities may topslice the DSG in order to create a small fund to support good schools with falling rolls where local planning data show that the surplus places will be needed in the near future.

In Bristol, a small fund is available for those secondary schools & secondary academies to **bid for funding** if they meet **all** of the following criteria:

- 1) The school was deemed good or outstanding at their last Ofsted inspection (an EFA stipulation).
- 2) The School has a falling roll in this financial year or the school had a falling number on roll in the last financial year.
- 3) School is deemed to be significantly below PAN, (15%), when looking at total pupil numbers.
- 4) Where local planning data suggests vacant spaces will be needed within the next 3 years.
- 5) The School needs to show how it cannot support its number of pupils with the funding allocation. The School will be expected to cover the temporary funding shortfall from existing carry forward balances prior to application to the falling rolls fund.

If after review the bid meets these criteria, the allocation would be based on the following formula.

Formula Calculation

The formula would look at the actual census and compare it to the PAN of the school, funding an average of the difference between 85% of the PAN and the actual census across all the year groups.

Example:

Year Group	Year 7	Year 8	Year 9	Year 10	Year 11	Total
Actual Census: October 2014	122	134	147	133	151	687
School PAN	216	216	216	216	216	1080
85% of the PAN	184	184	184	184	184	920

Difference between 85% of PAN and actual census	65	50	37	51	33	233
---	----	----	----	----	----	-----

The total difference between 85% of PAN and actual census of 233 pupils is divided by 5 year groups to get an average of 46.6 pupils under PAN (233/5).

The 46.6 pupils are multiplied by the KS3 basic entitlement rate £4,103 (currently for 15/16) = **£191,200.**

Notes

- 1) Falling rolls bids are capped at a maximum of £200,000 per establishment per annum.
- 2) The deadline for applications to the falling rolls fund is **1st December** each year.
- 3) Unspent falling rolls funding will be used to support the overall DSG fund as directed by the Service Director of Education and Skills in consultation with the Head of Finance (People).

Appendix C – Current and projected Growth commitments

Type of Growth	Sector	School	Additional Forms of Entry				
			Sep-21	Sep-22	Sep-23	Sep-24	Sep-25
Growth Fund	Primary	Perry Court	1	1	1	1	1
Growth Fund	Primary	Ashton Gate	1	0	0	0	0
Growth Fund	Primary	Whitehall	1	0	0	0	0
Growth Fund	Primary	Cotham Gardens	1	0	0	0	0
Growth Fund	Primary	Marksbury	0	1	0	0	0
Growth Fund	Primary	Merchants Academy	1	0	0	0	0
Growing school APT	Primary	Marksbury	1	0	0	0	0
Growing school APT	Primary	Fairlawn	1	0	0	0	0
Growth Fund	Secondary	Orchard	1	1	0	0	0
Growth Fund	Secondary	Bristol Free Sch	1	0	0	0	0
Growth Fund	Secondary	Cathedral	1	0	0	0	0
Growth Fund	Secondary	City Academy	2	2	2	1	1
Growth Fund	Secondary	Fairfield	1	0	0	0	0
Growth Fund	Secondary	Redland Green	1	0	0	0	0
Growth Fund	Secondary	Bristol Brunel	3	2	2	1	1

Growth Fund	Secondary	Bristol Met	2	2	1	0	0
Growth Fund	Secondary	Colston Girls	2	2	1	0	0
Growth Fund	Secondary	Cotham	1	1	0	0	0
Growth Fund	Secondary	St Bedes	1	1	0	0	0
Growing school APT	Secondary	Trinity	6	6	6	6	6
Growing school APT	Secondary	Oasis Temple Q	0	0	8	8	8
Growing school APT	Secondary	Oasis S Bristol	0	0	6	6	6

TOTAL number of forms of entry (ie classes of 30)	29	19	27	23	23
--	-----------	-----------	-----------	-----------	-----------

Type of Growth	Sector	Average amount for 7/12ths of year	Sep-21	Sep-22	Sep-23	Sep-24	Sep-25
Growth Fund	Primary	£2,452	4	2	1	1	1
Growing school APT	Primary	£2,452	2	0	0	0	0
Growth Fund	Secondary	£3,339	16	11	6	2	2
Growing school APT	Secondary	£3,339	6	6	20	20	20

TOTAL number of forms of entry (ie classes of 30)	28	19	27	23	23
--	-----------	-----------	-----------	-----------	-----------

Forecast cost (£'000)	£2,645	£1,850	£2,678	£2,277	£2,277
------------------------------	---------------	---------------	---------------	---------------	---------------

Growth fund cost (£'000)	1,897	1,249	675	274	274
Growing schools cost (£'000)	748	601	2,003	2,003	2,003
Total (£'000)	2,645	1,850	2,678	2,277	2,277

	Sep-21	Sep-22	Sep-23	Sep-24	Sep-25
TOTAL number of forms of entry (ie classes of 30)	28	19	27	23	23
Forecast cost (£'000)	£2,645	£1,850	£2,678	£2,277	£2,277

Bristol Schools Forum **De-delegation 2022/23**

Date of meeting:	30 th November 2021
Time of meeting:	5.00 pm
Venue:	Virtual meeting - Zoom

1. Purpose of report

- 1.1 To inform the Schools Forum of the outcome of the de-delegation consultation, which ran from 22nd October to 12th November 2021.
- 1.2 To seek agreement from the maintained primary school members of the Forum to the primary school de-delegated services for 2022/23.
- 1.3 To seek agreement from the maintained secondary school members of the Forum to the secondary school de-delegated services for 2022/23.

2. Recommendation

Schools Forum is invited to:

- 2.1 Note the outcomes of the consultation on school funding arrangements.**

Maintained primary school representatives of Schools Forum are invited to:

- 2.2 Agree to de-delegation of the following services at the amounts per pupil indicated in Table 1 for 2022-23:**
 - a) Employee and Premises Insurance**
 - b) Assessment of eligibility for free school meals**
 - c) Maternity supply cover**
 - d) Schools in financial difficulty**
 - e) Trades Union facility time**
 - f) Education psychology**

Maintained secondary school representatives of Schools Forum are invited to:

2.3 Agree to de-delegation of the following services at the amounts per pupil indicated in Table 1 for 2022-23:

- a) Employee and Premises Insurance**
- b) Assessment of eligibility for free school meals**
- c) Maternity supply cover**
- d) Trades Union facility time**
- e) Health and safety roving reps**
- f) Education psychology**

Table 1: de-delegation rates per pupil for primary and secondary schools

	Primary rate £	Secondary rate £
Employee and Premises Insurance	31.06	39.38
FSM Eligibility	1.14	1.14
Maternity Supply Insurance	31.17	45.27
Schools in Financial Difficulty	5.17	n/a
Trade Union Facility time	3.85	3.85
Health and Safety Roving Reps	n/a	0.91
Educational Psychology	5.74	5.74

3. Background

- 3.1 Maintained mainstream schools, by majority vote of the Schools Forum in each sector, can opt to de-delegate the funding for their sector. The agreed retention will not be given to maintained schools in the formula and instead the LA will hold the funds centrally for the agreed services and spend the funds on those de-delegating sectors only.
- 3.2 Decisions on de-delegation are for representatives of each sector's maintained schools to make.
- 3.3 To assist the LA and Schools Forum with determining courses of action for the 2022-23 de-delegation the LA consulted with schools to seek the views of stakeholders.

4. De-delegation in 2021/22

4.1 The table below shows the services that Schools Forum voted to de-delegate for 2021/22, and the funding generated for each of those services.

Table 2: De-delegated services and funding in 2021/22

2021-2022 consultation	De-delegation following	Primary		Secondary	
		Total £'000	Per Pupil	Total £'000	Per Pupil
'Insurance' type Services					
Employee & Premises Insurance		503	31.06	72	39.38
Assessment of Eligibility for free school meals		18	1.14	2	1.14
Maternity Supply Cover		504	31.17	82	45.27
Schools In Financial Difficulty		n/a	n/a	n/a	n/a
TU Facility Time		n/a	n/a	7	3.85
Health & Safety Roving Reps		n/a	n/a	2	0.91
Services to Schools					
Educational Psychology		n/a	n/a	10	5.63
Total de-delegated		1,025	63.37	175	96.18

4.2 Schools Forum will remember decisions were taken not to de-delegate additional funding for Schools in Financial Difficulty, Trade Union Facility Time or for H&S Roving Reps in Primary Schools due to the accumulated balances being felt sufficient for 2021/22. School Forum maintained primary representatives also voted not to de-delegate funds for Education Psychology in 2021/22.

5. De-delegated items 2022/23.

5.1 The services in scope for 2022/23 are those as de-delegated in 2021/22.

5.2 One service has an increase in per-pupil rates for 2022/23. Education Psychology de-delegation rates have been increased by 2% to reflect the increase in the daily rate charged from September 2021.

5.3 The option for Schools in Financial Difficulty and Trade Union Facility Time have been offered again for 2022/23, should School Forum wish to support these areas by contributing to the available funds.

5.4 Table 3 provides some detail on each of the areas of de-delegation.

Table 3: Areas of de-delegation

<p>Employee & Premises Insurance This funds insurance cover as arranged by the local authority. If delegated, schools would need to assure the LA that cover arranged by the school (if not bought back) is fit for purpose. Pooling the funding ensures proper cover and allows schools' to avoid bureaucracy.</p>	<p>Per-pupil charge unchanged from 2021/22</p>
<p>Assessment of eligibility for free school meals This funding enables the service to schools for the checking of free school meal eligibility.</p>	<p>Per-pupil charge unchanged from 2021/22</p>
<p>Maternity Supply Cover Supports schools by funding the costs incurred covering staff taking maternity / paternity leave or staff on adoption leave.</p>	<p>Per-pupil charge increased from 2021/22</p>
<p>Schools In Financial Difficulty for Primary schools Provides support to schools in or forecasting a deficit. Access to the support is generally dependent on a school producing an agreed Recovery Plan. The use of funds is directed by the head of school partnerships. For information: there is currently a carried forward balance of £335k on this fund.</p>	<p>Per-pupil charge re-introduced for 2021/22</p>
<p>Trade Union Facility Time Fund Employers have a statutory obligation to release trade union representatives for representation in cases. The facilities fund held by Bristol City Council is used to remunerate schools that release their teachers who are TU representatives to carry out casework for their members. In the absence of any facility fund, maintained school bear the cost of releasing staff. For information: there is currently a carried forward balance of £218k available to be used for this purpose.</p>	<p>Per-pupil charge unchanged from 2021/22</p>
<p>Health & Safety Roving Reps in Secondary schools "Roving" reps are safety representatives who are appointed by TUs to cover multiple school sites. Their work includes effective consultation with employees in relation to employee health and safety issues. Compared to previous years, there are fewer safety representatives, and the cost of training is reduced. School head teachers retain overall responsibility, with the TU rep acting on the Head's behalf.</p>	<p>Per-pupil charge unchanged from 2021/22</p>
<p>Educational Psychology (EP) The Education Psychology Service provides professional advice to young people, families and educational settings. The de-delegated funding supports the delivery of EP visits to schools to discuss and identify vulnerable children and young people, and support a robust graduated response to needs including cost effectiveness. This is in addition to the Educational Psychology work in to the SEN assessment process, paid for by the LA as a statutory responsibility.</p>	<p>Per-pupil charge increased 2% from 2021/22</p>

- 5.5 The de-delegation consultation was launched 22nd October and ran for three weeks to 12th November. The de-delegation consultation was communicated to schools through the Service Director for Education, Skills regular newsletter, email and through school forum members.
- 5.6 This consultation sought school stakeholder views on the de-delegation of funding from mainstream schools for specific services, it was open to maintained mainstream schools only to respond.
- 5.7 Eleven of a possible 45 primary schools responded, whilst both of the two eligible secondary schools responded. The response to de-delegation is shown in the tables below.

Table 4: Primary de-delegation

Service	Votes Pool	Votes Delegate	Votes: No indication	% Pool	% Delegate	% No indication
Employee and Premises Insurance	10	0	1*	91	0	9
FSM Eligibility	11	0	0	100	0	0
Maternity Supply Insurance	11	0	0	100	0	0
Schools in Financial Difficulty	8	2	1*	73	18	9
Trade Union Facility time	8	2	1*	73	18	9
Education Psychology	7	4	0	64	36	0

**one school did not indicate a preference but sought more information*

***one school did not indicate a preference but requested the accumulated funds be used before further contributions.*

Table 5: Secondary de-delegation

Service	Votes Pool	Votes Delegate	Votes: No preference	% Pool	% Delegate	% No preference
Employee and Premises Insurance	1	1	0	50	50	0
FSM Eligibility	1	1	0	50	50	0
Maternity Supply Insurance	1	1	0	50	50	0
Trade Union Facility time	2*	0	0	100*	0	0
H&S Roving Reps	1	1	0	50	50	0
Education Psychology	1	0	1	50	0	50

**one respondent indicated pool but requested the accumulated fund be used before further contributions.*

5.8 Comments received in response to the questions are shown below:

Primary

Employee and premises:

- *[request] more info*

Schools In Financial Difficulty:

- *nil contribution to continue*

Trade Union Facility Time:

- *nil contribution to continue*

Education Psychology

- *Now have to buy in EP time so need clarity on what de-delegated funding is used for*

Secondary

Trade Union Facility Time:

- *Pooled but c/f balance to be used before further funding allocated*

- 5.9 As reported to School Forum in the meeting of 8th June 2021, both the Schools In Financial Difficulty and the Trade Union funds carried forward surplus balances, of £335k and £224k, into 2021-22 respectively. Comments received from the consultation question whether there could be nil contribution to the Schools In Financial Difficulty Fund, and whether the accumulated balance on Trade Union funds could be used first.
- 5.10 So far in 2021-22, there have been no charges to the SIFD fund, whilst the TU funds have paid £40k.
- 5.11 There were approximately 16,000 primary age pupils in maintained schools in 2021/22, whilst there were approximately 1,800 secondary age pupils. Assuming these pupil numbers continue into 2022-23, if School Forum supports further contributions via de-delegation, for SIFD in primary schools this would contribute approximately £82k to the fund for 2022-23 whilst if Schools Forum supports de-delegation for TU Facility Time this would contribute £68k to the fund for 2022-23. These funds are for activity in maintained schools, activity in academy schools is charged separately.
- 5.12 **Employees and Premises Insurance.** Comments were also received around the Employees and Premises Insurance, and whether the ESFA supported “Risk Protection Arrangement (RPA) for schools” was an alternative option.
- 5.13 The council tendered its main insurance arrangements in 2017 in respect of its building assets and liabilities (including in respect of its schools). The basis for this tender was 5 years with an option to extend for a further two years. The renewal is due in 2022. This includes the schools building assets and liabilities including Employers Liability and Public Liability.
- 5.14 The LMS pooled fund arrangement is an agreement which schools enter into to manage certain losses within the councils prescribed excess limit and pay the associated insurance premiums with specific cover (such as motor, school journey and governors liability). This is in respect of material damage for contents, motor, travel (school journey) and liabilities specific to their scope of business (such as governors liability). The LMS cover offers cover to a lesser excess than that of the councils main insurance arrangements and therefore operates as a pooled fund system for material damage losses for contents below the excess.

- 5.15 The rationale for the LMS arrangement is that schools would not be able to self-fund such losses to the self-insured (excess) limit (currently up to £50k) identified by the councils main portfolio and to ensure that the schools have the legally required cover in place in respect of motor.
- 5.16 The RPA is an 'all or nothing' arrangement and therefore even if the schools were seeking to replace the LMS pooled fund scheme by using the RPA this could create dual cover for certain aspects of cover (most notably buildings material damage, public liability and employers liability) and make handling large losses extremely complicated (this is also likely to be a breach insurance/RPA terms).
- 5.17 Whilst some schools may wish to explore the RPA or other insurances available on the market, the purpose of de-delegation is to avoid the administrative burden to schools for arranging suitable cover and the associated transactions.
- 5.18 The Local Authority recommendation to Schools Forum is that all of the services are de-delegated to maintained schools in 2022/23. De-delegation supports the provision of a coherent core offer by the Council to all maintained schools. This is particularly important when unplanned issues arise in a school and enables support to be provided rapidly and without the need to agree terms of engagement. Whilst the LA recognises that in any particular given year not all schools will access all services to the same degree, funding these services enables all maintained schools to benefit at a time of need.
- 5.19 **Eligibility for Free School Meals.** The Free School Meals Service is offered as a de-delegated service to Bristol LA Maintained Schools and as a traded service to Bristol Primary and Secondary Academies. The current product was developed by Bristol City Council in collaboration with IT provider Liquid Logic and as with any new product or service development there has been the requirement for ongoing improvements and refinement.
- 5.20 In addition to providing a de-delegated service to Bristol LA Maintained Schools, the service is a popular traded product which has been consistently purchased, over and above other products available within the marketplace, by more than 70 Academies on an annual basis since 2017.

5.21 Education Psychology. The Educational Psychology Service have provided a de-delegated service to schools for a number of years. This has been organised in a transparent way with schools receiving a number of visits from their link EP which directly corresponds to the funds paid in to the de delegation scheme. Days of EP time are effectively prioritised and purchased in advance through this approach.

Bristol Schools Forum
Revision to Scheme for Financing Schools
Consultation Response

Date of meeting:	30 th November 2021
Time of meeting:	5.00pm
Venue:	Virtual meeting

1 Purpose of report

- 1.1 This report provides information on the outcome of consultation on proposed revision to the Scheme for Financing Schools.
- 1.2 That Forum should note the Local Authority's (LA's) response to some of the comments expressed in the consultation responses.
- 1.3 That maintained schools members of the Forum should approve the scheme.

2 Recommendation

2.1 Schools Forum is invited to:

- a) **note the outcome of the consultation on proposed Scheme for Financing Schools**
- b) **Comment on the consultation responses**
- c) **Maintained school members to approve the revision to the proposed Scheme and to take effect from 01/04/2022**

3 Background

- 3.1 Local Authorities (LAs) are required to publish schemes for financing schools (the scheme) setting out the financial relationship between them and the schools they maintain.
- 3.2 In making changes to the scheme, other than directed revisions, LAs must consult all maintained schools in their area and receive the approval of the members of their school's forum representing maintained schools.
- 3.3 Bristol's current scheme was last updated in May 2017.
- 3.4 The purpose of this paper is to allow the Schools Forum to review the proposed scheme with the aim to approve it. If approved, the new scheme will take effect from 01/04/2022.
- 3.5 Prior to seeking Schools Forum approval, the proposed scheme was consulted upon with the wider body of maintained schools.
- 3.6 The consultation on proposed revision to the scheme was launched on the 5th of October 2021 and closed on the 8th November 2021.

3.7 The launch and information were promoted through the following channels:

- Headteacher's update: 5th October and 19th October 2021.
- Schools Forum members: 5th October 2021
- Direct emails to maintained Schools: 13th October 2021
- Bursars and Business Managers briefings
- Meetings with School representatives

3.8 The consultation document is available at this link [Consultation on Scheme for Financing Schools - Bristol - Citizen Space](#)

4 Consultation Response

4.1 Of the 69 LA maintained Schools at the launch of the consultation, only 11 schools responded when the consultation closed on the 8th November 2021. This represented 16% of the possible respondents. Although the response rate was disappointing, there were enough content in the responses for the LA to propose that the scheme be approved by the Schools Forum.

4.2 The consultation asked respondents to answer 22 questions each. Therefore, there were 242 possible answers. The summary of the responses is as shown in **Table 1** below. Further analysis of responses including comments from respondents are shown in **Appendix A** attached.

Table 1: Summary of Responses

Question	Paragraph	Agree	Disagree	Not Sure	Not Answered	Total
Question 1	2.2.2	11	0	0	0	11
Question 2	2.2.2	11	0	0	0	11
Question 3	2.3.2	9	0	1	1	11
Question 4	2.4.1	6	3	0	2	11
Question 5	2.4.2	7	2	0	2	11
Question 6	2.4.3	7	2	0	2	11
Question 7	2.11.5	9	1	0	1	11
Question 8	2.21.1	9	0	0	2	11
Question 9	2.21.2	10	0	0	1	11
Question 10	2.21.3	8	1	0	2	11
Question 11	2.21.4	10	0	0	1	11
Question 12	2.21.5	11	0	0	0	11
Question 13	2.22.2	11	0	0	0	11
Question 14	2.22.3	10	0	0	1	11
Question 15	4.7.1	11	0	0	0	11
Question 16	4.9.3	9	2	0	0	11

Question 17	4.10.7	11	0	0	0	11
Question 18	5.6.1	10	1	0	0	11
Question 19	5.6.2	9	1	1	0	11
Question 20	11.8.1	10	0	0	1	11
Question 21	11.8.2	10	0	0	1	11
Question 22	11.8.3	10	0	0	1	11
		209	13	2	18	242
		86%	5%	1%	7%	

- 4.3 As stated in the consultation response document, some of the proposed changes are meant to reflect current practices that has developed and evolved since 2017. This will help explain some of the comments from respondents which will be addressed later.
- 4.4 All respondents agreed with six of the proposals. Question 4 had the most disagreement/not answered (5 out of 11 or 45%) followed by questions 5 and 6 with 4 disagreements each (36%), question 10 with 3 (27%) and questions 3,7,8,16 and 19 with 2 each (18%). Some of the issues and comments raised in these questions will be addressed later in this paper.

5 Further Analysis of Responses

- 5.1 **Analysis of response to question 4, 5 & 6:** The text of these questions are repeated below for ease of reference.

“Schools must maintain an inventory of all moveable assets, which must be kept up to date and be in a form to be determined by the LA and setting out the basic authorisation procedures for disposal of assets. Inventory list shall be reported annually to the governing body (or the finance committee).”

“Schools must ensure all assets that are portable and attractive (e.g. a camera) are registered and included in the asset inventory.”

“All assets procured by school should be included in the inventory and school must ensure that they record the date of purchase, the purchase value and the serial number as a minimum.”

- a. The 3 questions are linked as they relate to the Section 2.4, of the proposed Scheme, on Control of Assets. Majority of respondents (55% for question 4 and 64% for questions 5 & 6 respectively)

agreed with the proposals. However, there were concerns raised regarding

- how this will work in practice with the ***Financial Regulations For Schools With Delegated Budgets (aka the Regs)***,
- the value of the assets that must be on the register (e.g. Nursery toys),
- whether this will involve additional information being provided to the LA,
- any additional bureaucracy this might create.

b. LA response: As stated above, majority of respondents (55% for question 4 and 64% for questions 5 & 6) agreed with the proposal and we have carefully considered the comments made against these questions in framing our response. In order to get a better understanding of the issue, the whole of Section 4 must be read together. The intention of this section is to protect schools against loss, theft, damage or otherwise of valuable critical assets which may often be portable. They are also assets that are valuable in terms of the information held in them and/or their cost. Assets included in this category will include (but not limited to) Laptops, Mobile Phones, Camera, other smaller electronic and IT equipment. The governing body should be able to decide the type of portable assets that will be included in the register. For those that are not (e.g. Nursery toys) there should be a broad policy/procedure regarding their purchase, use and disposal. This section has not asked schools to provide any additional regular information to the LA, instead, it is asking schools to provide necessary information to the LA CFO (or her authorised representative) whenever they need sight of that information. The proposed Scheme has therefore been re-worded to reflect this and the Regs will also provide further information on how this will work in practice.

5.2 Analysis of responses to questions 8,9 & 10: The text of these questions are repeated below for ease of reference.

“The SFVS is a DfE requirement which helps schools and local authorities meet basic standards for good financial health and resource management. The standard consists of a self-assessment checklist and a dashboard:

- *The checklist asks questions of governing bodies in six areas of resource management. It provides clarification for each question, examples of good practice, and details of further support available to assist schools in addressing specific issues*
- *The dashboard shows how a school’s data compares to thresholds on a range of statistics identified by the DfE as indicators of good*

resource management and outcomes. It provides explanations of each of the indicators and helps schools to fill in their data and understand the results.”

“All LA 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. Schools must carefully consider the results of the self-assessment checklist and dashboard and identify potential follow-up actions. It is for the school to determine at what time in the year they wish to complete the form.”

“The SFVS must be presented annually to the governing body or finance committee and signed by the chair of governors before being submitted to the LA. The timescale for the local authority to submit the SFVS assurance statement is determined annually by the DfE. The local authority will therefore inform schools each year of the date when schools must submit their SFVS.”

- a. The three questions are also linked in the sense that they relate to SFVS. There was only one disagreement to question 10 with 5 not answered questions (2 in questions 8 and 10 and 1 in question 9). Majority of respondents agreed with these proposals.
- b. From some of the comments, there appears to be some confusion regarding the requirement to undertake the SFVS assessment and when it should be submitted to the LA.
- c. **LA’s response:** SFVS is one of the tools that Schools (and governing body) can use to assess the effectiveness of internal control systems. It provides re-assurance to schools’ management and governors that control systems are in place and working. It also enables schools to identify where corrective actions needs to be taken, when and by whom. Therefore, completing and recording the exercise is good financial management and should be undertaken as soon as possible and at a point in time convenient for schools. The governing body will therefore be in a good position to carefully consider the outcome of the exercise and agree any necessary remedial action. Submission of the outcome, as evidence, to the LA is a separate issue and that is driven by the timetable issued by the DfE which then inform LA’s deadline to schools.

Secondly, some part of section 2.21 is aimed at bringing the scheme up to date and in line with current practice. Therefore, practices that has evolved since 2017 (and in line with DfE/ESFA pronouncements) are now being codified into the Scheme. This partly explains why

some respondents either refused to respond or queried the relevance of some of the questions.

5.3 Analysis of response to question 16. The text of this question is repeated below for ease of reference.

“Where schools are planning a deficit budget position (as prescribed in section 2.8.1) or as a result of its 3-year forecast position (as in sections 2.8.2 and 4.4.1) or its year-end position (as in section 4.5.1), then the school is required to make an application for a licensed deficit and to work with the LA to recover the financial position.”

- a. Two respondents (18%) disagree with this proposal. The main comments were around (i) the process to apply for a licence deficit (ii) whether this should apply to in-year deficit and (iii) should this apply where schools are deficit arose as a result of one-off expenditure.
- b. **LA’s Response:** Good practice suggests that schools planning a budget deficit position (for variety of reasons) should inform the LA and get the deficit licenced. The process of informing the LA is via the licence deficit process. Where the deficit arose as a result of planned large one-off expenditure with mitigations in place (e.g., by using existing reserve), that deficit will easily be agreed and licenced. Of more concern will be deficits arising from recurrent position for which there are no easily discernible mitigations. The process for applying for deficit will be reiterated in the Regs.

5.4 Analysis of response to question 19. The text of this question is repeated below for ease of reference.

“The policy referred to above is only to be used for one off, ad-hoc hires. A recognised business or organisation or individual hiring the premises as part of their business, should have their own Public Liability insurance. The minimum level of cover Bristol City Council requires is £5 million. Schools should contact the risk and insurance team if in doubt.”

- a. One respondent (9%) disagreed whilst another answered, “Not Sure”. Majority however agreed with this proposal. The main comments were around (i) £5m Public Liability is too high (ii) whether businesses with Public Liability insurance still need to pay the one-off ad hoc £20 for one time hire.
- b. **LA’s Response:** £5 million is the starting point requested for most activities, on small occasions where a school is hosting a small organisation conducting a low-risk business activity (such as a charity hosting a coffee morning) consideration could be given to a £2 million limit of cover but in practice a £5 million cover is readily available in the UK insurance market. This is especially true in a school environment where there are likely to be children involved in the activity.

- c. The payment of one-off hirer fee will only occur for groups that would not typically expect to have their own cover (this is typically only in respect of informal arrangements). Examples may include a group of friends hiring a school hall for a party or a group of friends hiring a football pitch for a kick around. As guidance any business or individual being paid to host or lead on an event/activity should have their own cover in place, in addition organised sports clubs/coaches should have their own cover in place. For organisations with their own cover in place, schools should seek evidence of this for their records and such organisations with their own cover are not required to pay the £20 hirer's liability insurance fee.
- d. Section 5.6 has been amended to reflect the changes in a-c above.

6. Revision to the Scheme post consultation

- 6.1 Based on the responses received, we have made some revision to section 2.4 and is shown on the proposed revised scheme attached as Appendix B to this report.
- 6.2 In addition to this, we are also undertaking a comprehensive review of the ***Financial Regulations For Schools With Delegated Budgets***. The revised regulations will be shared with the forum early in 2022 ahead of being made more available wider with maintain school's community.

		School 1	School 2	School 3	School 4	School 5	School 6	School 7	School 8	School 9	School 10	School 11	Comment (s)	Comment (s)	Comment (s)	Comment (s)	Comment (s)	Comment (s)	
Question 14	2.22.3	All those working in school including any volunteers must: •Be aware of the possibility that fraud, bribery, corruption and theft may exist in the workplace and report it when they suspect the school is being targeted. •Avoid situations where there is a potential for a conflict of interest •Comply with the Council's employee Code of Conduct.	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Not Answered	Agree	Agree	Agree	How is the Council's Code of Conduct different to School's?					
Question 15	4.7.1	The LA may not write off the deficit balance of any school, except in circumstances set out in 4.8.1.	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree						
Question 16	4.9.3	Where schools are planning a deficit budget position (as prescribed in section 2.8.1) or as a result of its 3-year forecast position (as in sections 2.8.2 and 4.4.1) or its year-end position (as in section 4.5.1), then the school is required to make an application for a licenced deficit and to work with the LA to recover the financial position.	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Disagree	Agree	Agree	Disagree	Isn't this already in the Scheme	What is the process to apply for a licenced deficit if necessary?	How do you apply for a Licenced deficit?	Should not apply to in-year deficits	Schools often plan a deficit budget due to one of expenditure using c/f surplus funds, in these circumstances an application for a licenced deficit should not be required.	
Question 17	4.10.7	If loans are made to fund capital items as referred to above and during repayment, the school entered a deficit position, the full amount of the loan shall become payable immediately. The school can then apply for licence deficit in accordance with paragraph 4.9 above. If the school subsequently plans to convert to academy status, the full amount of deficit must be either paid or agreed to be transferred to the Academy school.	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree						
Question 18	5.6.1	It is commonplace for schools to hire out their premises in order to supplement budgets. In these situations, schools must take out Hirers Liability Insurance which is a charge equal to 10% of the hire fee or £20,00 whichever is greater. It is recommended that this cover be provided in respect of all external hires. A form is available from the Council's risk and insurance team to assist in this process.	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Disagree	Agree	Agree	Agree	Should only be necessary if hirer does not have Public Liability Insurance	We would like advice from the Insurance department about this				
Question 19	5.6.2	The policy referred to above is only to be used for one off, ad-hoc hires. A recognised business or organisation or individual hiring the premises as part of their business, should have their own Public Liability insurance. The minimum level of cover Bristol City Council requires is £5 million. Schools should contact the risk and insurance team if in doubt.	Agree	Agree	Not Sure	Agree	Agree	Agree	Agree	Disagree	Agree	Agree	Agree	Why £5 millions ?Most are small businesses with low risk activities – need to understand why the £5million is there	Employers Liability Requirements?	Businesses with Public Liability Insurance may still hire premises on a one-off, adhoc basis. Why £5m cover – what is this based on; many organisations have a lower limit based on their risk!			
Question 20	11.8.1	The school's Head Teacher, Senior Leadership Team and Governors must ensure the school has a whistleblowing policy and procedure or has adopted the Council's whistleblowing policy and procedure.	Not Answered	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	What is the proposed revision?	Isn't this already the case under SFVS				
Question 21	11.8.2	All those working in schools including any volunteers should raise any concerns they have regarding: •Financial mismanagement, irregularity or impropriety. •Fraud. •Conduct likely to damage the school's financial wellbeing or reputation. •The deliberate concealment of any of the above matters.	Not Answered	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	What is the proposed revision?					
Question 22	11.8.3	If it is not appropriate to raise the concern through the school's whistleblowing procedure, or the Chair of Governors, Governors or Head Teacher fail to act on a Whistleblowing referral, the concern should be raised via the Council's whistleblowing procedure, or directly with the Director of Education and Skills or with the Council's Internal Audit.	Not Answered	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	Agree	What is the proposed revision?					

Bristol City Council



SCHEME FOR FINANCING SCHOOLS

Effective 1st April 2022

Version Control

19/02/2019: 1st April 2017 document updated with changes highlighted in 5th February update to scheme (issue 10) :
<https://www.gov.uk/government/publications/schemes-for-financing-schools/schemes-for-financing-local-authority-maintained-schools>

19/02/2019 Statement from Secretary of State added to section 4 on loans

01/04/2021: 19th February 2019 document updated with changes highlighted in 5th August 2020 update to scheme (issue 12)

August 2021 – updated with 2021 guidance from DfE.

August 2021 – updated with comments from Audit, Procurement, PFI, Pensions etc

October 2021- Consultation with Schools

November 2021 – Presented to Schools Forum

CONTENTS

Section

1. **Introduction**
2. **Financial Requirements and Audit**
3. **Instalments of the Budget Share – Banking Arrangements**
4. **The treatment of Surplus and Deficit Balances arising in relation to Budget Shares**
5. **Income**
6. **The Charging of Budget Shares**
7. **Taxation**
8. **The Provision of Services and Facilities by the Authority**
9. **Private Finance Initiative (PFI) and Public Private Partnership (PPP)**
10. **Insurance**
11. **Miscellaneous**
12. **Responsibility for Repairs and Maintenance**
13. **Community Facilities Powers and Community Based Extended Schools**

SECTION 1: INTRODUCTION

1.1 The Funding Framework: Main Features

- 1.1.1 The funding framework which replaces Local Management of Schools is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998¹ (the Act).
- 1.1.2 Under this legislation, Local Authorities determine for themselves the size of their Schools Budget and their non-school's education budget although at a minimum and Local Authority must appropriate their entire Dedicated Schools Grant (DSG) to the schools' budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's-maintained schools.
- 1.1.3 Bristol City Council (herein refers to as the Local Authority, the Authority, LA, the LA or the City Council) may centrally retain funding in the Schools Budget for purposes defined in regulations by the Secretary of State under s.45A of the Act (herein referred to as Regulations or The Regulations). The amount to be retained centrally is decided by the LA, in conjunction with their School's Forum, subject to any limits or conditions prescribed by the Secretary of State. The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the LA Budget must be retained centrally (although earmarked allocations may be made to schools).
- 1.1.4 Local Authorities may retain an unallocated reserve within the ISB but must otherwise 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 budget share for each maintained school. This budget 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 the scheme made by the LA in accordance with s.48 of the Act and approved by the secretary of State. Proposed revisions to the scheme will be the subject of consultation with the governing body and the headteacher of every school maintained by the authority before they are submitted to the Schools Forum for their approval. All revisions to the scheme must be approved by the Schools Forum and, in the event of any dispute, must be agreed by the Secretary of State, who also has the power to modify this scheme or impose one.
- 1.1.5 Each LA is obliged to publish each year a statement setting out details of its planned Schools Budget and other expenditure on childrens services, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school. After each financial year the authority must

¹ [School Standards and Framework Act 1998 \(legislation.gov.uk\)](http://legislation.gov.uk)

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

- 1.1.6 The detailed publication requirements for financial statements and for schemes are set out in regulations, and each year's budget and outturn statements so far as they relate to that school or central expenditure. The Scheme for Financing Schools (also known as The Scheme or this document) and any revisions must be published on a website that is accessible to the general public.

1.2 The Role of the Scheme

- 1.2.1 The objective of The Scheme is to enable Governing Bodies to manage the resources available to them in the most efficient and effective manner to meet the needs of their pupils.
- 1.2.2 The Scheme sets out the financial relationship between the LA and the maintained schools which it funds. The Scheme contains requirements relating to financial management and associated issues, which are binding on both the LA and on schools.
- 1.2.3 The LA is responsible for the management of the education service. Its role is set out in the Code of Practice on LA/school relations which should be read in conjunction with this scheme.
- 1.2.4 The LA is responsible for the production of and for securing agreement to, the scheme for financing schools and for determining the overall level of resources and the means by which those resources will be allocated to schools.
- 1.2.5 Through the provisions of this Scheme and other documents referred to within but published outside it, the LA will seek to ensure that there is proper accountability for the expenditure of public money.
- 1.2.6 Governors must at all times operate within legal requirements and regulations issued by the Government from time to time. Governors are also bound by the conditions and requirements as set out in this document.
- 1.2.7 The role of governing bodies will be set out in regulations to be made under The Act and are set out in the Code of Practice on LA/school relations.

1.3 Application of the Scheme to the Authority and Maintained Schools

- 1.3.1 The Scheme will apply to community, nursery voluntary, trust, foundation, community special or foundation special schools and Pupil Referral Units (PRUs) maintained by the LA.
- 1.3.2 It does not apply to schools situated in the authority's area which are maintained by another authority nor does it apply to academies.
- 1.3.3 The schools covered by the scheme maintained by the LA on 1 April 2021 are listed in Annex 1.

1.3.4 New maintained schools opening after 1 April each year will be covered by the scheme by virtue of s48 of the SSAF Act.

1.4 Publication of the Scheme for Financing Schools

1.4.1 The LA will publish The Scheme in accordance with the requirements of the regulations made by the Secretary of State following approval by the Schools Forum.

1.5 Revision of the Scheme

1.5.1 Any proposed revisions to the scheme for financing schools will be the subject of consultation with the Schools Forum.

1.5.2 Revisions to the Scheme can only be agreed by Schools Forum members representing maintained schools.

1.5.3 Proposed revisions to the scheme for financing schools will require approval by the Secretary of State in the event of dispute between the Schools Forum and the LA.

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

1.6 Delegation of Powers to the Head teacher

1.6.1 Governors may spend the school's budget share as they think fit for the purposes of the school. Where the LA may have concerns over the use of funds, the LA can request the documentation showing approval by the governors.

1.6.2 Governors will be responsible for agreeing the school's first formal budget each year (and any changes in-year) and for monitoring income and expenditure against that budget throughout the year.

1.6.3 Governors will consider and determine the extent to which they wish to delegate their financial powers to the head teacher, subject to the provisions of The Scheme and will record their decision (and any revisions) in the minutes of the governing body.

1.6.4 Head teachers will have responsibility for the day-to-day financial leadership, direction and management of the school, within the powers delegated to them by the governing body.

1.7 Maintenance of Schools

1.7.1 The LA is responsible for maintaining the schools covered by The Scheme, which includes a duty to defray all expenses of maintaining them, except in the case of voluntary aided schools, where some of the expenses of maintaining them are, by statute, payable by the governing body.

1.7.2 Part of the way in which the LA maintains the schools referred to above is through The Scheme, which the LA shall put in place under the provisions of sections 45 to 53 of The Act.

SECTION 2: FINANCIAL CONTROLS

2.1 General Procedures

Application of Financial Controls to Schools

- 2.1.1 Governing bodies may manage their schools' delegated budgets and spend any sums available to them as they think fit for the purposes of the school and for the benefit of pupils attending the school, in line with the priorities of the school development plan and subject to the provisions of the scheme for financing schools.
- 2.1.2 Governing bodies' discretion to manage their schools' budgets is subject to the LA's requirements in respect of financial controls and monitoring set out in the scheme and any other documents referred to in the scheme but which are published outside it, but only in so far as the provisions in those documents are compatible with the terms of the scheme itself.
- 2.1.3 Under Section 50 (3) (b) of the SSAF Act, the Secretary of State may prescribe additional purposes for which expenditure of delegated budgets may be made.
- 2.1.4 The Service Director - Finance (Chief Financial Officer/S.151 Officer) is responsible for ensuring the adequacy of the financial organisation and accounting procedures in all maintained schools.

2.2 Provision of Financial Information and Reports

- 2.2.1 A statement of forecast net expenditure against budget (also known as budget monitor) shall be submitted to the governing body (or finance committee) of all LA maintained schools at least once in each term (six) during each financial year.
- 2.2.2 Unless the LA has notified a school otherwise (e.g. new school or school in financial difficulty), schools will be required to submit to the LA (in a form specified by the LA) an estimated (forecast) outturn (budget monitor) quarterly each financial year in accordance with the timescales prescribed by the LA. There may be request for more frequent information in respect of tax and banking matters and also for Schools in financial difficulty. Please refer to the "Support process for schools with financial deficits" document for further information.
- 2.2.3 Reports, referred to above, will cover all income and expenditure for both revenue and capital budgets and also voluntary contributions.
- 2.2.4 Schools opting out of the Council's finance system must make available their VAT and other management and accounting information in a format and time (including frequency) specified by the LA.

2.3 Payment of Salaries and Accounts

- 2.3.1 The procedures for payment of accounts and the keeping of financial records will be set out in the Financial Regulations for Schools with Delegated Budget with Delegated Budget.

2.3.2 Schools that operate their own bank accounts outside of the LA managed pooled arrangement, will have a separate procedure from those within the pool arrangement. These are set out in the Financial Regulations for Schools with Delegated Budget.

2.4 Control of Assets

2.4.1 Schools must maintain an inventory of non-capital moveable assets, which must be kept up to date and be in a form to be determined by the LA and setting out the basic authorisation procedures for disposal of assets. Inventory list shall be reported annually to the governing body (or the finance committee).

2.4.2 Schools must ensure all assets that are portable and attractive (e.g., electronic/IT devices, a camera or those assets that hold valuable information) are registered and included in the asset inventory. For assets whose individual value is less than £1,000, schools should be free to determine if these should be included in the inventory. At the very minimum, schools should have policy/procedure regarding purchase, use and disposal of those classes of assets not included in the inventory.

2.4.3 For assets procured by school and included in the inventory, schools must ensure that they record the date of purchase, the purchase value and the serial number as a minimum.

2.4.4 Assets must not be removed from the school other than in the course of school business, nor should they be used for purposes other than school business, except with the express permission of the head teacher.

2.4.5 The Chief Financial Officer (or their nominated representative) shall have access at all times to the inventory of moveable assets and may make such checks and tests as are reasonable to verify the inventory.

2.4.6 Disposal of such moveable assets shall be in accordance with the procedures from time to time agreed by the Chief Financial Officer, which will be set out in the Financial Regulations for Schools with Delegated Budget.

2.5 Accounting Policies (including year end procedures)

2.5.1 The accounting policies for all schools, including the procedures to be followed at the year end will be set out by Trading with Schools Finance in March of each financial year.

2.6 Writing Off Debts

2.6.1 Governing bodies shall be authorised to write off debts in accordance with the procedures from time to time agreed by the Chief Financial Officer, which will be set out in the Financial Regulations for Schools with Delegated Budget.

2.7 Basis of Accounting

2.7.1 Schools shall where possible account to the LA for all income and expenditure on an accruals basis as defined in Financial Regulations for Schools with Delegated Budget.

2.8 Submission of Budget plans & Financial Forecasts

2.8.1 Each Governing Body must approve a budget plan for the financial year, which shall be submitted to the LA before 31 May of that year. The required format of the budget plan will be notified to schools each year at the same time as they are notified of their budget share by the LA.

2.8.2 The approved budget plan (in 2.8.1 above) as well as financial forecast of income and expenditure for the following 2 years (making 3-year financial information) shall be submitted to the LA before 31 May of that year.

2.8.3 The LA shall provide schools with formula funding information required for them to prepare budget plans.

2.8.4 Schools are allowed to take into account estimated balances at the previous 31 March in their budget plan.

2.8.5 Where the budget plan results in either an in-year deficit or an overall deficit the school must seek approval for this budget from the Service Director Education and Skills and the Chief Financial Officer via the Application for Licenced Deficit process (see Section 4.5 Planning for Deficit Budgets).

2.8.6 This information may be used not only to confirm whether schools are undertaking effective financial planning or not, but also as evidence to support the local authority's assessment of schools' financial value standards or used in support of the authority's balance control mechanism.

2.9 School Resource Management

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

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

2.9.3 It is important for schools to review their current expenditure, compare it to other schools and consider how to make improvements that will maximise pupil outcomes.

2.10 Virement

2.10.1 Governing bodies have the power, to vire freely between the budget heads in their annual budget plan, except where budgeted expenditure relates to earmarked items outside the school's budget share as defined in the Financial Regulations for Schools with Delegated Budget.

2.10.2 Governing bodies may delegate this power to the finance committee or to the head teacher.

2.11 Audit

- 2.11.1 Schools will be subject to regular internal audit by the City Council's Internal Audit service acting on behalf of the Chief Financial Officer under s151 of the Local Government Act 1972², in accordance with the LA's published annual Internal Audit Plan.
- 2.11.2 Schools will be subject to external audit as part of the external audit of the LA.
- 2.11.3 Governing Bodies will be required to ensure that schools cooperate with all reasonable requirements of internal and external auditors and allow the auditors (acting as Chief Financial Officer nominated representative) access to school records, and explanations from staff, at all times for the purposes of audit.
- 2.11.4 The LA will from time to time publish a statement of the responsibilities of schools in respect of the requirements of internal audit, which will be included in the Financial Regulations for Schools with Delegated Budget.
- 2.11.5 Governing bodies shall make arrangements for internal (and other similar) audit reports to be considered by the Finance Committee (or other member(s) nominated by the governing body), who shall bring any relevant recommendation to the attention of the governing body.

2.12 Separate External Audits

- 2.12.1 Governing bodies may authorise expenditure in their annual budget plan to obtain external audit certification of their accounts, separate from any LA internal or external audit process.

2.13 Audit of Voluntary and Private Funds

- 2.13.1 Governing bodies shall ensure that annual audit certificates are obtained in respect of voluntary and private funds held by schools and of the accounts of any trading organisations controlled by the school (in accordance with Internal Audit published guidance for voluntary and private funds) and that such certificates are forwarded to the council's Internal Audit Service and a copy made available for inspection by the LA.
- 2.13.2 A school refusing to provide audit certificates to the council's Internal Audit Service as required by the scheme is in breach of the scheme and the authority can take action on that basis.

2.14 Registers of Business Interests

- 2.14.1 Governing Bodies shall establish a register which lists for each member of the governing body, the head teacher and any member of staff responsible for expenditure, the following:

² [Local Government Act 1972 \(legislation.gov.uk\)](http://legislation.gov.uk)

- any business interests they or any member of their immediate family have.
 - details of any other educational establishments that they govern.
 - any relationships between school staff and members of the governing body.
- 2.14.2 Such a register shall be kept up to date with notification of changes and through an annual review of entries.
- 2.14.3 Such a register shall be made available for inspection by the LA, governors, staff and parents and published on the school's website.
- 2.14.4 Detailed guidance on the maintenance of the register referred to in this section and other registers of interests in line with good practice in the public sector is contained in the Financial Regulations for Schools with Delegated Budget.

2.15 Purchasing, Tendering and Contracting Requirements

- 2.15.1 Schools may purchase from any supplier, providing that they comply with the Financial Regulations for Schools with Delegated Budget and the provisions of the Council's Procurement Regulations depending on the amount involved.
- 2.15.2 Where relevant, schools shall assess in advance of purchasing or letting contracts the health and safety competence of suppliers or contractors, taking account of the LA's policies and procedures in this regard.
- 2.15.3 Contracts financed from schools' delegated budgets, shall be let in accordance with the provisions of Procurement Regulations relating to contracts. Except where contracts are the responsibility of the governing body of Voluntary Aided schools, governing bodies entering into contracts shall do so on behalf of, and in the name of, the City Council. Governing bodies will be responsible for the proper management of such contracts and for the authorisation of payments. Governing bodies are advised to seek the advice of the Chief Financial Officer before entering into such contracts.
- 2.15.4 Bristol City Council orders shall be used in respect of all goods and services procured by schools, except where other formal arrangements are in place, for example, for the provision of the electricity supply and TWS.
- 2.15.5 Schools must follow and comply with the Financial Regulations for Schools with Delegated Budget and the provisions of the Council's Procurement Regulations when procuring goods and services, however under the following circumstances, this scheme takes precedence over those regulations and schools may choose to:
- (a) ignore any provision of rules that would require them to do anything incompatible with any of the provisions of this scheme, or any statutory provision, or any EU Procurement Directive;

- (b) disregard the requirement to seek LA officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- (c) disregard instructions to only select suppliers from an approved list;
- (d) Seek advice on a range of compliant deals via government guidance on their website "[Buying for schools](#)".

2.16 Application of Contracts to Schools

2.16.1 Schools may opt out of contracts arranged by the LA for the supply of goods and services.

2.16.2 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 local authority as maintainer of the school and the owner of the funds in the budget share.

2.16.3 Other contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations; for example, contracts made by voluntary aided or foundation schools for the employment of staff.

2.17 Central Funds and Earmarking

2.17.1 The LA may make revenue funding available to schools from central funds in the form of allocations which are additional to and separate from the schools' budget shares.

2.17.2 Such allocations shall be subject to conditions setting out the purpose or purposes for which the funds may be used, and allocations may not be assimilated into the school's budget share for the purposes of exercising virement. Schools will be required to demonstrate that this requirement has been complied with, in accordance with the Financial Regulations for Schools with Delegated Budget.

2.17.3 Such earmarked funding from centrally retained funds must only be spent on the purposes for which it is given,

2.17.4 Schools will be required to return the balance of earmarked funds remaining unspent at the end of the financial year, or within the period over which schools are allowed to use the funding if different.

2.18 Spending for the Purposes of the School

2.18.1 Schools may choose to spend their budget share on community facilities or services as prescribed under section 27 of the Education Act 2002³.

2.18.2 Schools may also choose to spend their allocations on any of the purposes as outlined in the School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2010⁴. These allow schools to spend their

³ [Education Act 2002 \(legislation.gov.uk\)](#)

⁴ [The School Budget Shares \(Prescribed Purposes\) \(England\) \(Amendment\) Regulations 2010 \(legislation.gov.uk\)](#)

budgets on pupils who are on the roll of another maintained school or academy.

2.19 Capital Spending from Budget Shares

2.19.1 Governing bodies may use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the SSAF Act.

2.19.2 Governing bodies will be required to seek the consent of the LA to proposed capital works to be met from schools' delegated budgets, where the premises are owned by the LA or the school has voluntary controlled status. Consent may be withheld only on health and safety or other compelling grounds.

2.19.3 The reason for these provisions is to help meet responsibilities with the School Premises (England) Regulations 2012⁵, the Workplace (Health, Safety and Welfare) Regulations 1992⁶, the Regulatory Reform (Fire Safety) Order 2005⁷, the Equality Act 2010⁸, and the Building Regulations 2010⁹.

2.19.4 Governing bodies will be required to notify the LA when they determine to devote any part of their delegated budget to capital expenditure.

2.19.5 Governing bodies may submit bids in the manner prescribed by the LA for approval for capital expenditure on works to school premises, which would be made by the LA outside the school's delegated budget.

2.20 Notice of Concern

2.20.1 Under powers given by the Secretary of State, the LA may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Financial Officer and the Service Director, Education and Skills, 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 local authority or the school.

2.20.2 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:

- a) insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school,
- b) insisting that an appropriately trained/qualified person chairs the finance committee of the governing body,
- c) placing more stringent restrictions or conditions on the day-to-day financial management of a school than the scheme requires for all

⁵ [The School Premises \(England\) Regulations 2012 \(legislation.gov.uk\)](#)

⁶ [The Workplace \(Health, Safety and Welfare\) Regulations 1992 \(legislation.gov.uk\)](#)

⁷ [The Regulatory Reform \(Fire Safety\) Order 2005 \(legislation.gov.uk\)](#)

⁸ [Equality Act 2010 \(legislation.gov.uk\)](#)

⁹ [The Building Regulations 2010 \(legislation.gov.uk\)](#)

schools – such as the provision of monthly accounts to the local authority,

- d) insisting on regular financial monitoring meetings at the school attended by local authority officers,
- e) requiring a governing body to buy into a local authority's financial management systems; and
- f) imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

2.20.3 The LA may suspend a school's right to a delegated budget if the provisions of this scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. There is a right of appeal to the Secretary of State. A school's budget share may also be suspended for other reasons (s.17 of the Act) but in that case there is no right of appeal.

2.21 Schools Financial Value Standard (SFVS)

2.21.1 The SFVS is a DfE requirement which helps schools and local authorities meet basic standards for good financial health and resource management. The standard consists of a self-assessment checklist and a dashboard:

- The checklist asks questions of governing bodies in six areas of resource management. It provides clarification for each question, examples of good practice, and details of further support available to assist schools in addressing specific issues
- The dashboard shows how a school's data compares to thresholds on a range of statistics identified by the DfE as indicators of good resource management and outcomes. It provides explanations of each of the indicators and helps schools to fill in their data and understand the results.

2.21.2 All LA 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. Schools must carefully consider the results of the self-assessment checklist and dashboard and identify potential follow-up actions. It is for the school to determine at what time in the year they wish to complete the form.

2.21.3 The SFVS must be presented annually to the governing body or finance committee and signed by the chair of governors before being submitted to the LA. The timescale for the local authority to submit the SFVS assurance

statement is determined annually by the DfE. The local authority will therefore inform schools each year of the date when schools must submit their SFVS.

2.21.4 The LA use the SFVS information to inform their programme of financial assessment and audit.

2.21.5 Where the SFVS shows (or the LA has informed a school of) the need to improve, 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 specific deadlines**

2.22 Fraud

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

2.22.2 The school's Head Teacher, Senior Leadership Team and Governors must:

- Ensure the school has a fraud policy or has adopted the Council's fraud policy and this information must also be included in induction for new school staff and governors.
- Ensure that they, and their colleagues, understand the fraud risks faced by schools by developing and maintaining a fraud risk assessment.
- Implement and maintain an effective control environment to prevent fraud.
- Create an environment in which colleagues feel able to report concerns of suspected fraud.
- Inform the Council's Internal Audit of any cases of suspected fraud and carry out or assist in the investigation (as required).
- Advise the Council's Internal Audit of the outcome of any cases of suspected fraud investigated by the school.
- Consider the risk of fraud in any new processes and any changes to system processes.

2.22.3 All those working in school including any volunteers must:

- Be aware of the possibility that fraud, bribery, corruption and theft may exist in the workplace and report it when they suspect the school is being targeted.
- Avoid situations where there is a potential for a conflict of interest
- Comply with the Council's employee Code of Conduct.

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

3.1 Frequency of instalments

3.1.1 Where schools make their own payroll arrangements, the LA shall make the total of their budget share available in twelve equal instalments.

3.2 Proportion of budget share payable at each instalment

3.2.1 The relevant sum on which advances under section 3.1.1 shall be calculated in twelve equal instalments for the school allocation less any allocation for National Non-Domestic Rate.

3.2.2 A separate advance will be made in respect of the budget allocation for the cost of the National Non-Domestic Rate for the school.

3.2.3 If a school opens an external bank account the LA must, if the school desires, transfer, immediately to the account an amount agreed by both the school and the LA as the estimated surplus balance held by the LA in respect of the school's budget share on the basis that there will be a subsequent correction when accounts for the relevant year are closed.

3.3 Interest on late budget share payments

3.3.1 The City Council will add interest to late payments of budget share instalments, only where such late payment is the result of City Council error. The interest rate used will be that used for the interest clawback calculations.

3.4 Budget shares for closing schools

3.4.1 Budget shares of schools participating in the cheque book management scheme, where approval for discontinuation has been given, shall be made available on a monthly basis net of estimated pay costs, irrespective of previous arrangements.

3.5 Bank and Building Society Accounts

3.5.1 All maintained schools may have external bank accounts into which instalments of their budget share are paid, subject to the conditions set out at paragraph 3.6.3 being met.

3.5.2 Where schools have such accounts, they shall be allowed to retain all interest payable on the account unless they choose to have an account within an LA contract which makes other provision.

3.5.3 New bank account arrangements may normally only be made with effect from the beginning of each financial year. Application should normally be made before the end of November before the beginning of the financial year but must be made by the end of January preceding the financial year.

- 3.5.4 Schools may operate bank accounts for budget share purposes which are in the name of the school rather than the LA, but accounts must include the name of the City Council. If the school operates an external account for community facility purposes, the account mandate should not imply that the LA is the owner of the funds in the account except insofar as those funds have been provided by the LA itself.
- 3.5.5 Money paid by the LA and held in such accounts remains LA property until spent as provided for by s.49(5) of the SSAF Act.

3.6 Restrictions on Accounts

- 3.6.1 All banking arrangements must be made with the approval of the Chief Financial Officer.
- 3.6.2 Schools may choose to operate a bank account with any institution approved by the Chief Financial Officer from time to time. A list of at Least 10 approved institutions will be appended to the Financial Regulations for Schools with Delegated Budget.
- 3.6.3 Schools that currently have a deficit budget may only hold bank accounts at the expressed approval of the LA. Schools holding bank accounts that have failed to demonstrate adequate control measures will also be subject to withdrawal.
- 3.6.4 Any school closing an account used to receive its budget share and opening another must select the new financial institution from the approved list, even if the closed account was not with an institution on that list.
- 3.6.5 All bank account opened by schools where budget share are paid should include a mandate that the funds are owned by the LA and the LA is entitled to receive bank statements, and can take control of the account if the schools' right to a delegated budget is suspended by the LA.
- 3.6.6 The conditions and requirements governing schools maintaining external bank accounts (cash schools) are set out in the Financial Regulations for Schools with Delegated Budget and are binding on all schools in the scheme.

3.7 Borrowing by schools

- 3.7.1 Governing bodies may only borrow money, other than from the LA, with the written permission of the Secretary of State.
- 3.7.2 Schools may use any scheme that the Secretary of State has said is available to schools without specific approval, currently including [the Salix scheme](#), which is designed to support energy saving.
- 3.7.3 Circumstances in which schools may borrow from the LA are prescribed in section 4.10 of this scheme.
- 3.7.4 The restriction on borrowing does not apply to Trustees or Foundations, as they are private bodies.

3.7.5 Debts resulting from the borrowing of Trustees and Foundations may not be serviced directly from schools' delegated budgets, but schools are free to agree, and pay, a charge for a service which the Trustees or Foundations are able to provide as a consequence of their own borrowing.

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

4.1 Right to Carry Forward Surplus Balances

- 4.1.1 Schools will carry forward from one financial year to the next any surplus (subject to control on surplus balance section below) or deficit on their budget share for the year plus or minus any balance brought forward from the previous year.
- 4.1.2 Where new schools are opening, particular provisions apply, and the LA may modify the amount of funding to be received by a new school as part of its budget share to assist in setting up the new school, which may reflect the balances of any predecessor schools.

4.2 Controls on Surplus Balances

- 4.2.1 Governing bodies shall consider annually, as part of the budget-setting process, the level of surplus balances they intend to carry forward at the year end.
- 4.2.2 Governing bodies will be required to submit a business plan to the LA on the use which they intend to make of excess balances in cases where the surplus balance exceeds 5% (secondary schools) or 8% (nursery, primary, and special) of the school's budget share as at 31 March each year. Schools that fail to submit their plans on how they wish to spend their excess balances will be subject to immediate clawback of those excess balances.
- 4.2.3 Surplus budget share balances held by schools are permitted under this scheme and are subject to the following restrictions:
- a. the authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose, the balance will be recurrent balance category as defined in the Consistent Financial Reporting Framework,
 - b. the authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance,
 - c. the authority shall deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned and which the authority is satisfied are properly assigned for specific purposes, as follows:
 1. Capital spending (see para 2.19).
 2. Asset purchase, for example, library re-stocking, furniture and equipment, IT/computer equipment.
 3. Review of staffing structures.

To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the authority.

- d. if the results of steps a-c is a sum greater than 5% of the current year's budget share (secondary) or 8% (nursery, primary and special), then the Authority shall deduct from the current year's budget share an amount equal to the excess.
- e. Funds deriving from sources other than the authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise. Funds held in relation to a school's exercise of powers under s.27 of the Education Act 2002 (community facilities) will not be taken into account unless added to the budget share surplus by the school as permitted by the authority. The total of any amounts deducted from schools' budget shares by the authority under this provision are to be applied to the Schools Budget of the authority.

4.3 Interest on Surplus Balances

- 4.3.1 Schools not maintaining external bank accounts which have a positive average balance will receive interest on their average balance calculated in accordance with section 4.2 up to a maximum average balance of 3% of budget share.

4.4 Obligation to Carry Forward Deficit Balances

- 4.4.1 Schools may not plan for a deficit at any point in their three-year plan, except with the express approval of the Service Director Education and Skills and the Chief Financial Officer as provided for in Section 4.5 of the scheme.
- 4.4.2 Schools that forecast a deficit in-year having previously set a balanced or surplus budget will be required to apply for approval of the deficit at the point the forecast deficit is identified.

4.5 Planning for Deficit Budgets

- 4.5.1 If a school has a deficit balance at the end of a financial year, such a deficit balance must be carried forward and treated as a charge against the following year's budget share, nor may schools plan to end any financial year with a cumulative (i.e. overall) deficit, except with the express approval of the Service Director Education and Skills and the Chief Financial Officer as provided for in Section 4.9 of the scheme.
- 4.5.2 Schools which fail to submit a recovery plan in the timescales specified will be subject to a Notice of Concern.

4.6 Charging of Interest on Deficit Balances

- 4.6.1 Schools not maintaining external bank accounts which have a negative average balance will be charged interest on their average balance calculated in accordance with section 4.3 where the average balance is above 3% of budget share.
- 4.6.2 The average balance will be calculated as 50% of the sum of the opening balance and the closing balance for the year. Interest will be calculated by

multiplying the average balance by the appropriate rate of interest as advised by the Corporate Treasury team.

4.7 Writing Off Deficits/Providing Financial Support

- 4.7.1 The LA may not write off the deficit balance of any school, except in circumstances set out in 4.8.1.
- 4.7.2 The LA may give assistance to the elimination of the deficit balance by allocation of a cash sum from the authority's schools budget (from a centrally held budget specifically for the purpose of expenditure on special schools and pupil referral units in financial difficulty or, in the respect of mainstream maintained schools, from a de-delegated contingency budget where it has been agreed by the Schools Forum).

4.8 Balances of Closing and Replacement Schools

- 4.8.1 When a school closes any balance (whether surplus or deficit) reverts to the authority; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school, except that a surplus transfer to an academy where a school converts to academy status under section 4(1)(a) of the Academies Act 2010.

4.9 Licensed Deficits

- 4.9.1 The LA shall make provision for an arrangement whereby, in exceptional circumstances, schools are allowed to plan for a deficit budget in any financial year. Such deficits shall be funded by the collective surplus of school balances held by the authority on behalf of other schools, including those in schools' external bank accounts and where the LA makes express provision for this to be the case, or where the schools concerned have agreed that their balances may be included in the arrangement.
- 4.9.2 Governing bodies of schools with deficits shall agree with the Service Director Education and Skills and the Chief Financial Officer a recovery plan detailing the extent of the recovery of the deficit in each financial year until full recovery is achieved. Such agreements shall not cover more than three financial years and shall be reviewed at least annually by the LA.
- 4.9.3 Where schools are planning a deficit budget position (as prescribed in section 2.8.1) or as a result of its 3-year forecast position (as in sections 2.8.2 and 4.4.1) or its year-end position (as in section 4.5.1), then the school is required to make an application for a licensed deficit and to work with the LA to recover the financial position. The LA shall require the provision of information to support the application for a licensed deficit to include (and not limited to)
 - a) At least a three-year budget plan that shows the school finances recovering the deficit and returning to a balanced budget within three years (if not sooner).
 - b) Information on all ongoing commitments currently funded from reserves and how these arrangements will cease.

- c) A detailed narrative and supporting documents to explain how the school will return to a balanced budget within the three-year period.
- 4.9.4 Agreements under section 4.9.2 shall not extend beyond 5% of the school's budget share in each of the financial years covered by the agreement.
- 4.9.5 The maximum proportion of the collective surplus of school balances held by the LA as defined in section 4.9.1 which may be used to back the licensing of deficits and loans (see section 4.10) by the Service Director Education and Skills and the Chief Financial Officer shall not exceed 40%.

4.10 Loan schemes

- 4.10.1 Subject to prior approval by the Service Director Education and Skills and the Chief Financial Officer and in the light of the overall spending plans of the LA, schools may incur exceptional expenditure on approved developmental projects in a financial year and fund it over a period not exceeding three years including the year in which the expenditure is initially incurred.
- 4.10.2 Projects which will be considered for approval will generally be those which seek to make physical improvements or changes to school buildings (e.g. the creation of a library or resources area) or which involve the procurement of information and communications technology equipment. Schools will be required to submit project plans and to demonstrate that repayment of the loan can be made from their delegated budgets.
- 4.10.3 Interest at the City's Consolidated Loans Fund Pool Rate estimate for the year of the advance will be charged on an annuity basis in each financial year for which the loan is granted. Schools will not normally be permitted to apply for loans which in total exceed 10% of their budget share for the year of the advance.
- 4.10.4 Such loan arrangements shall be funded by the collective surplus of school balances held by the LA on behalf of other schools as defined in section 4.9.1 and, together with licensed deficits agreed under section 4.9 such funding shall not exceed 40% of the collective balances.
- 4.10.5 Loans will 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.
- 4.10.6 Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income.
- 4.10.7 If loans are made to fund capital items as referred to above and during repayment, the school entered a deficit position, the full amount of the loan shall become payable immediately. The school can then apply for licence deficit in accordance with paragraph 4.9 above. If the school subsequently plans to convert to academy status, the full amount of deficit must be either paid or agreed to be transferred to the Academy school.

SECTION 5: INCOME

5.1 Income from Lettings

- 5.1.1 Schools may retain income from lettings of school premises which would otherwise accrue to the LA as permitted under SSF Act 1998 for various categories of schools, unless subject to alternative provisions made with the Community Education Service, or in respect of any joint use or PFI agreements.
- 5.1.2 Schools may cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to a school's delegated budget.
- 5.1.3 Schools are required to have regard to directions issued from time to time by the LA in respect of use of school premises and shall be required to comply with the provisions for the LA's policy in respect of the provision of community education.
- 5.1.4 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

- 5.2.1 Schools shall retain income from fees and charges except where a service is provided by the LA from centrally retained funds, provided such charges are levied in accordance with the LA's charging policy.

5.3 Income from Fund-Raising Activities

- 5.3.1 Schools may retain income from fund-raising activities.
- 5.3.2 Income raised through such activities for specific purposes may only be spent in respect of those purposes.

5.4 Income from the Sale of Assets

- 5.4.1 Schools shall retain the proceeds of sale of assets in accordance with the Financial Regulations for Schools with Delegated Budget, except in cases where the asset was purchased with non-delegated funds, or where the asset concerned is land or buildings forming part of the school premises and is owned by the LA.

5.5 Income, generally

- 5.5.1 Schools shall retain all income except in circumstances specified elsewhere in this section.
- 5.5.2 The Chief Financial Officer is responsible for the general control and supervision of administrative arrangements for the collection and recording of all monies due to the Council and schools shall comply with the provisions of the Financial Regulations for Schools with Delegated Budget in this matter.

5.5.3 Income retained by schools may only be spent for the purposes of the school, subject also to the provisions of section 5.3.

5.6 Insurance

5.6.1 It is commonplace for schools to hire out their premises in order to supplement budgets. In these situations, schools must take out Hirers Liability Insurance which is a charge equal to 10% of the hire fee or £20.00 whichever is greater. It is recommended that this cover be provided in respect of all external hires. A form is available from the Council's risk and insurance team to assist in this process.

5.6.2 Organisations that have their own public liability insurance, subject to the limit prescribed at paragraph 5.6.3, need not purchase the Hirers Liability Insurance (as described at 5.6.1 above). In such cases, Schools must see and retain a copy of the insurance document on file.

5.6.3 The policy referred to above is only to be used for one off, ad-hoc hires. A recognised business or organisation or individual hiring the premises as part of their business, should have their own Public Liability insurance. The minimum level of cover Bristol City Council requires is £5 million. Schools should contact the risk and insurance team if in doubt.

5.6.4 On very small occasions where a school has hired premises to a small organisation conducting a low-risk business activity (such as a charity hosting a coffee morning) consideration could be given to a £2 million limit of cover.

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General Provision for the Charging of School Budget Shares

- 6.1.1 Schools' budget shares may be charged by the LA without the consent of the governing body only in circumstances expressly permitted by the scheme.
- 6.1.2 The LA shall consult schools when they intend to so charge and shall notify schools when such a charge is made.
- 6.1.3 The LA may not act unreasonably in the exercise of any power implied by this section of the scheme, or it may be the subject of a direction under s.496 of the Education Act 1996 and, in each circumstance, except that covered by section 6.3.1(c), the LA would have to be able to demonstrate that the expenditure now charged to the budget share had necessarily been incurred by the LA.
- 6.1.4 In respect of charges to be made under section 6.3.1(d) and (e), the LA shall establish a procedure for arbitration of disputes over such proposed charges to which governing bodies may have an automatic right of recourse.
- 6.1.5 For the avoidance of doubt, local authorities may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools Forum.

6.2 Charges to Schools for the Costs of School-Based Staff

- 6.2.1 Where payments to staff are made through the LA's payroll system, the LA shall charge to the schools the actual costs of the payments to the staff employed in each school.

6.3 Charges to Schools' Budget Shares

- 6.3.1 The LA may seek to protect its financial position from liabilities caused by the actions or inaction of the governing body by making a charge to schools' delegated budgets without the consent of the governing body equal to the costs incurred by the LA, where:
- a) premature retirement costs have been incurred by the governing body without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA),
 - b) the LA has incurred other expenditure to secure resignations where there is good reason to charge this to the school (see Annex 2),
 - c) courts or out of court settlements and/or industrial tribunals have made awards against the LA as a result of a governing body not having sought advice and guidance, or not having followed advice and guidance given by the LA,
 - d) the LA has incurred revenue or capital expenditure in carrying out health and safety work for which the LA is liable, where funds have been delegated

to the governing body for such work, but the governing body has failed to carry out the required work or the work has not been carried out to the required standard,

- e) the LA has incurred revenue or capital expenditure in making good defects in building work funded by capital spending from schools' budget shares, where the premises are owned by the LA or the school has voluntary controlled status,
- f) expenditure has been incurred by the LA in insuring its own interests in a school where funding for insurances has been delegated but the school has failed to arrange cover at least as good as that which would have been arranged by the LA,
- g) a dispute over the monies due from a school for services provided to the school by the LA has been referred to a dispute procedure set out in a service level agreement with the LA and has been resolved in favour of the LA,
- h) penalties and/or interest have been imposed on the LA by the HMRC, Teacher's Pensions or any statutory agency responsible for collection of levies and taxes, as a result of negligence by the school,
- i) the LA is rectifying errors made in calculating charges to a school's budget share which it is entitled to make and where it can demonstrate to the school that errors were made,
- j) the school has failed to notify the LA of changes to the length of the school day, or the normal opening days of the school and additional or unnecessary transport costs respectively have been incurred by the LA,
- k) legal costs which are incurred by the authority because the governing body did not accept the advice of the authority,
- l) costs of necessary health and safety training for staff employed by the authority where funding for training has been delegated but the necessary training not carried out,
- m) the LA meets costs or pays compensation as a consequence of a school defaulting on a payment or entering into a contract beyond its powers, such that the contract is of no effect,
- n) cost of work done in respect of teacher pension remittance and records for schools using non-LEA payroll contractors, the charge to be the minimum required for the LA to achieve compliance with its statutory obligations,
- o) costs incurred by the LA in securing provision specified in a statement of SEN where the governing body has failed to secure adequate provision despite funds being delegated to do so,
- p) costs incurred by the LA due to submission by the school of incorrect data,
- q) recovery of amounts spent for specific grants on ineligible purposes,

- r) costs incurred by the LA as a result of the governing body being in breach of the terms of a contract,
- s) 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,
- t) 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.

SECTION 7: TAXATION

7.1 Value Added Tax (VAT)

- 7.1.1 VAT incurred by schools when spending any funding made available by the LA, whether or not part of the school's delegated budget, and whether or not the school is participating in the cheque book management scheme, is treated as being incurred by the LA and may be reclaimed by the LA under section 33 of the VAT Act 1994, except where the liability for VAT arises as a result of expenditure by the governors of a voluntary aided school when carrying out their statutory responsibilities to maintain the external fabric of their buildings.
- 7.1.2 VAT incurred by schools when spending schools' own funds, for example, income raised by the school, is not treated as being incurred by the LA and is not reclaimable by the LA under section 33 of the VAT Act 1994.
- 7.1.3 Schools shall comply with the requirements of the Financial Regulations for Schools with Delegated Budget in respect of accounting for VAT as well as any guidance on VAT rules for schools published by HM Customs and Excise.
- 7.1.4 Schools participating in the LA's cheque book management scheme shall be reimbursed one month in arrears for VAT incurred.

7.2 Construction Industry Scheme (CIS)

- 7.2.1 Schools shall comply with the requirements of the Financial Regulations for Schools with Delegated Budget in respect of the accounting for CIS.

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

8.1 Provision of Services from Centrally Retained Budgets

- 8.1.1 The LA shall determine and publish details of the basis on which services, including payment of the costs of premature retirement and redundancy payments, will be provided and payments made to schools.
- 8.1.2 The LA shall not discriminate in the provision of such services, or the making of such payments, on the basis of categories of schools, except in cases where this would be allowable under the school and early years finance regulations or the dedicated schools grant (DSG) conditions of grant.

8.2 Provision of Services Bought Back from the LA to Schools, Funded from Delegated Budgets

- 8.2.1 Services provided by the LA to schools, funded from delegated budgets, excluding centrally arranged premises and liability insurances, shall be subject to the terms and conditions and service standards published in the catalogue of services to schools published by the LA.
- 8.2.2 Where the LA is offering services to schools, which they may choose to buy from delegated budgets, the LA shall offer to provide such services in a way which does not unreasonably restrict schools' freedom of choice to buy any or all of the services available, and, where practicable, the LA shall provide such services individually as well as part of a package of services.
- 8.2.3 The LA may stipulate dates during the year by which time service agreements shall be agreed, and/or by which time, with at least one months notice of the terms of the proposed agreement, schools shall have opted to buy any LA services for the following financial year. If such a date is stipulated, it shall be binding on both the LA and the schools.
- 8.2.4 The term of any agreement with a school to buy services or facilities from the City Council shall normally be limited to a maximum of three years from the inception of the scheme or the date of the agreement, which ever is the later, and periods not exceeding five years for any subsequent agreement relating to the same services. In respect of catering contracts these dates can be five and seven years respectively.
- 8.2.5 When a service is provided for which expenditure is not retained centrally by the City Council under the Regulations made under section 45A of the Act, it must be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total costs of the service must be met by the total income, even if schools are charged differently.

8.3 Packaging

- 8.3.1 Services offered by the LA should not restrict a school's freedom of choice in being able to select individual services as required. Packages of services

may be offered which allow schools a discount, but authorities should offer these alongside the option to be individual packages.

8.4 Service Level Agreements

- 8.4.1 Service Level agreements, relating to services provided by the LA, must be in place at least 3 months prior to the following financial year. Schools must have a minimum of one month to consider the terms of agreement.
- 8.4.2 Services or facilities provided under a service level agreement must allow for the terms of the agreement to be reviewed at least every three years from its inception.
- 8.4.3 Services offered by the Local Authority will be available on a basis that is not related to an extended agreement.
- 8.4.4 Centrally arranged premises and liability insurance are specifically excluded from these requirements as to service supply, as the limitations envisaged may be impracticable for insurance purposes.

8.5 Teachers Pension

- 8.5.1 In order to ensure that the performance of the duty on the authority to supply Teachers Pensions with information under the Teachers' Pension Scheme Regulations 2014¹⁰, 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.
- 8.5.2 The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the authority to provide payroll services.
- 8.5.3 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 the person to 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 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.
- 8.5.4 A governing body of any maintained school which directly administers its own 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 required. A governing body shall also ensure that any such

¹⁰ [The Teachers' Pension Scheme Regulations 2014 \(legislation.gov.uk\)](http://legislation.gov.uk)

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 schools' budget share.

SECTION 9: PRIVATE FINANCE INITIATIVE (PFI)/PUBLIC PRIVATE PARTNERSHIP (PPP)

9.1 PFI/PPP Contracts

- 9.1.1 PFI schools will continue to be funded through the formula in the same way as other schools. However, contract charges will be charged against their delegated budgets for items such as repairs and maintenance, grounds maintenance, utilities, caretaking, cleaning and other costs met by the PFI contractor.
- 9.1.2 The City Council has produced an agreement for each PFI school. This deals with the reaching of agreement with Governing Bodies of schools on the basis of project contract charges and the treatment of monies withheld from contractors due to poor performance.

SECTION 10: INSURANCE

10.1 Insurance Cover

- 10.1.1 Except where the responsibility for the insurance of the buildings lies with the governing body of a Voluntary Aided school, the LA centrally provides insurance cover for the risks set out in the Insurance Schedule provided by the Chief Financial Officer, either by way of external insurance or an internal insurance fund.
- 10.1.2 Schools are free to arrange and fund from their delegated budgets for additional insurance cover beyond that set out in the Insurance Schedule.
- 10.1.3 If funding for insurances is delegated to any school, the school shall demonstrate to the satisfaction of the Chief Financial Officer, at the time that application for delegation of funding is made, that cover relevant to an LA's insurable interests, under a policy to be arranged by the governing body, is at least as good as the relevant minimum cover arranged by the LA and is sufficient to protect the LA's interests.
- 10.1.4 The evidence required to demonstrate the parity of cover will be reasonable and will not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier.
- 10.1.5 Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA. Schools may do this individually when any insurance contract of which they are part expires after 1st April 2022.
- 10.1.6 All primary and/or secondary maintained schools may join the RPA collectively by agreeing through the School Forum to de-delegate funding.

SECTION 11: MISCELLANEOUS

11.1 Right of Access to Information

11.1.1 Schools shall allow the LA access to all accounting records, financial or other information and documents which might reasonably be required to enable the LA to satisfy itself as to the management of the school's delegated budget or other funding made available to the school.

11.2 Liability of Governors'

11.2.1 School governing bodies are corporate bodies, and under the terms of s.50(7) of the SSAF Act, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget provided they act in good faith.

11.2.2 The LA shall arrange for appropriate insurance cover to be provided to insure the LA and governing bodies against liability for negligence in the discharge of their functions in respect of schools.

11.3 Governors' Expenses

11.3.1 Only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget. Schools may not make payment of any other allowances.

11.3.2 The LA shall determine and publish from time to time a schedule of allowances which it believes may be reasonably paid.

11.3.3 Schools may not pay expenses to governors which duplicate those paid by the Secretary of State to additional governors appointed by them to schools under special measures.

11.3.4 The LA may delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses, which shall be paid in accordance with the schedule referred to in section 11.3.2.

11.4 Responsibility for Legal Costs

11.4.1 Where the costs of legal actions, including costs awarded against the LA, incurred by governing bodies fall to be met by the LA by virtue of its statutory responsibility to maintain the school, the LA may require them to be met from the school's budget share, unless:

- (a) the governing body has acted in accordance with written advice provided by the LA, or
- (b) the costs incurred relate to the statutory responsibility of governing bodies of Voluntary Aided schools for buildings.

11.4.2 The costs referred to are those of legal actions, including costs awarded against a local authority; not the cost of legal advice provided.

11.4.3 Governing bodies may obtain their own legal advice where there may be a

conflict of interest between the LA and the governing body. Unless agreed by the LA in advance, the costs of obtaining such advice shall be borne by the school.

11.5 Health and Safety

11.5.1 In expending schools' delegated budgets, governing bodies shall have due regard to duties placed on the LA in relation to health and safety.

11.5.2 Governing Bodies are required to adopt the LA's policy on Health and Safety, as set out in the LA's Health & Safety Manual for schools, and where that policy does not cover all circumstances fully, Governing Bodies shall establish their own policies.

11.5.3 Governing bodies are required to ensure that their statements of safety policy adequately cover the responsibilities of Governors.

11.6 Right of Attendance for Chief Financial Officer

11.6.1 Under Section 151 of the Local Government Act 1972, the Chief Financial Officer is responsible for the probity and regularity of all the City Council's financial activities.

11.6.2 The Chief Financial Officer, or his/her representative, shall have the right to attend meetings of Governing Bodies for specific agenda items only under which he/she may give advice and report on major financial matters in respect of his/her responsibilities under s151 of the Local Government Act 1972. The Chief Financial Officer will determine which particular financial issues must be reported to a governing body.

11.6.3 The LA shall give schools notice of the proposed attendance of the Chief Financial Officer, or his/her representative, unless it is impractical to do so.

11.7 Special Educational Needs

11.7.1 Schools shall use their best endeavours in spending their delegated budgets to ensure that adequate provision is secured for pupils with special educational needs, whether or not they are covered by a statement of special educational need.

11.8 Whistleblowing

11.8.1 The school's Head Teacher, Senior Leadership Team and Governors must ensure the school has a whistleblowing policy and procedure or has adopted the Council's whistleblowing policy and procedure.

11.8.2 All those working in schools including any volunteers should raise any concerns they have regarding:

- Financial mismanagement, irregularity or impropriety.
- Fraud.
- Conduct likely to damage the school's financial wellbeing or reputation.
- The deliberate concealment of any of the above matters.

11.8.3 If it is not appropriate to raise the concern through the school's whistleblowing procedure, or the Chair of Governors, Governors or Head Teacher fail to act on a Whistleblowing referral, the concern should be raised via the Council's whistleblowing procedure, or directly with the Director of Education and Skills or with the Council's Internal Audit.

11.9 Child Protection

11.9.1 Schools are reminded of the need to release relevant staff to attend child protection case conferences and other related events. The costs associated with this shall be borne by the school and in special (or extraordinary) case(s) the Authority.

11.10 Redundancy / Early Retirement Costs

11.10.1 Premature retirement and redundancy costs will be funded in accordance with the 2002 Education Act. Further guidance is provided in Annex 2.

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

- 12.1.1 Governing bodies of all schools will be responsible for the revenue repairs and maintenance in their school. The definition of capital expenditure for these purposes is that used by the City Council in line with the CIPFA Code of Practice on local authority accounting.
- 12.1.2 Items under a de-minimus value of £2,000 will be deemed to be revenue expenditure and may not be charged to capital budgets unless they are part of a scheme identified in the school's asset management plan which in total exceeds £2,000.
- 12.1.3 For voluntary aided schools the liability for repair and maintenance of funds is the same as for other maintained schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de-minimus value applied by DfE to categorise such work, not the de minimus level limit used by the authority.

SECTION 13: COMMUNITY FACILITIES POWER AND COMMUNITY BASED EXTENDED SCHOOLS PROVISION

13.1 Introduction

13.1.1 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. Regulations made under s.28(2), if made, can specify activities which may not be undertaken at all under the main enabling power. S.88 of the Children and Families has removed the requirement of s.28(4) (schools' obligation to consult its LA and have regard to advice from the authority) and s.28(5) (requirement for schools to have regard to advice or guidance from the Secretary of State or the LA). However, Under s.28(1), the main limitations and restrictions on the power will be:

(a) those contained in schools' own instruments of government, if any,

and

(b) in the maintaining LA's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

13.1.2 Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools. This section of the scheme does not extend to joint-use arrangements; transfer of control agreements, or agreements between the Authority and schools to secure the provision of adult and community learning.

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

13.2 Consultation with LA - Financial Aspects

13.2.1 Schools are no longer required to consult before establishing community facilities, and there is no longer a requirement of schools to be mindful of the LA's advice under section 27 of the Education Act 2002.

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

13.3 Funding Agreements - LA Powers

13.3.1 The provision of community facilities may be dependent on the funding agreement with a third party which will either be to supply the funding or to supply both the funding and some active part in providing the provision of the service

13.3.2 The Authority requires that any third-party funding agreement in respect of community facilities should be submitted for comments. This should be provided within the timescales set out by the Authority so long as these are

deemed appropriate. The Authority does not have a power to veto these agreements. However, 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, it may constitute grounds for suspension of the right to a delegated budget.

13.4 Other Prohibitions, Restrictions and Limitations

13.4.1 Governing bodies that make use of their community facilities power shall make arrangements to protect the financial interest 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, as specified by the Authority.

13.4.2 Governing bodies that make use of their community facilities power are subject to limitations in the scheme for financing schools and the safeguarding of the financial position of the Authority and school.

13.5 Supply of Financial Information

13.5.1 Schools which exercise the community facilities power are required to provide the Authority, every six months with a summary statement, in a form to be determined by the Authority, showing the income and expenditure for the school arising from the facilities for the previous six months and on an estimated basis, for the next six months.

13.5.2 If the Authority believes there to be cause for concern as to the school's management of the financial consequences of the community facilities power, a financial statement is required to be supplied every three months and a recovery plan for the activity.

13.6 Audit

13.6.1 Schools are required to grant access to the school's records, and provide explanations when requested, connected with exercise of the community facilities power, in order to facilitate internal and external audit of the relevant income and expenditure.

13.6.2 Schools are required, when concluding funding arrangements with other persons pursuant to the exercise of the community facilities power, to ensure that such agreements contain adequate provision for access by the Authority to the records and other property of those persons held on the school premises or held elsewhere insofar as they relate to the activity, in order for the Authority to satisfy itself as to the propriety of expenditure on facilities in question.

13.7 Treatment of Income and Surpluses

13.7.1 Schools are allowed to 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.

13.7.2 Schools are allowed to carry retained net income from one financial year to the next as a separate community facilities surplus, or, subject to the agreement of the Authority at the end of the financial year, transfer all or part of it to the budget share balance.

13.8 Health and Safety Matters

13.8.1 The responsibilities of governing bodies with regard to duties placed by the Authority in relation to Health and Safety are extended to the community facilities power.

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

13.9 Insurance

13.9.1 The governing body is responsible to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, having taken professional advice as necessary. Such insurance should not be funded from the school budget share. The Authority's advice must be sought before any arrangement for community facilities is finalised.

13.9.2 The Authority has the right to undertake its own assessment of the insurance arrangements made by a school in respect of community facilities. If the Authority judge insurance arrangements to be inadequate, arrangements will be made by the Authority and charged to the school, but not the school's budget share.

13.9.3 Instead of taking out insurance, a school may join the RPA for risks that are covered by the RPA.

13.10 Taxation

13.10.1 Schools must seek advice from the Authority and local VAT office on any issues relating to possible imposition of Value Added Tax on expenditure in connection with community facilities, including the use of the Authority's VAT reclaim facility.

13.10.2 Schools are liable for payment of income tax and national insurance, in line with Inland Revenue rules, for any member of staff employed by the Authority or school in connection with community facilities, from the school's own bank account.

13.10.3 Schools must follow advice in the scheme for financing schools in relation to Construction Industry Scheme where it is relevant to the exercise of community facilities powers.

13.11 Banking

13.11.1 Schools are required to either maintain separate bank accounts for budget share and community facilities, or to have one account but with adequate

internal accounting controls to maintain separation of funds. Schools can utilise Authority bank accounts which would permit adequate separation of such funds. However, in the case of a bank account which is used by the school in connection with community facilities (whether or not the account also contains funds from the school's budget share), the account mandate should not show the Authority as the owner of the community facilities funds in the account except insofar as these funds have been provided by the Authority itself.

13.11.2 Schools may choose to operate a bank account with any institution approved by the Chief Financial Officer. A list of approved institutions is contained in the Financial Regulations for Schools with Delegated Budget.

13.11.3 Schools may not borrow money for the exercise of community facilities powers without the written consent of the Secretary of State.

ANNEX 1

INFANT, JUNIOR AND PRIMARY SCHOOLS MAINTAINED BY THE LOCAL AUTHORITY ON 01 APRIL 2021

DfES No	Name
2001	Brunel Field Primary School
2003	Ashley Down Primary School
2004	Ashton Gate Primary School
2006	Nova Primary School
2018	Broomhill Junior School
2019	St Werburgh's Primary School
2020	Chester Park Junior School
2021	Chester Park Infant School
2023	Hillcrest Primary
2027	Shirehampton Primary
2028	Two Mile Hill Primary School
2037	Glenfrome Primary School
2041	Henleaze Infants
2069	St Anne's Infants'
2073	Sefton Park Infant
2074	Sefton Park Junior School
2079	Southville Primary School
2081	Summerhill Infant School
2086	Upper Horfield Community
2098	Holymead Primary School
2109	Brentry Primary
2115	Broomhill Infant School
2138	Elmlea Infants' School
2139	Cabot Primary School
2299	Hannah More Primary
2312	Bishop Road Primary School
2314	Blaise Primary & Nursery School
2326	Fair Furlong Primary School
2327	May Park Primary
2328	Whitehall Primary School
3000	Avonmouth C. E. Primary School
3008	Horfield CEVC
3010	St Barnabas C.E.V.C Primary
3013	St George Cof E VC Primary
3014	St John's Primary School
3018	St Michael's on the Mount Church of England Primary
3400	School of Christ the King
3401	Holy Cross R.C. Primary School
3402	SS. Peter & Paul R.C. Primary

3403	St Bernard's Catholic Primary
3405	St Joseph's Catholic Primary
3412	Our Lady of the Rosary Primary
3413	St. Pius X RC Primary School
3415	St Bernadette RC Primary
3417	St Bonaventure's Catholic Primary School
3437	Bridge Farm Primary School
3438	Knowle Park Primary School
3439	Sea Mills Primary School
3441	Air Balloon Hill Primary School
3442	St Peter's Church of England Primary

SECONDARY SCHOOLS

DfES No	Name
4801	St. Bernadette Catholic Secondary
4603	St. Mary Redcliffe & Temple Secondary

SPECIAL SCHOOLS

DfES No	Name
7042	Briarwood Special
7011	Claremont Special
7000	Elmfield School for Deaf Children
7002	Kingsweston Special
7014	New Fosseyway Special

NURSERY SCHOOLS

DfES No	Name
1003	Filton Avenue Nursery
1016	Hartcliffe Children's Centre
1005	Ilminster Avenue Nursery
1012	Knowle West Early Years Centre
1015	The Limes Nursery
1004	Little Hayes Nursery
1014	Redcliffe Early Years Centre
1007	Rosemary Nursery
1009	Speedwell Nursery
1002	St. Phillip's Marsh Nursery
1010	St. Paul's Nursery
1011	St. Werburgh's Park Nursery

ANNEX 2

Responsibility for redundancy and early retirement costs

This guidance note summarises 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.

Costs of early retirements or redundancies may only be charged to the central part of the Schools Budget where the expenditure is to be incurred as a result of decisions made before 1st April 2013. Costs may not exceed the amount budgeted in the previous financial year.

It is important that the local authority discusses its policy with its Schools Forum. Although each case should be considered on its merits, this should be within an agreed framework. It may be reasonable to share costs in some cases, and some authorities operate a panel to adjudicate on applications.

A de-delegated contingency could be provided, if Schools Forum agree, to support individual schools where "a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share".

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 incurs 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 7(B) 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.