

# Worcestershire Schools Forum (WSF) Agenda 22 June 2023

2.30 pm

Remote Meeting

Via MS Teams invite

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## Date of next programmed WSF meeting

Thursday 21 September 2023 at 2.30 pm remote meeting to be held via MS Teams

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## **MINUTES OF THE MEETING OF THE WORCESTERSHIRE SCHOOLS FORUM (WSF)**

**Wednesday 19 January 2023**  
**Remote Meeting Held Via MS Teams**

**The meeting started at 2.30 pm**

### **IN ATTENDANCE:**

#### **a. WSF Members**

- |                               |  |
|-------------------------------|--|
| Malcolm Richards (Chair) [MR] | - Governor, Bromsgrove   |
| Bryn Thomas (Vice Chair) [BT] | - HT Wolverley CE Secondary School                                 |
| Marie Pearse [MP]             | - HT Evesham Nursery School  |
| Paul Essenhigh [PE]           | - Executive HT Catshill Middle, Catshill First and Nursery Schools |
| Jeff Robinson [JR]            | - Governor, Malvern Hills  |
| Phil Hanson                   | - Headteacher Pershore High School                                 |
| John Bateman [JB]             | - Governor, Aspire Alternative Provision (AP)                      |
| Nathan Jones [NJ]             | - HT Meadow Green  |

#### **b. Local Authority (LA)**

- |                               |  |
|-------------------------------|--|
| Councillor Tracey Onslow [TO] | - Cabinet Member with Responsibility for Education and Skills, Worcestershire County Council |
| Phil Rook [PR]                | - Director of Resources - Worcestershire Children First                                      |
| Sarah Wilkins [SW]            | - Director of Education and Early Help Worcestershire Children First                         |
| Rob Phillips [RP]             | - Finance Business Partner - Schools - Worcestershire Children First                         |

### **1. Apologies**

- |                        |   |
|------------------------|---|
| Ed Francis [EF]        | - HT Fort Royal Primary School  |
| Adrian Ward [AW]       | - CEO/Exec Head of Bordesley MAT  |
| Annette Summers [AS]   | - Nursery Owner   |
| Caroline Brand [CB]    | - Schools Finance Manager – Worcestershire Children First                 |
| Lorraine Petersen [LP] | - Governor, Bromsgrove  |
| Mel Barnet             | - Director of All Age Disability Services – Worcestershire Children First |

**2. DECLARATION OF INTERESTS**

None.

**3. DECLARATION OF POTENTIAL CONFLICT OF INTERESTS WITH ITEMS ON THE AGENDA**

None.

**4. MINUTES OF THE LAST MEETING (23 November 2023)**

Minutes agreed.

**5. MATTERS ARISING FROM THE MINUTES**

None.

**6. ANY OTHER BUSINESS**

c. Date of next week.

This was originally booked for the middle of half-term break so to be re-arranged.

d. New member

To fill the position of Governor for Middle Schools, Jo Kelleher from Bredon Hill Academy.

**7. Cabinet Decisions**

a. 8 December 2022 – Fair Funding for Schools 2023/24 National and Local Funding Arrangements for Schools (PR)

Cabinet agreed the local funding arrangements for schools. With Government announcement in the autumn statement allocated and additional £2b for school this was split £1.4b for schools and the remainder to HLN.

b. 5 January 2023 - Budget and Council Tax 2022/23 (PR)

Cabinet discussed the budget for the council, and it will now progress through the normal process. The local authority have again received another one-year settlement.

On 12 December 2022 the Government announced the DSG override for additional 3 years.

The council needs to make an additional £22m savings, due to the increased pressures of £64m next year.

PR and MB have again met with CIPFA and Newton Europe to progress our Delivering Better Values in SEND.

## **8. Provisional School Funding Settlement (RP)**

RP went through the report with member of WSF. The main headline for this area is that the school block funding is affordable again this year to match the National Funding Formula.

Mainstream School Additional Grant 2023/24 is a new grant for the financial year 2023/24. It is expected to become part of the school block in financial year 2024/25.

A discussion on the impact on schools of this funding took place, it is the biggest one-off funding into schools and TO agreed to support further lobbying of Government if necessary for schools.

TO agreed, to take the concerns of WSF back to Cabinet that the funding is still insufficient for schools. When more details of the additional amount needed is available this is to be provided, as will aid the case going forward whilst discussing with local MP and other forums.

NJ raised that Devolved Formula Capital (DFC) funding has not increased, and the requirement for this funding to schools need to be raised with Government, that it is not allowing schools to meet the needs that this funding is set out for.

SW confirmed that the timeline for sufficiency reports going forward to WSF.

## **9. Schools Block Allocation 2023/24 (PR)**

PR went through the report, with WSF, and that we have needed to use some of the Growth Funding to meet the National Funding Formula.

No queries where raised.

## **10. SEND - Accelerated Action Plan Verbal Update – Verbal (SW/MB)**

SW gave a verbal updated stating that the 12-month review is due at the end of March.

SW gave a quick overview of the four work streams.

- Mainstream inclusion, we are confident that there is an improvement in this area with strong evidence base.
- Suitable provision, this is still progressing, the capital for this is £10m over the next two years.
- Relationships with parents/careers, this has progressed well and involving parents in all areas is progressing.
- Quality of Education Health and Care Plans, the local authority has increased investment in additional resources within SEND. Work on the improvement on the quality of these, Health have just announced additional funding for therapeutic staff to address the assessment issue. The annual review backlog has been addressed.

We will fall back into the normal Ofsted inspection review cycle from March.

SW confirmed that care notes is back online. Health have suggested that they should be working on the backlog by April with the additional resource of staff they have just announced.

## **11. School attendance and absence – Legal action – Verbal (RP)**

RP gave a verbal update explaining the following.

Within 2020/21 the local authority made a loss within this area due to the pandemic, with the member of staff cost still sitting within this area, then member of staff was redeployed to support children missing education.

Within 2021/22 the local authority had a very small surplus, with 102 fines raised by the local authority. The average cost of these fines was £84, including court cost. This raised a debate around the subject.

Also confirming that any surplus should be given back to the secretary of state for Education.

The attendance guidance will continue as part of the government's ongoing work to improve attendance. SW suggested that the local policy is brought to WSF, to assist with an agreed approach around the local authority.

It was noted that the pandemic has affected attendance, and we now need to take a systematic approach to support and work with families to help with this issue, which needs to support and sanctions where necessary.

## **12. Agenda Item 12. Outcome of Early Years Consultation on Deprivation Funding – Verbal (RP)**

RP gave a verbal update on the Early Years (EY) consultation on changing the deprivation funding model for schools.

The current model for 3-&-4-Year-olds includes 10p to the Early Years Pupil Premium factor and a one-off amount calculated on the pupils within the provision on the January census based on their home postcode using the IDACI information. The overall funding pot for this is £150,000.

The consultation was to move away from this for to having a specific weighting for pupils based on the IDACI factor for the top four levels. So, this funding will move with the funding and potentially pick up children who live in areas of deprivation but don't claim for additional support from Government. We also requested that we were able to double the deprivation factor in 2023/24 to £300,000.

Seventy percent of responses agreed to move to the new funding mechanism. With 100% agreeing that the funding pot be increased to £300,000.

The changes were noted by the school forum.

## **13. Agenda Item 13. EY Funding rates 2022-23 – Verbal (RP)**

RP gave a verbal update on the proposed Early Year (EY) funding changes for 2023/24, the forum asked for a written update to also be sent out for them to agree the process of the calculation.

This was done after the meeting, and the process was agreed.

**Meeting ended**

The meeting closed at 3.49 PM

**Date of next meeting**

The date of the next WSF meeting: - Thursday 22 June 2023 2.30 PM  
(Remote Meeting - MS Teams)

DRAFT

**REPORT TO THE WORCESTERSHIRE SCHOOLS FORUM (WSF)**  
**WCC OUTTURN 2022-23**

**1. Purpose**

1.1 To advise the WSF on the DSG outturn position for the financial year 2022-23 including the implications for the DSG in future years and an update on the DfE Delivering Better Value in SEND programme.

**2. WCC Outturn 2022-23**

2.1 The report highlights the draft financial position for WCC for the year end 2022/23.

2.2 The draft in year overspend for the Council is a net position of c£7.3m overspend to be funded from reserves. This position is detailed within Table 1.

<b>Service Area at March 2023</b>	<b>Net Budget £m</b>	<b>Forecast £m</b>	<b>Variance £m</b>	<b>%</b>
People – Adults	138.909	145.350	6.441	4.6%
People – Communities	20.601	20.138	-0.463	-2.2%
Children’s Services/WCF *	109.108	115.652	6.544	6.0%
Economy & Infrastructure	59.225	58.508	-0.717	-1.2%
Commercial & Change	7.686	7.161	-0.525	-6.8%
Chief Executive	3.382	2.470	-0.912	-27.0%
Public Health	0.124	0.124	0.000	0.0%
<b>Total: Service excl DSG</b>	<b>339.035</b>	<b>349.403</b>	<b>10.368</b>	<b>3.1%</b>
Finance/Corporate Items	34.662	31.110	-3.552	-10.2%
Non-assigned items	-0.500	0.000	0.500	-100.0%
<b>TOTAL</b>	<b>373.197</b>	<b>380.513</b>	<b>7.316</b>	<b>2.0%</b>

2.3 We have had significant financial pressure in all our demand led areas, Children’s Social Care, Home to School Transport and Adult Social Care which were partially mitigated by underspends in other service areas and in central budgets. For context the wider economy CPI inflation in the UK has created some of these pressures since the budget was set in February 2022. Our financial controls have enabled us to mitigate this position where earlier in the year we were anticipating a £13m overspend.

2.4 The numbers of children in care placements have increased by 136 or 15% since 1 April and the cost of provision is also increasing with a year-end overspend of £5m. These pressures are being experienced across the country, and the Council’s overspend was partially offset by underspends elsewhere in Children’s Services / WCF.

2.5 Home to School and SEND transport overspent its £18.5m budget by £6.3m gross (£5.3m net) due to current inflationary pressures on providers and increased demand for mainstream and SEND transport for pupils. This has resulted in increased prices for the service – primarily the impact of fuel and staffing costs. This is also impacted by increased demand with more parents seeking use of transport and more children receiving a transport package as part of their Education, Health and Care Plans. This overspend



position was partly met from within the earmarked reserve for SEND transport (£0.4m) and from an allocation from the COVID grant reserve (£0.6m).

2.6 Adult services overspent its £139m net budget by £6m (£11m gross). Demand for adult services has continued to increase by c4% this year and the cost of providing care has significantly increased due to inflation, pay awards and the increasing costs of fuel and energy. This cost increase has been passed down to the Council via providers with some areas of care seeing a 43% price increase since budget setting.

### **3. 2022/23 Statement of Accounts**

3.1 The draft statement of accounts has been published in line with the national statutory deadline of 31 May 2023. This is 2 months earlier than in the previous two financial years.

3.2 This comes as the Department for Levelling Up, Housing and Communities (DLUHC) changed the deadline for the publication of local authority accounts from 31 July to 31 May following a consultation in February 2023.

3.3 The Local Government Association (LGA) responded to the consultation to state that the 31 May deadline was too soon given the current crisis in auditing local authorities' accounts. However, despite objections, DLUHC decided to go ahead with the 31 May deadline for the 2022/23 accounts.

3.4 The deadline for publication of the audited accounts is 30 September, and although WCC met the "unaudited" deadline, we are highly unlikely to meet the September deadline to availability of external audit staff and pressure within the audit system. As the number of delayed audits approaches 1,000, comptroller and auditor general Gareth Davies told parliament's levelling up committee the effects are already being felt beyond the local government sector.

3.5 The National Audit Office (NAO) highlighted that according to Public Sector Audit and Appointments (PSAA), just 12% of the audits for local government accounts were completed on time for 2021/22 and only 25% have been audited and signed off to date. The Public Accounts Committee has previously asked DLUHC to produce a timetable setting out when it expects to restore timely audited accounts, but this has not yet happened.

3.6 A copy of WCC's unaudited accounts including the Worcestershire Pension Fund accounts can be found at [Draft statement \(worcestershire.gov.uk\)](https://www.worcestershire.gov.uk/draft-statement)

### **4. Recommendations**

3.1 The WSF are requested to: -

- Note the report

Phil Rook  
Director of Resources  
Worcestershire Children First  
June 2023

**REPORT TO THE WORCESTERSHIRE SCHOOLS FORUM (WSF)**  
**MAINTAINED SCHOOL BALANCES 2022-23**

**1.0 PURPOSE**

1.1 To inform the WSF of the revenue balances held by maintained schools for the financial year 2022-23.

**2.0 BACKGROUND INFORMATION**

2.1 Individual school budgets are funded from the Dedicated Schools Grant (DSG), Pupil Premium and other government grants for specific projects. Funding for post-16 expenditure in Secondary and High Schools is allocated by the Education and Skills Funding Agency (ESFA).

2.2 The WSF are reminded that the LA has provision in its Scheme for Financing Schools to challenge excess surplus balances held by schools over the permitted level for their sector. However, in view of the current financial pressures on schools, permission is requested for the challenge process to again, be light touch this year.

**3.0 SUMMARY BALANCES**

3.1 Overall school balances have decreased this year by **£1,050,858** from **£5,468,903** to **£4,418,045**. This total has been adjusted to reflect the transfer of outstanding balances of maintained schools who converted to academies prior to the end of the financial year 2022-23. An analysis of year-end balances by school and sector is attached in **Appendix A**.

3.2 Summary of year-end balance by sector is shown in table below. \* Denotes the balances as a percentage of total in-year funding (excludes school generated income).

	<b>2021-2022</b> £	<b>*2021-2022</b> %	<b>2022-2023</b> £	<b>*2022-2023</b> %	<b>Variance</b> £
<b>Nursery &amp; Primary</b>	7,646,360	6.90%	6,644,311	6.01%	<b>(1,002,049)</b>
<b>Secondary</b>	<b>(6,077,061)</b>	<b>(16.95%)</b>	<b>(6,097,736)</b>	<b>(16.55%)</b>	20,675
<b>Special</b>	3,642,282	18.51%	3,570,078	18.40%	<b>(72,204)</b>
<b>PRUs</b>	257,322	9.66%	301,392	10.91%	44,070
<b>Total</b>	<b>5,468,903</b>	<b>3.24%</b>	<b>4,418,045</b>	<b>2.61%</b>	<b>1,050,858</b>

3.3 The average balance by phase adjusted for academy conversions as detailed in **Appendix A**, is shown in the table below:

	<b>2021-2022</b> £	<b>2022-23</b> £	<b>Variance</b> £
<b>Nursery &amp; Primary</b>	67,669	67,114	<b>(555)</b>
<b>Secondary</b>	<b>(511,396)</b>	<b>(677,526)</b>	<b>(166,130)</b>
<b>Special</b>	728,456	892,520	164,064
<b>PRUs</b>	85,774	100,464	14,690

#### 4.0 SCHOOLS IN DEFICIT

4.1 The number of schools ending the financial year 2022-2023 in deficit has increased by two. In total there are 30 schools compared to 28 at the end of 2021-2022. This is detailed in the table below:

	2021-2022	2022-2023	Variance
<b>Nursery &amp; Primary</b>	22	25	3
<b>Secondary</b>	5	4	(1)
<b>Special</b>	0	0	-
<b>PRUs</b>	1	1	-
<b>Total</b>	<b>28</b>	<b>30</b>	<b>2</b>

4.2 The total value of deficit balances, after adjustment for academy conversions, for 2022-2023 is £10,773,396 compared to £10,387,574 for 2021-2022. This is an increase of £385,822 and is detailed in the table below. The largest deficit balance for 2022-23 is £3,929,893. This is an increase of £196,355 from £3,733,538 at the end of 2021-2022.

	2021-2022 £	2022-2023 £	Variance £
<b>Nursery &amp; Primary</b>	(3,131,606)	(3,253,690)	(122,084)
<b>Secondary</b>	(7,202,706)	(7,465,127)	(262,421)
<b>Special</b>	-	-	-
<b>PRUs</b>	(53,262)	(54,579)	(1,317)
<b>Total</b>	<b>(10,387,574)</b>	<b>(10,773,396)</b>	<b>(385,822)</b>

#### 5.0 BUDGET SETTING 2023-2024

5.1 The number of maintained schools setting budgets for 2023/2024 is 112 of which 28 have set a deficit budget. 25 schools ending 2022-2023 in deficit balance have set a deficit budget for 2023-2024. The total value of the deficit budgets is £11.6 m against the value of surplus budgets of £8.7m. This indicates that schools' balances will be in deficit totalling £2.9m.

5.2 The following points should be noted:

- The Local Government Pension Fund (LGPS) is fully funded for at least the next 3 years, 2023-2024 to 2025-2026, therefore there will be no pensions back funding charge to maintained schools. This is an annual saving of £2.9m based on last year's charge.
- The Mainstream Schools Additional Grant (£14m). This is one year only grant totalling £4.3m (maintained schools only), in addition to the Schools Block funding allocation, becoming part of Schools Block funding in 2024-25.

5.3 All school setting a deficit budget will require a licence to operate with a delegated budget, this is approved by the County Council's Chief Financial Officer.

To determine the conditions of the licence there will be a requirement to provide a detailed medium term financial plan detailing plans to return to a balance budget. In addition, Schools may be subject to review by a DfE Schools Resource Management Advisor (SRMA).

5.4 The following conditions still exist to enable the Schools Finance Team to support schools operating with a deficit budget:

- No new appointments or changes to existing contracts being made without the Schools Finance Team approval,
- The school must work with the Schools Finance Team and School Improvement Advisors to return to an in-year surplus within 18 months and a balanced position within two years, or by exceptional agreement five years. The expectation being that all savings made in-year contribute to reducing the deficit,
- All virements must be authorised by the Schools Finance Team, after approval has been sought in line with the school's Finance Policy,
- The school provides the Schools Finance Team with minutes evidencing discussion with Governors regarding recovery plans and progress against the budget,
- That a monthly budget monitoring report which includes the annual budget outturn is submitted to the Schools Finance Team.

As part of deficit recovery monitoring, there may be a requirement for schools to attend a 'Team Around the School (TASP)' meeting to review progress.

## **6.0 RECOMMENDATION**

6.1 The WSF notes and discusses the above position.

Caroline Brand. Schools Finance Manager

Robert Phillips. Finance Business Partner - Schools

Worcestershire Children First

June 2023

**SCHOOL BUDGET & CARRY FORWARD SUMMARY**  
**Worcestershire County Council**

Delegated in-year funding	2021-22	2022-23
	£	£
Primary	110,814,795	110,473,541
Secondary	35,861,698	36,851,188
Special	19,677,148	19,398,695
PRU's	2,665,025	2,762,783
<b>Total delegated in-year funding</b>	<b><u>169,018,666</u></b>	<b><u>169,486,207</u></b>

**Carry Forward**

Carry Forward Range	Primary		Secondary		Special		PRU's		Total	
	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23	2021-22	2022-23
<£0	22	25	5	4	-	-	1	1	28	30
£0-<£25,000	16	7	1	-	-	-	-	-	17	7
£25,001-£50,000	13	11	-	-	-	-	-	-	13	11
£50,001-£100,000	18	18	-	1	-	-	-	-	18	19
£100,001-£200,000	18	20	-	2	1	-	2	1	21	23
£200,001-300,000	7	7	1	-	-	-	-	1	8	8
>£300,000	10	8	2	2	4	4	-	-	16	14
<b>Total</b>	<b><u>104</u></b>	<b><u>96</u></b>	<b><u>9</u></b>	<b><u>9</u></b>	<b><u>5</u></b>	<b><u>4</u></b>	<b><u>3</u></b>	<b><u>3</u></b>	<b><u>121</u></b>	<b><u>112</u></b>

Average Balance	73,523	69,212	(675,229)	(677,526)	728,456	892,520	85,774	100,464		
Lowest Balance	(553,448)	(671,716)	(3,733,538)	(3,929,893)	166,209	700,423	(53,262)	(54,579)		
Highest Balance	830,611	728,657	525,609	583,291	995,192	986,514	193,171	201,370		
Total Value of Surpluses	10,777,966	9,898,001	1,125,645	1,367,392	3,642,282	3,570,078	310,584	355,971	15,856,478	15,191,441
Total Value of deficits	(3,131,606)	(3,253,690)	(7,202,706)	(7,465,127)	-	-	(53,262)	(54,579)	(10,387,574)	(10,773,396)
Total Balances	7,646,360	6,644,311	(6,077,061)	(6,097,736)	3,642,282	3,570,078	257,322	301,392	5,468,903	4,418,045
Academy (Conversions)	5	3	-	-	-	1	-	-	5	4

**REPORT TO THE WORCESTERSHIRE SCHOOLS FORUM (WSF)**  
**DSG OUTTURN 2022-23**

**1. Purpose**

1.1 To advise the WSF on the DSG outturn position for the financial year 2022-23 including the implications for the DSG in future years and an update on the DfE Delivering Better Value in SEND programme.

**2. DSG Outturn 2022-23**

2.1 The DSG is currently allocated by the DfE to LAs using their National Funding Formula (NFF) in four blocks – Schools, Central School Services, High Needs and Early Years.

2.2 The majority of the Schools Block DSG is delegated to schools with any variation to the budgets allocated forming individual school carry forward balances. There are also payments to high needs providers from the High Needs Block DSG and early years' providers for 2, 3 and 4 year olds from the Early Years Block DSG.

2.3 The centrally retained DSG contains specific services, which are limited by the requirements of the School and Early Years Finance (England) Regulations. The full list for 2022-23 is attached for information at **Appendix A**. Worcestershire makes provision for specific aspects as indicated, some of which must be approved by the WSF on an annual basis.

2.4 Both schools carry forward balances and variations on the other elements of the DSG are required to be carried forward. Both carry forward positions are reported as part of the County Council's year end accounts and for the non-schools DSG represents the accumulated carry forward position since the introduction of the DSG from 2006/07.

2.5 The statutory funding regulations put significant restrictions on the use of any non-schools DSG surplus carry forward including provisions for de-delegated and pupil growth funding. This is detailed by the DfE in their Schools Revenue Funding Operational Guidance 2022-23. There are further detailed provisions for DSG deficits relating to High Needs pressures.

2.6 Also, in terms of Schools Forum powers and responsibilities for the DSG Reserve, these only relates to deciding how to fund from the Schools Budget any deficit carried forward on central expenditure. The use of any DSG Reserve is for determination by the LA.

2.7 At its meeting on 29 June 2023, the WCC Cabinet will receive a report detailing provisional outturn figures for 2023-23, which included the DSG unusable reserve. The provisional position is detailed in **Table 1** below. The year-end position is still subject to external audit of WCCs year-end accounts.

2.8 The starting point for the DSG reserve is a deficit balance of £11.3 million, built up from previous years overspends, the position at year-end is a £20.3 million deficit balance on a £234.5 million net budget.

2.9 High Needs has been a significant challenge this year, we continued to see an increase in the number of children who have an Education Health and Care Plan (EHCP). At the end of this financial year there were 5,070 Children and Young People with an EHCP. As a result of this increase, we are seeing more students placed in Independent Schools and specialist post 16 placements. Through our work with the Delivering Best Value (DBV) programme we know that our High Needs Block (HNB) expenditure has risen by 23% in the past 3 years and the number of children with an EHCP has increased by 21% over the same period.

2.10 An area of focus is the Post 16 Cohort where we have seen a 3% increase in case load since 2019 but an 8% case cost increase. This is a priority area of focus for the service as this demand is a contributing factor to the increase in the deficit. We know when comparing with other local authorities in the DBV programme our case cost is above average.

2.11 The Commissioning Hub was set up to work with the All-Age Disability (AAD) service to ensure the most effective and efficient use of available resources to improve outcomes for Children and Young People with SEND. The work undertaken to date includes collaborating with providers and managing the market. Within the AAD service a review of the SEND Placement and Provision Panel was undertaken to ensure there is transparent, consistent, fair and focused decision making, in line with the legislation for the educational placement of children and young people with EHCP's. This panel is also attended by a member of the commissioning team. An area that requires further development relates to even more accurate forecasting.

2.12 The AAD service have recently moved over to the Liquid Logic system and there is a plan to implement ContrOCC which will support the process of managing contracts and budgets. What we have seen over the last 12 months, as we develop and review the services, is areas of improvement in terms of the recording, forecasting and management of invoices and payments. This has resulted in the increase compared to forecast spend in the last quarter of around £5.2m (Post 16 £3.7m and £1.1m on S19 spend) with significant amount of spend due to the backlog EHCP's.

2.13 The work we have done with Newton and CIPFA will highlight an unmitigated financial position to 2028 for Worcestershire. For context the position from the 20 Tranche 1 authorities was a cumulative deficit of £377m by the end of March 2022 against expenditure of £1.3bn.

**Table 1: Dedicated Schools Grant (DSG) Outturn 2022-23**

	<b>£'m</b>
<b>Accumulated Deficit 1 April 2022</b>	<b>11.3</b>
High Needs Deficit 2022/23	11.1
Savings on other Blocks	-2.1
<b>Deficit 31 March 2022</b>	<b>20.3</b>

2.14 Whilst DSG allocations are generally forecasted to continue to rise but not at the rate of the last few years and the increases is not keeping pace with demand of current costs. DSG spend is forecasted to rise at a faster rate for Worcestershire and as a result the deficit will increase to around £27 million by the end of 2023/24 which is attributed to spending on High Needs despite the additional funding.

2.15 Currently the High Needs deficit does not impact on the council's financial sustainability, as the deficit sits as a negative unusable reserve on the balance sheet permitted via a statutory instrument. Currently, there is a temporary statutory override to ringfence DSG deficits from councils' wider financial position in their statutory accounts. On the 12 December 2022 the Government announced its intention to extend the statutory override for the Dedicated Schools Grant for the next 3 years from 2023-24 to 2025-26, which is welcome in the short term, however this essentially defers the problem of funding and how to solve the historical deficit for SEND and High Needs to the end of March 2026.

2.16 Whilst school balances ended the year with a net surplus of £4.5 million (2021/22 £5.4 million surplus), with a fifth of all schools being in deficit totalling £10.8 million (2021/22 £9.9 million).

**Table 2: Schools Outturn Position - Summary**

£10.8m	30 Schools in Deficit
£15.3m	82 Schools in Surplus
<b>£4.5m</b>	<b>Net Surplus</b>

**Delivering Better Value in SEND Programme**

2.17 High Needs funding and the impact of the deficit is a national issue and to address the future sustainability the DfE has invested a one off £85m over three years in the Delivering Better Value in SEND (DBV) programme. This will support the 55 local authorities with deficits to reform their high needs systems, addressing the underlying issues that lead to increased pressure, and putting them on a more sustainable footing. Worcestershire is one of the 55 Local Authorities and is participating in the programme which is being supported by Newton Europe and CIPFA who we have previously worked alongside in Social Care and through the Society of County Treasurers. For information Authorities with the highest deficits participate in the safety valve intervention programme.

2.18 The Department for Education acknowledges the current challenges which local systems are experiencing in delivering special educational needs and disability services (SEND). The Delivering Better Value in SEND programme (DBV in SEND) is aiming to support local authorities and their local area partners to improve the delivery of SEND services for children and young people whilst working towards financial sustainability.

2.19 Worcestershire is in Tranche 2 of the DBV Programme, which starts in January to June 2023, we met with the DfE throughout the Autumn and have submitted our financial and operational data for the last 5 years on 9 December 2022 which supports the diagnostic for the programme. It has now been confirmed that we will receive one off grant funding of £1m for Worcestershire (**this is not to be used to pay off the deficit**).

2.20 In Tranche 2 there are 20 Local Authorities, which are split into 3 waves geographically. Each wave will be going through the diagnostic concurrently, allowing Local Authorities to learn from and support each other. We are in a group with Gloucestershire, Wiltshire, West Sussex, Rutland and Swindon.



## **Phase 1 - Diagnostic**

2.22 55 local areas which have opted to participate in the initiative are being supported to identify the highest impact changes that can be made to improve outcomes for children and young people with SEND, and to optimise the use of finances. In Phase One, each local authority receives dedicated technical support and funding to help identify opportunities for improvement with their partners. They will then create a plan to deliver the improvements across their local system. Once local areas have developed their improvement plan, they will move into Phase Two. In addition to the above, Phase 1 of the programme will:

- Collate good practice in delivering services for children and young people with SEND. It is envisaged that all local areas nationally will be able to access these learnings.
- Aggregate data and evidence across all local areas in the programme to understand consistent themes and challenges and inform future policy.

## **Phase 2 Implementation**

2.23 Local authorities and their partners will deliver the plans to realise improvements for their local area. It is expected that the implementation plans developed by each local area in Phase One will build on existing initiatives and address underlying challenges in each area's SEND system. The £1m Grant will support this development and WCC have put aside funding a reserve to help facilitate the improvement and a more sustainable system.

2.24 In June we will have entered Phase 3 which will be the submission of our Grant application and colleagues from Newton Europe are attending to day to answer questions with senior officers from the Local Authority.

2.25 Alongside this work the Council continues to work with schools to optimise pressures within funding, whilst lobbying Central Government through all available forums including our MPs for the issue to be addressed nationally.

2.26 Details on allocations made from the Pupil Growth Fund supporting basic need are attached for information at **Appendix B**.

## **3. Recommendations**

3.1 The WSF are requested to: -

- Note the centrally retained DSG areas in **Appendix A**.
- Note the DSG carry forward position 2022-23 as detailed in the report.

Phil Rook  
Director of Resources  
Worcestershire Children First  
June 2023

**DETAILS OF DSG CENTRALLY RETAINED SERVICES 2022-23**

<b>APPROVAL REQUIRED</b>	<b>SERVICE AREAS</b>
<p><u>De-delegated Services for Maintained Schools</u></p> <p>Requires Schools Forum Maintained School Members by Phase to Decide</p>	<ul style="list-style-type: none"> <li>• Contingencies. # (including schools in financial difficulties and deficits of closing schools)  <b>See criteria below for information.</b></li> <li>• Behaviour support services – delegated.</li> <li>• Support to underperforming ethnic groups and bilingual learners. # *</li> <li>• Free school meals eligibility. # *</li> <li>• Insurance – delegated.</li> <li>• Museum and library services – no provision made from DSG.</li> <li>• Staff costs supply cover (e.g. long-term sickness, maternity, trade union and public duties). #</li> <li>• Contribution to responsibilities the LAs hold for maintained schools only (previously funded by Education Services General Duties Grant) – no provision made from DSG; funded by WCC base budget.</li> <li>• Additional School Improvement – no DSG provision made.</li> </ul> <p># Indicates currently de-delegated  * Part of WCF Contract</p>
<p><u>Centrally Retained</u></p> <p>Not Requiring Schools Forum Approval</p>	<ul style="list-style-type: none"> <li>• High Needs Block provision. ~</li> <li>• Central Licences negotiated by the Secretary of State. ~</li> </ul> <p>~ Indicates currently centrally retained</p>
<p><u>Centrally Retained Prior To Local Schools Formula Allocation</u></p> <p>Requires Agreement of Schools Forum</p>	<ul style="list-style-type: none"> <li>• Funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy. ^</li> <li>• Funding to enable all schools to meet the infant class size requirement. ^</li> <li>• Funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years – no DSG provision made.</li> <li>• Back-pay for equal pay claims – no DSG provision made.</li> </ul>

**AGENDA ITEM 8 Appendix A**  
**WORCESTERSHIRE SCHOOLS FORUM**  
**22<sup>nd</sup> JUNE 2023**

	<ul style="list-style-type: none"> <li>• Remission of boarding fees at maintained and academies – no DSG provision made.</li> <li>• Places in independent schools for non-SEN pupils – no DSG provision made.</li> <li>• Central Early Years block provision. ^</li> <li>• Any movement of funding out of the Schools Block – none transferred.</li> <li>• Any deficit from the previous funding period that reduces the amount of the schools' budget – no adjustment made.</li> <li>• Any deficit brought forward on de-delegated services, which is met by the overall schools' budget – no adjustment required.</li> </ul> <p>^ Indicates currently centrally retained</p>
<p><u>Centrally Retained Prior to Local Schools Formula Allocation</u></p> <p>Requires Approval of the Schools Forum for Each Line</p>	<ul style="list-style-type: none"> <li>• Admissions. ▸</li> <li>• Servicing of Schools Forum. ▸</li> <li>• Contribution to responsibilities the LAs hold for all schools (previously funded by Education Services Retained Duties Grant). ▸</li> </ul> <p>▸ Indicates currently centrally retained</p>
<p><u>Centrally Retained Prior to Local Schools Formula Allocation</u></p> <p>(No new commitments or increases in expenditure from 2012-13)</p> <p>Requires Approval of the Schools Forum for Each Line</p>	<ul style="list-style-type: none"> <li>• Capital expenditure funded from revenue (i.e. no new projects can be charged to the central schools' budget) – no provision made as previous budget now time expired.</li> <li>• Contribution to combined budgets (Early Intervention Family Support Service). @</li> <li>• Existing termination of employment costs (i.e. no new redundancy costs can be charged to the central schools' budget) – no provision made as previous budget now time expired.</li> <li>• Schools budget funded prudential borrowing costs – no previous historic provision made.</li> <li>• Schools budget funded SEN transport costs – no previous historic provision made.</li> </ul> <p>@ Indicates currently centrally retained</p>

**Criteria for Use of School Specific Contingency (SSC) Funding**

*'Contingencies can be retained centrally for maintained schools but only for a limited range of circumstances: -*

- a) Exceptional unforeseen costs which it would be unreasonable to expect governing bodies to meet.*
- b) Schools in financial difficulties.*
- c) Additional costs relating to new, reorganised or closing schools.'*

*DfE definition*

**Access to the SSC for Maintained Schools**

A request in order to access School Specific Contingency (SSC) funding in relation to DfE circumstance a) above, can only be made in the following situations: -

- 1) To support a school that has incurred additional expenditure following a serious and unexpected critical incident.
- 2) To support a school that is experiencing exceptional difficulties in providing an adequate standard of education for its pupils. Before agreeing to allocate any funding in relation to this situation, the following criteria apply: -
  - a) The school is LA maintained.
  - b) The school following a Section 5 inspection, or LA review is categorised as being in OFSTED and/or LA categories 3 or 4, i.e. giving significant cause for concern: and/or the school has a specific time limited issue.

Either of which may impact on the school's ability to provide an adequate standard of education or be at significant risk of doing so.

- c) All other solutions and sources of funding have been explored and there are no other options available to support the school and address the identified need.
- d) The LA action plan for the school identifies expenditure which is required to bring about necessary improvements, and which cannot be met from the school's own budget. The need must be identified as both significant and urgent.

(This may include the purchase of equipment or services to provide the statutory elements of the school curriculum, to ensure health and safety standards are met, to fund secondments, staffing restructures or additional staffing needs where the provision within the school is currently inadequate and pupils are at significant risk, etc. Please note this is not a fully exhaustive list.)

- e) The amount of funding requested should be time limited and set against agreed outcomes. The amount requested should reflect actual costs to be incurred wherever possible.
- f) The LA action plan must have been discussed with the relevant Schools Manager; Headteacher and Chair of Governors before being brought to the School Specific Allocation Meeting.
- g) Regular Project Board meetings if relevant will be in place to monitor progress and the school SLT and Governing Body will be accountable for the use of any funding awarded.

In respect of DfE circumstances b) and c) above these will be assessed for individual schools as they arise at the discretion of the LA.

**Pupil Growth Fund 2022/23**

		<u>£</u>	<u>£</u>	<u>£</u>
<b><u>Pupil Growth Fund Basic Need Approvals</u></b>		<b>2021/22</b>	<b>2022/23</b>	<b>Total</b>
		<b>Full Year Effect Academies Only April 2021 to August 2021</b>	<b>Part Year Effect All Schools September 2021 to March 2022</b>	
<b>Maintained Schools</b>				
Red Hill CE Primary	Sept 2017	0	74,638	74,638
Rushwick CE Primary	Sept 2017	0	0	0
Holy Redeemer Catholic Primary	Sept 2018	0	0	0
Hanbury Primary School	Sept 2018	0	2,488	2,488
Fairfield First	Sept 2020	0	27,367	27,367
Blessed Edwards	*1 Sept 2021	0	9,669	9,669
<b>Sub Total Maintained</b>		<b>0</b>	<b>114,162</b>	<b>114,162</b>
<b>Academies</b>				
Nunnery Wood High	Sept 2017	60,919	116,025	176,944
Tudor Grange Academy Worcester	Sept 2017	90,250	0	90,250
Hartlebury Primary School	Sept 2018	5,225	0	5,225
Somers Park Primary	Sept 2018	47,025	59,710	106,735
The Chantry High	Sept 2018	54,150	80,573	134,723
Stourport High	Sept 2019	24,819	122,471	147,290
Christopher Whitehead Secondary	Sept 2020	78,969	132,140	211,109
Hanley Castle High	Sept 2020	42,869	48,344	91,213
Pershore High School	Sept 2020	0	67,681	67,681
Bishop Perowne CE College	Sept 2021	106,044	183,706	289,750
Church Hill Middle	*1 Sept 2021	95,608	0	95,608
Holyoakes Field First	Sept 2021	22,642	32,343	54,985
Honeybourne Primary	Sept 2021	10,450	9,952	20,402
Ipsley CE Academy	*1 Sept 2021	32,594	0	32,594
Kempsey Primary	Sept 2021	20,900	0	20,900
Welland CE Primary	Sept 2021	6,967	0	6,967
Tudor Grange Academy Worceste	*1 Sept 2022	0	16,115	16,115
<b>Tot: Sub Total Academies</b>		<b>699,431</b>	<b>869,060</b>	<b>1,568,491</b>
<b>Grand Total</b>		<b>699,431</b>	<b>983,222</b>	<b>1,682,653</b>

**Notes**

Allocations made on approved formula of: -

Difference between new admissions in September against leavers in top year group in previous year at Primary and Secondary MFLs rate.

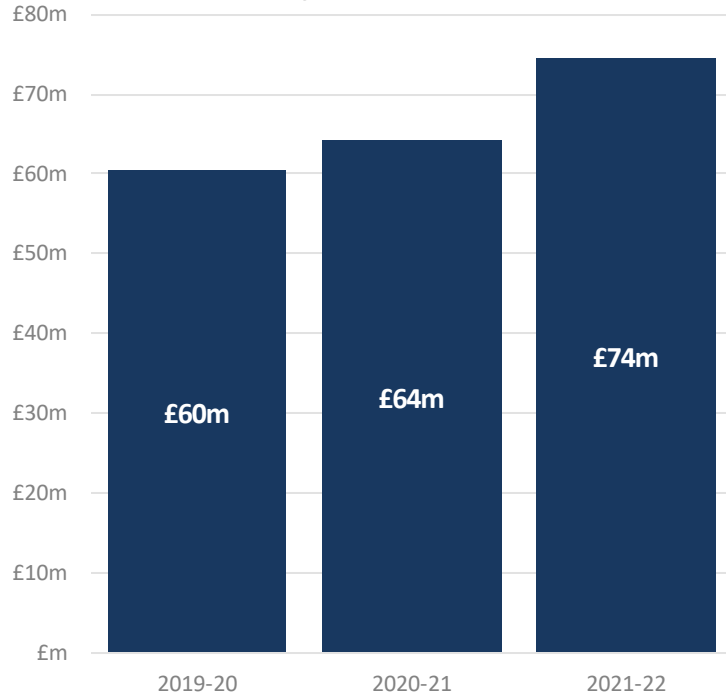
Academies have to be funded for full year due to year in lagged funding.

\*1 Bulge Year so one year only

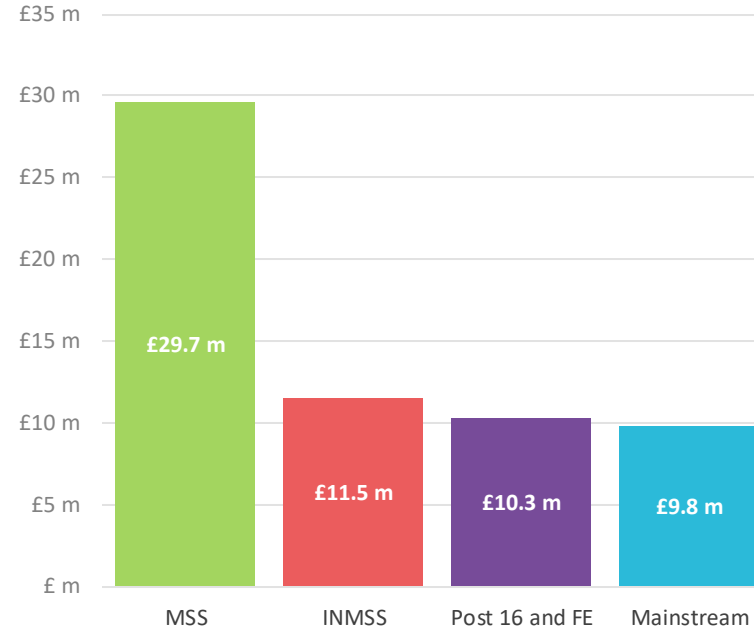
# DBV Update Worcestershire

# In Module 1 we identified the areas to prioritise to effect the greatest change in Worcestershire.

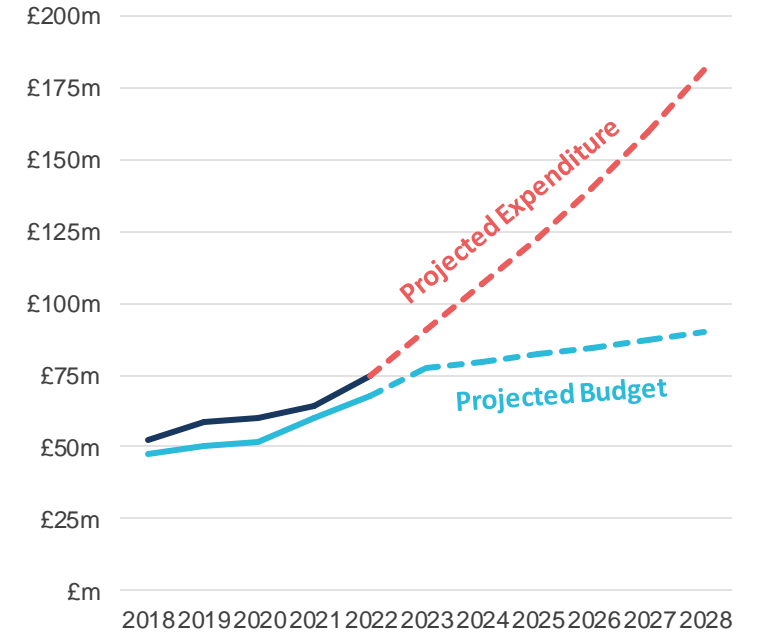
**HNB Spend Over Time**



**2021/22 HNB Expenditure Breakdown**



**Projected HNB Expenditure**



HNB expenditure has grown 23% in Worcestershire since FY 19/20 with growth primarily driven by caseload rather than cost.

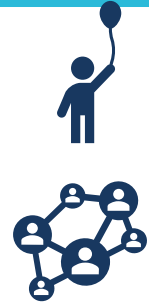
MSSA, INMSS, Post 16 & FE and Mainstream account for 82% of expenditure.

Unmitigated expenditure is forecast to grow to £180m in 2028.



# The diagnostic activity has been co-produced with partners from across the system

## Case Reviews



**41 CYP**

Cases were reviewed in case reviews to understand if we delivered an ideal outcome

**12 Practitioners**

across education, health and social care took part

## Listening Forums



**12 MDT Practitioners**

Collaborated to build a map of PreSchool Forum



**7 Special School Heads**

Discussed how we can foster integration between settings



**6 Secondary School pupils**

Shared their experiences of learning in Worcestershire



**15 WCF colleagues**

Discussed how we can improve the quality of EHCPs



**9 Parents & Carers**

Shared their experiences of the Post 16 pathway

## Surveys



**166 Parents & Carers**

with children at every phase of education responded to a survey



**119 Education providers**

across roles and settings responded to a survey

## Data Analysis

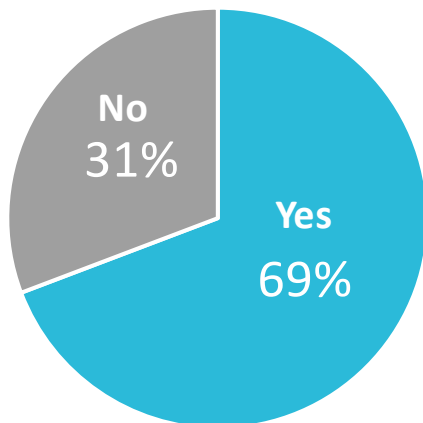


**400,000+ data points**

of CYP level data were analysed to better understand variation

# Key findings from investigation into Worcestershire's Primary school pathway:

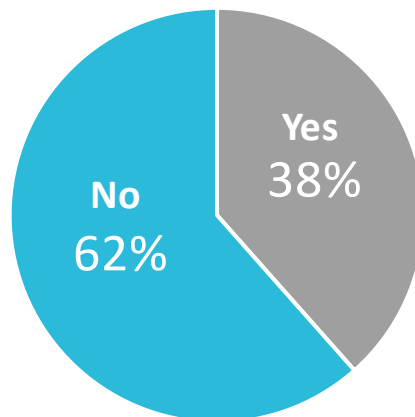
Could the needs of the mainstream pupil be met without an EHCP?



Practitioners felt that **69% of pupils in Mainstream Primaries could have been supported without an EHCP**. Pressure from schools was identified as a key driver of these non-ideal outcomes.

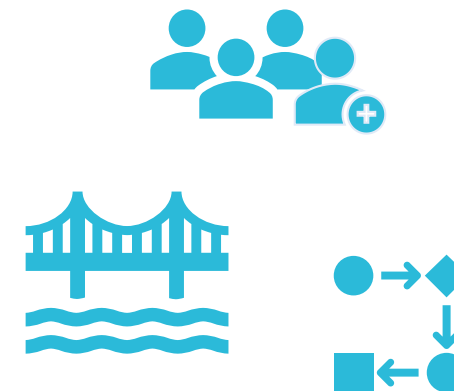
When surveyed, Mainstream education practitioners reported that **access to specialist staff and greater support from the wider SEND system** are the greatest levers to improving inclusive practice.

Did we achieve the ideal outcome for the specialist pupil?



Practitioners felt that **we delivered a non-ideal outcome to 62% of pupils in Specialist Primaries**. It was felt that the majority of these children could have been supported in less specialist settings – representing a cost saving opportunity for Worcestershire.

**A lack of middle ground between mainstream and specialist** emerged as the dominant cause of such non-ideal outcomes.

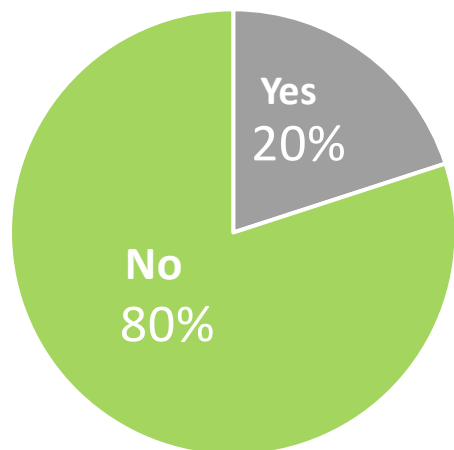


The diagnostic evidence to date would encourage the prioritisation of initiatives such as: **Recruitment, Retention & Upskilling, Building bridges between Mainstream & Specialist, and Remodelling Pre-School Forum**.

As we progress through Module 3, we will support Worcestershire colleagues to consider these ideas and others as we build the implementation plan and grant application together.

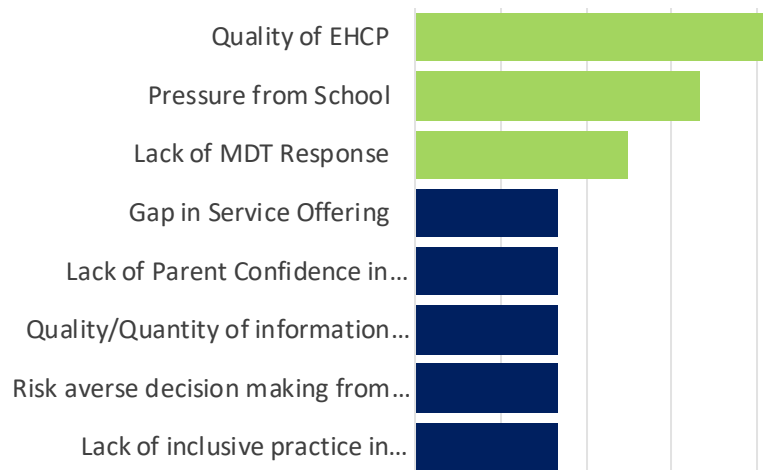
# Key findings from investigation into Worcestershire's Specialist Secondaries:

## Did we achieve the ideal outcome for the MSSA secondary pupil?



Practitioners felt that **we delivered a non-ideal outcome to 80% of pupils in Specialist Secondaries**. The majority of these children could have been supported in less specialist settings – representing a cost saving opportunity for Worcestershire. Specifically, practitioners felt that **40% of non-ideal cases could have been supported in Mainstream and a further 20% in RP/SEN units**.

## Why didn't we achieve the ideal outcome for a child?



**Quality of EHCPs** was identified as the most common barrier to delivering ideal outcomes to children. **Pressure from schools** recurred as a dominant theme, alongside a **lack of multi-disciplinary response**.

We conducted listening forums, surveys and variational analysis to gain greater insight into each of these three areas.

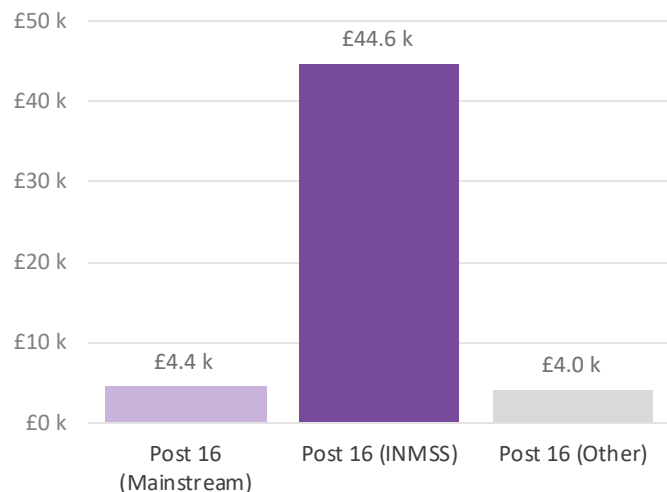


The diagnostic evidence to date would encourage the prioritisation of initiatives such as: **Resetting EHCP and Annual Review Expectations, Empowering Mainstream Secondary practitioners, and SEN service capacity & collaboration**.

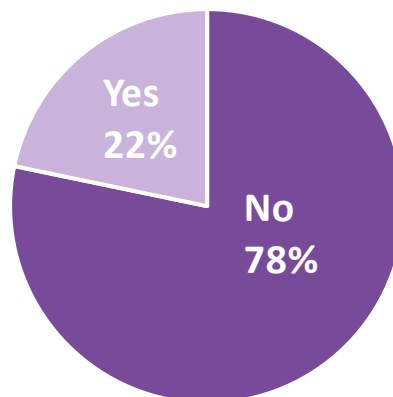
As we progress through Module 3, we will support Worcestershire colleagues to consider these ideas and others as we build the implementation plan and grant application together.

# Key findings from investigation into Worcestershire's Post 16 Pathway:

Average case cost in Post 16 & FE settings



Did your child receive support when transitioning into their Post 16 setting?



Worcestershire's **spend in Post 16 is driven by high case costs in Independent Further Education settings**. In 2021, 83% of young people attended Mainstream Post 16 settings, yet INMS settings accounted for 63% of Post 16 & FE expenditure. **Worcestershire's Post 16 case costs sit considerably above the average DBV local authority, while costs continue to rise.**

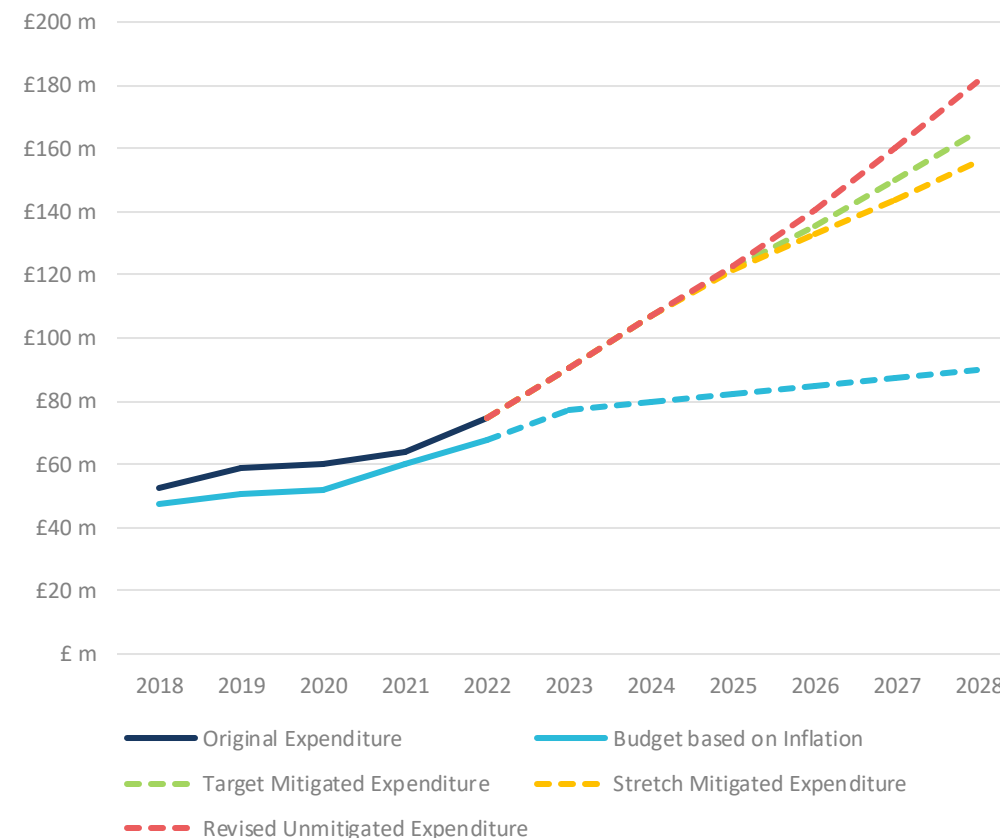
**We are not providing sufficient support to Young Adults and their families as they transition out of secondary education.** Improving communication between WCF, education settings, and families with SEN at this juncture represents a significant opportunity to build confidence in the local offer and encourage independence as young people move towards adulthood.

The diagnostic evidence to date would encourage the prioritisation of initiatives such as: **FE Transition Support Package, Support into Adulthood, and Strong relationships with FE settings.** As we progress through Module 3, we will support Worcestershire colleagues to consider these ideas and others as we build the implementation plan and grant application together.

# Confidence weighted opportunities are currently projected to enable £50m in cost avoidance over the next five years.

Opportunity	Cumulative FYE 2024-2028		
	Potential	Target Confidence Weight	Stretch Confidence weight
Supporting the goals and aspirations of the child can be achieved <b>without the need for an EHCP</b>	£10,025,225	£2,907,315	£5,313,369
Supporting the goals and aspirations of the child in a <b>Mainstream setting rather than MSSA</b>	£36,562,242	£14,624,897	£21,937,345
Supporting the goals and aspirations of the child through <b>Resources/SEN Unit setting rather than MSSA</b>	£32,845,522	£11,167,478	£18,393,493
Providing young people with the <b>correct level of support in Post 16 &amp; FE</b> to achieve their long-term goals	£10,013,299	£3,003,990	£5,006,649
<b>Total</b>	<b>£89,446,288</b>	<b>£31,703,679</b>	<b>£50,650,857</b>

### Comparison of Mitigated and Unmitigated Projected HNB Expenditure



## Report to the Worcestershire Schools Forum (WSF) HLN Supplementary Funding

### **1. Purpose**

- 1.1 To seek agreement from WSF on the allocation of additional funding to Special Schools, PRUs and Alternative Provisions (AP) within Worcestershire.

### **2. Background**

- 2.1 In financial year 2022-23 WSF agreed to fund these provisions using the same funding mechanism as the supplementary grant.
- 2.2 The Minimum Funding Guarantee (MFG) for Special Schools was set by the government at 3% of the funding for 2021/22 to compensate for the additional funding last year. This was not the case for PRUs/AP

### **3. Current Aims**

- 3.1 The government has announced an increase on the funding from 2022/23 to 2023/24 of a 3.4%.
- 3.2 Worcestershire County Council (WCC) are proposing that this is a straight one-off payment of 3.4% compared to the funding given to the schools for place funding and top-up.
- 3.3 WCC are proposing a one-off payment for PRUs/AP of 3.4% for place funding and top-up.
- 3.4 WCC are proposing to fund PRUs/AP last year's supplementary funding amount as these schools do not have a MFG factor within their funding mechanism.
- 3.5 The proposed funding level for each school is listed in Appendix A.

### **4. Recommendation**

- 4.1 For WSF to agree the additional funding for Special Schools, PRUs/APs within Worcestershire.

Robert Phillips  
Finance Business Partner - Schools  
Worcestershire Children First  
June 2023

### Special Schools

		Total Funding 2022/23		Total Additional Funding	
SS5950	Vale of Evesham	£	3,987,754.00	3.40%	£ 135,584.00
SS7000	The Kingfisher	£	2,906,326.33	3.40%	£ 98,815.00
SS7001	Rigby Hall	£	3,264,430.00	3.40%	£ 110,991.00
SS7003	Riversides	£	1,414,959.00	3.40%	£ 48,109.00
SS7009	Pitcheroak	£	2,535,435.00	3.40%	£ 86,205.00
SS7015	Chadsgrove	£	2,603,120.00	3.40%	£ 88,506.00
SS7024	Regency	£	4,613,307.00	3.40%	£ 156,852.00
SS7025	Fort Royal	£	4,846,048.00	3.40%	£ 164,766.00
SS7026	Wyre Forest	£	5,531,567.00	3.40%	£ 188,073.00
Total			<b>£ 31,702,946.33</b>		<b>£ 1,077,901.00</b>

### PRUs/AP

		Total Funding 2022/23		3.4% Allocation		One-off Payment from 2022/23	Total Additional Funding
SS1103	Perryfield	£	868,700.00	3.40%	£ 29,536.00	£ 5,239.00	£ 34,775.00
SS1105	The Beacon	£	767,000.00	3.40%	£ 26,078.00	£ 4,366.00	£ 30,444.00
SS1108	Continu Plus Acad	£	1,349,500.00	3.40%	£ 45,883.00	£ 8,541.00	£ 54,424.00
SS1110	Aspire Academy	£	1,126,500.00	3.40%	£ 38,301.00	£ 4,731.00	£ 43,032.00
SS1115	Newbridge	£	1,433,500.00	3.40%	£ 48,739.00	£ 9,698.00	£ 58,437.00
SS1121	The Forge	£	942,500.00	3.40%	£ 32,045.00	£ 8,679.00	£ 40,724.00
			<b>£ 6,487,700.00</b>		<b>£ 220,582.00</b>	<b>£ 41,254.00</b>	<b>£ 261,836.00</b>

## Report to the Worcestershire Schools Forum (WSF) Scheme for Financing Schools

### **1. Purpose**

- 1.1 To update the Worcestershire Scheme for Financing Schools.

### **2. Background**

- 2.1 The scheme has had regular minor updates to keep it in line with current regulation.
- 2.2 Interest on deficits has been set at 1% above the basic weighted interest that Worcestershire County Council receive through its treasury management of funds.

### **3. Current Aims**

- 3.1 The overarching aim is to simplify the scheme and make the document clearer for all schools to understand.
- 3.2 These amendments are the first step in improving the clarity of the full document.
- 3.3 Property Services has reviewed the current scheme and want to remove some of the confusion within it.
- 3.4 WCC propose to review the interest calculation for school balances and remove the additional 1% charge for schools in deficit without it impacting on the WCC budget.
- 3.5 Refresh the document to make sure that all documents detail the latest version of amendments to assist schools.
- 3.6 The document will continue to be worked through to clarify where necessary and simplify as much as possible.
- 3.7 The list of changes made to the document are listed in Appendix A.

### **4. Recommendation**

- 4.1 For WSF to agree to the proposed changes to the Worcestershire Scheme for Financing Schools.

Robert Phillips  
Finance Business Partner - Schools  
Worcestershire Children First  
June 2023



Proposed Changes to the Scheme for Financing Schools. The only part of the section where a change is being made. The full proposed document is also attached for context.

## **2.10 Purchasing, Tendering and Contracting Requirements (Current)**

Schools are required to abide by the LAs financial regulations and standing orders in purchasing, tendering and contracting matters other than where the scheme would require schools: -

- To do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive.
- To seek LA Officer counter signature for any contracts for goods or services for a value below £60,000 in any one year.
- To select suppliers only from an approved list.
- Would permit schools to seek fewer than 3 tenders or quotations in respect of any contract exceeding £10,000 in any one year.

Individual school Governing Bodies together with the Headteacher must determine their own arrangements for handling contracts. They must abide by the Public Contract Regulations 2015/LAs Standing Orders for contracts in excess of the equivalent value of €200,000 Special Drawing Rights (SDR's, Value approximately £172,514 at January 2014). A minimum of three tenders must be sought for any contract with a value exceeding £10,000 in any one year.

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

### **Changed wording**

Schools are required to abide by the LAs financial regulations and standing orders in purchasing, tendering and contracting matters unless the scheme would -

- enable the school to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any UK legislative requirements.
- require the school to seek LA Officer counter signature for any contracts for goods or services for a value below £60,000 in any one year.
- require the school to select suppliers only from an approved list.
- enable the school to seek fewer than 3 tenders or quotations in respect of any contract exceeding £10,000 in any one year.

Individual school Governing Bodies together with the Headteacher must determine their own arrangements for handling contracts. They must abide by the Public Contract Regulations 2015/LAs Standing Orders for contracts in excess of the Special Drawing Rights (SDR's, Value approximately £213,477 inc. VAT at January 2022). A minimum of three tenders must be sought for any contract with a value exceeding £10,000 in any one year.

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

#### **4.6 Charging of Interest on Deficit Balances (Current)**

The LA will charge interest on any deficit balance. The calculation of interest will be based upon the interest on surplus balances (section 4.3) plus 1%.

#### **Changed Wording**

The LA will charge interest on any deficit balance. The calculation of interest will be based upon the interest on surplus balances (section 4.3).

**Worcestershire County Council (WCC)**  
**Fair Funding Scheme for Financing Schools**

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## **Section One – Introduction**

### **1.1 The Funding Framework**

The Statutory Outline Scheme is detailed in [Annex A](#).

The Funding Framework Main Features are detailed in [Annex B](#).

### **1.2 The Role of the Scheme**

This scheme sets out the financial relationship between the LA and the maintained schools, which it funds. It contains requirements relating to financial management and associated issues, which are binding on both the LA and on the schools.

#### **1.2.1 Application of the Scheme to the LA and Maintained Schools**

This scheme applies to all maintained community, voluntary, foundation, community special, foundation special schools, nurseries and pupil referral units/short stay schools (from April 2013) in the area of the LA. These are listed in [Annex C](#). It does not apply to schools situated in the LA which are maintained by another LA, nor does it apply to Academies and Free Schools.

### **1.3 Publication of the Scheme**

These requirements are detailed in [Annex B](#).

### **1.4 Revision and Approval of the Scheme**

These requirements are detailed in [Annex B](#).

### **1.5 Delegation of Powers to the Headteacher**

Each Governing Body is asked to consider the extent to which it wishes to delegate its financial powers to the Headteacher, and to record its decision (and any revisions) in the minutes of the Governing Body. The LA has no wish to impose uniformity on schools but considers that the level of delegation to Headteachers, which is desirable, is as set out in guidance to governors.

In terms of the annual budget plan, the first formal budget plan of each financial year must be approved by the Governing Body or by a designated Committee of the Governing Body.

### **1.6 Maintenance of Schools**

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

## **Section Two – Financial Controls**

### **2.1.1 Application of Financial Controls to Schools**

In managing their delegated budgets schools must abide by the LAs requirements on financial controls and monitoring.

Certain of these are directly referred to in this scheme while others are included in the following documents already sent to schools:

- Financial Regulations.
- Financial Procedures and Accounting Instructions.

### **2.1.2 Provision of Financial Information and Reports**

Schools are required to provide the LA with details of expected and actual expenditure and income, in a form and at times determined by the LA. Such details will not be required more often than once every three months, except for those connected with tax or bank reconciliation. The LA may, however, notify the school in writing if in its view the school's financial position requires more frequent submission or the school is in its first year of operation. This restriction would not apply if a school were to be part of an on-line financial accounting system operated by the LA.

The details of these requirements are set out in the following documents already sent to schools: -

- Financial Procedures and Accounting Instructions.

### **2.1.3 Payment of Salaries; Payment of Bills**

The procedures for these will vary according to the choices schools make about the holding of bank accounts and the buying back of the LAs payroll system.

The procedures, which apply to the different choices made by schools, are as set out in the following documents already sent to schools: -

- Financial Procedures and Accounting Instructions;
- Service Level Agreements.

### **2.1.4 Control of Assets**

Each school must maintain an inventory of its moveable non-capital assets, in a form determined by the LA, and setting out the basic authorisation procedures for disposal of assets.

The format of the required inventory and the basic authorisation procedures for disposal of assets is as set out in the following documents already sent to schools:

- 
- Financial Procedures and Accounting Instructions

- Schools may determine their own arrangements for keeping a register of assets worth less than £1000. Schools are encouraged to register anything that is portable and attractive, such as cameras. However, they must keep a register in some form.

### **2.1.5 Accounting Policies (Including Year-End Procedures)**

Schools must abide by procedures issued by the LA in relation to accounting policies and year-end procedures.

These procedures are as set out in the following documents already sent to schools: -

- Financial Procedures and Accounting Instructions

### **2.1.6 Writing off of Debts**

Where a school has its own bank account the Governing Body is authorised to write off debts up to a level stipulated by the Chief Financial Officer, but must notify the LA of any debts approved for write off. The current limit is set at debts up to and including £250.

In the case of larger debts and for schools who do not have their own bank account, the school must carry out the following procedures as set out in: -

- Financial Regulations.
- Financial Procedures and Accounting Instructions.

It is important that whenever possible schools should obtain payment in advance

## **2.2 Basis of Accounting**

Reports and accounts furnished to the LA must be on an accruals basis. Schools may use what financial software they wish, provided they meet the costs of any modification to provide output required by the LA.

## **2.3 Submission of Budget Plans**

Each school is required to submit a budget plan to the LA by 1<sup>st</sup> May (Mainstream Schools, Special Schools and PRUs) in each year for the financial year in question.

The budget plan must show the school's intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. The school may take account of estimated deficits/surpluses at 31<sup>st</sup> March in their budget plan. The format of the budget plan should be as set out in the following documents sent to schools: -

- School Budget Planning Summary to take account as far as possible the Consistent Financial Reporting (CFR) national framework.



The LA may also require the submission of revised plans where the LA deems it necessary. Such revised plans shall not be required at intervals of less than three months.

The LA will supply schools with all income and expenditure data that it holds and which is necessary for efficient planning by schools. An annual statement of this information will be available at times through the year.

The full Governing Body or a designated Committee of the Governing Body of a school, as outlined in their regulations must agree the initial school budget plan approval.

Regulation 17(1)(c) of the School Governance (Procedures)(England) Regulations 2003 requires the Governing Body or a committee of the Governing Body to give their approval to the first formal budget plan of the financial year.

### **2.3.1 Submission of Financial Forecasts**

From the 2021 to 2022 funding year each school must submit a 3-year budget forecast each year, at a date determined by the LA between 1 May and 30 June.

The LA will consider the extent to which such forecasts may be used for more than just confirming schools are undertaking effective financial planning or not. For instance, they could be used as evidence to support the LAs assessment of Schools Financial Value Standard (SFVS) or used in support of the LAs balance control mechanism.

The LA will inform schools of the purposes for which they intend to use these 3-year budget forecasts: such a forecast may be used in conjunction with an LAs balance control mechanism.

### **2.4 Efficiency and Value for Money**

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

It is for heads and governors to determine at school level how to optimise the use of resources and maximise value for money.

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

### **2.5 Virement**

Schools are free to vire between budget heads in the expenditure of their budget shares but governors are advised to establish criteria for virements and financial limits above which the approval of the governors is required.

## **2.6 Audit: General**

Schools are required to provide access to the school's records and to co-operate both with auditors employed by the LA (**internal audit**) and auditors appointed by the Government to audit the local LA itself as determined by the Local Audit and Accountability Act 2014 (**external audit**).

In regard to **internal audit**, all schools come within the audit regime determined by the LA.

Details of this are set out in the following separate document distributed to schools:  
-

- Financial Regulations.

Specific requirements will be issued for bank account schools. Where additional audits are required as a result of a school operating its own bank account there will be a charge for this service.

In relation to **external audit** all schools come within the LA external audit regime as determined by the Government.

## **2.7 Separate External Audits**

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

## **2.8 Audit of Voluntary and Private Funds**

In addition to the normal internal and external audits, schools must provide audit certificates in respect of any voluntary and private funds they hold and of the accounts of any trading organisations controlled by the school.

The procedures for furnishing these audit certificates and advice on the handling of such voluntary and private funds is set out in the following documents previously distributed to schools: -

- Financial Regulations.

## **2.9 Register of Business Interests**

The Governing Body of each school is required to establish a register which lists for each member of the Governing Body and the Headteacher: -

Any business interests they or any members 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;

And to keep the register up to date with notification of changes and through annual review of entries, to make the register available for inspection by the LA, school governors, staff and parents and to publish the register on a publicly accessible website.

More detailed guidance on the maintenance of such a register is set out in the following documents: -

- DfE Statutory Scheme Guidance.

## **2.10 Purchasing, Tendering and Contracting Requirements**

Schools are required to abide by the LAs financial regulations and standing orders in purchasing, tendering and contracting matters unless the scheme would -

- enable the school to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any UK legislative requirements.
- require the school to seek LA Officer counter signature for any contracts for goods or services for a value below £60,000 in any one year.
- require the school to select suppliers only from an approved list.
- enable the school to seek fewer than 3 tenders or quotations in respect of any contract exceeding £10,000 in any one year.

Schools are required to assess in advance, where relevant, the health and safety competence of contractors, taking account of the LAs policies and procedures.

Individual school Governing Bodies together with the Headteacher must determine their own arrangements for handling contracts. They must abide by the Public Contract Regulations 2015/LAs Standing Orders for contracts in excess of the Special Drawing Rights (SDR's, Value approximately £213,477 inc. VAT at January 2022). A minimum of three tenders must be sought for any contract with a value exceeding £10,000 in any one year.

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

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

Schools may seek advice on a range of compliant deals via Buying for Schools <https://www.gov.uk/guidance/buying-for-schools>

## **2.11 Application of Contracts to Schools**

Schools have the right to opt out of LA-arranged contracts. This is except where they have lost that right for particular contracts (whenever started) in accordance with a specified written procedure: in which case they will be bound into the contract for its length (although the contract might contain clauses allowing variance of its terms and conditions).

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

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

## **2.12 Central Funds and Earmarking**

The LA is authorised to make sums available to schools from central funds, in the form of allocations, which are additional to and separate from the schools' budget shares. Such allocations shall be subject to conditions setting out the purpose or purposes for which the funds may be used: and while these conditions need not preclude virement (except, of course, where the funding is supported by a specific grant which the LA itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the school's budget share.

Such earmarked funding from centrally retained funds is to be spent only on the purposes for which it is given, or on other budget heads for which earmarked funding is given, and is not to be vired into the school's budget share. Any unspent balance of earmarked funds must be returned to the LA if not spent during the year or within the period over which schools are allowed to use the funding if different.

In order that schools may demonstrate compliance with this requirement, the procedure as set out in the following documents already sent to schools shall be used: -

- Earmarked Funding Allocation Sheets.

The LA will not make any deduction in respect of interest costs to the LA from payments to school of devolved specific or special grants.

## **2.13 Spending for the Purposes of the School**

Governing Bodies are free to spend budget shares for the purposes of the school', subject to any provisions of this scheme. This includes where a school has a budget share in relation to a pupil or pupils registered at other schools.

Amounts spent by Governing Bodies on community facilities under section 27 of the Education Act 2002 will be treated as if spent for any purpose of the school.

The LA may issue guidance and impose restrictions to school budget share expenditure. This will be detailed in: -

- Financial Procedures and Accounting Instructions.

#### **2.14 Capital Spending From Budget Shares**

Governing Bodies are permitted to use their budget shares to meet the cost of capital expenditure on the school premises. The Governing Body must notify the LA of any proposals to undertake capital works, in advance of making any commitment. Where the LA owns the premises or the school has Voluntary Controlled (VC) status the Governing Body shall also seek the consent of the LA to the proposed works, consent will only be withheld on health and safety grounds.

This includes expenditure by the Governing Body of a Voluntary Aided (VA) school on work which is their responsibility.

For all premises where the expected capital expenditure from the budget share in any one-year will exceed £15,000, the Governing Body must notify the LA and take into account any advice from the Director of Children's Services as to the merits of the proposed expenditure. The Governing Body should not enter into any capital scheme that impacts on the LAs statutory responsibilities regarding the planning and supply of school places.

#### **2.15 Schools Financial Value Standard (SFVS)**

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.

It is for the school to determine at what time in the year they wish to complete the form. Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors.

The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner.

**Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.**

Maintained schools with a delegated budget must submit the form to the LA either before the end of the financial year or on a date determined by the DfE and annually thereafter. The LA should submit its assurance statement to the DfE within 6 weeks of the school's submission date.

#### **2.16 Notice of Concern**

The LA may issue a notice of concern to the Governing Body of any school it maintains where, in the opinion of the Chief Financial Officer and the Director of Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of

the LA or the school.

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

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- insisting that an appropriately trained/qualified person chairs the finance committee of the Governing Body;
- placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the LA or the withdrawal of local banking arrangements;
- insisting on regular financial monitoring meetings at the school attended by LA officers;
- requiring a Governing Body to buy into a LAs financial management systems; and
- imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

## **2.17 Fraud**

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

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

## **Section Three – Instalment of Budget Share; Banking Arrangements**

### **3.1 Frequency of Instalments**

The budget share for schools operating their own bank accounts will be made available to Governing Bodies on a monthly basis. Non-bank accounts schools may draw on its entire budget share from the start of the year (although in practice this would not happen because of pay commitments).

Top up payments for pupils with high needs should be made on a monthly basis unless alternative arrangements have been made by the LA with the provider.

### **3.2 Proportion of Budget Share Payable at Each Instalment**

The proportion of the budget share to be made available to schools shall be calculated as set out in [Annex D](#).

Where a school requires a budget share advance in order not to be overdrawn at their bank, this is treated as a cash advance and not a loan.

### **3.3 Interest Clawback**

The LA may deduct from budget share instalments an amount equal to the estimated interest lost by the LA in making available the budget share in advance. When payments are made on the basis set out in [Annex D](#) there is no significant loss of interest to the LA and, therefore, no interest will be charged to schools.

#### **3.3.1 Interest on the Budget Share Payments**

Where budget share payments are made the as a result of LA error, interest will be paid on the instalment, at Bank of England base rate.

### **3.4 Budget Shares for Closing Schools**

Budget shares of schools for which approval for discontinuation has been secured, will be made in respect of the proportion of the year for which the school will remain open.

### **3.5 Bank and Building Society Accounts**

All schools may have an external bank account into which their budget share instalments (as determined by other provisions) are paid. Where schools have such accounts they shall be allowed to retain all interest payable on the account.

Any school funded under this scheme wishing to opt for its own bank account may only do so after giving 3 months notice. New bank account arrangements will only be made with effect from the beginning of each financial year.

Schools without bank accounts at the start of the scheme cannot have one until any deficit balance is cleared; and any school requesting a bank account at a later date shall not be able to have one until any deficit is cleared.

Interest will be charged/paid on any adjustments made. The interest rate will be that used for interest on school balances (see Section 4 Paragraph 4.3).

### **3.5.1 Restrictions on Accounts**

Accounts may only be held for the purpose of receiving budget share payments, at the banks or building societies consistent with the LAs Treasury Management Policy.

Schools having bank accounts with other banks prior to 1<sup>st</sup> April 2001 will be allowed to retain those accounts.

Any school closing an account used to receive its budget share and opening another must select the new bank or building society consistent with the LAs Treasury Management Policy.

Schools are allowed to have accounts for budget share purposes, which are in the name of the school. These accounts must only be used for the purposes of the school budget under the terms of this scheme. Money paid by the LA and held in such accounts remains LA property until spent (S.49 (5) of the SSFA 1998).

Where a school has such an account the account mandate should provide that the LA is the owner of the funds in the account and can take control of the account if the LA that is entitled to receive statements suspends the school's right to a delegated budget.

### **3.6 Borrowing by Schools**

**Governing Bodies may borrow money (which includes the use of finance leases) only with the written permission of the Secretary of State.**

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

Schools can use any scheme that the Secretary of State has said is available to schools without specific approval.

The restrictions do not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts.

These debts may not be serviced directly from the delegated budget, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing.

Governing bodies do not act as agents of the authority when repaying loans.

The types of financing arrangements, which would normally be classed as borrowing are: -



- Loans in the broadest sense, whereby lenders make available to the school a sum of money, which the school uses for specific aims. The school repays the sum of money usually at a price, over the term of the loan.
- Finance leases, whereby the school requires the use of an asset from the supplier or lender over a specified period. At the end of the period, the school has paid the lender for the underlying cost and the asset plus interest charges.
- Certain types of Public Private Partnerships where the asset is deemed to be 'on the balance sheet'.

See LA and/or DfE school borrowing guidance for further information.

Schools are able to use procurement cards as part of the LAs scheme as a useful means of facilitating electronic purchase but are not able to use credit cards or overdrafts, which are regarded as borrowing.

This provision does not apply to loan schemes run by the authority (see sections 4.10 and 4.11).

### **3.7 Other Provisions**

The LA has formulated separate detailed rules and guidance in respect of other aspects of banking arrangements, which are as set out in the following documents already sent to schools: -

- Financial Procedures and Accounting Instructions.

## **Section Four – The Treatment of Surplus and Deficit Balances Arising in Relation to Budget Share**

### **4.1 Right to Carry Forward Surplus Balances**

Schools may carry forward from one financial year to the next any surplus/deficit in net expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year. A surplus balance at 1<sup>st</sup> April will be equal to that of 31<sup>st</sup> March.

#### **4.1.1 Calculation of Balances**

The amount of the balance to be transferred to a new bank account school will be based on discussions between the school and the LA as to what their estimated year-end balance will be. The amount will be subject to correction when the accounts for the relevant year are closed. The balance will be paid to the school along with the first instalment for the financial year, i.e. on 1<sup>st</sup> April or nearest bank working day.

### **4.2 Controls on Surplus Balances**

The LA reserves the right to operate a scheme to control and potentially clawback excess surplus balances.

The mechanism will have regard to the principle that schools should be moving towards greater autonomy, should not be constrained from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and should not be burdened by bureaucracy. This is in response to the DfE recommending that LAs relax provisions in this area.

The mechanism will, therefore, be focused on only those schools which have built up significant excessive uncommitted balances and/or where some level of redistribution would support improved provision across a local area.

The mechanism will be contained in: -

- Financial Procedures and Accounting Instructions.

The total of any amounts deducted from school's budget share by the LA under its mechanism in this provision are to be applied to the 'School Budget' of the LA for redistribution to schools on criteria and in a timescale to be determined by the LA in consultation with the Worcestershire Schools Forum (WSF).

This scheme change will be modified to fit with any regulations the DfE issues from time to time.

The decision to make a deduction from a schools budget share will be made by the Director of Children's Services or their representative. If a school feels that the scheme has been unfairly applied to them they can appeal to the Chief Financial Officer via the WSF.

#### **4.2.1 Reporting on the Intended use of Surplus Balances**

In order to allow the LA to monitor excessive balances, Governing Bodies may from time to time be required to report to the LA on the use which the school intends to make of surplus balances (in excess of a percentage of the budget share as stipulated in the LA mechanism), after taking account of any retrospective adjustments.

#### **4.3 Interest on Surplus Balances**

Balances held by the LA on behalf of schools will attract interest on the following basis: -

- The balance for interest purposes will be taken as the average between the brought forward figure at the beginning of the financial year and the cumulative balance carried forward at the end of the financial year.
- The rate of interest paid will be an annual weighted average based upon the rate that the County Council receives on its investment portfolio.

#### **4.4 Obligation to Carry Forward Deficit Balances**

Deficit balances will be carried forward by the deduction of the relevant amounts from the following year's budget share (see also section 4.9). A deficit balance at 1<sup>st</sup> April will be equal to that of 31<sup>st</sup> March.

#### **4.5 Planning for Deficit Budgets**

Schools may only plan for a deficit budget in accordance with the terms of sections 4.9, 4.10 and 4.11 below.

Schools must submit a recovery plan to the LA when their revenue deficit rises above 5% at 31 March of any year. The LA may set a lower threshold than 5% for the submission of a recovery plan if they wish. The 5% deficit threshold will apply when deficits are measured as at 31 March 2021.

#### **4.6 Charging of Interest on Deficit Balances**

The LA will charge interest on any deficit balance. The calculation of interest will be based upon the interest on surplus balances (section 4.3).

#### **4.7 Writing off of Deficits**

The LA has no power to write off the deficit balance of any school.

Assistance towards the elimination of a deficit balance can only be made through the allocation of a cash sum from a centrally held schools budget specified for the purpose of expenditure on special schools or PRU's in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget or former DSG reserve and/or where this has been agreed by the WSF.

#### **4.8 Balances of Closing and Replacement Schools**

When a school closes any balance (whether surplus or deficit) shall revert to the LA; 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 transfers to an Academy where a school converts to Academy status under Section 4 (1) (a) of the Academies Act 2010.

The LA will invoke necessary processes and procedures for budgetary management and control in cases where a school is either in deficit or is projected to be in deficit and that has the potential to or will become a sponsored academy.

The procedures and mechanism for this are agreed by the WSF and will be contained in: -

- Financial Procedures and Accounting Instructions.

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

#### **4.9 Borrowing for Agreed Purposes**

The general provision in paragraph 3.6 above forbidding Governing Bodies to borrow money shall not apply to schemes run by the LA as set out in the following sections 4.10 and 4.11.

#### **4.10 Licensed Deficits**

The LA will permit a school, which has no deficit at 31 March 1999 to plan for a deficit budget only in exceptional circumstances. Such circumstances might include where a Governing Body wishes to overcome a demonstrably short-term difficulty. The funding to allow such a deficit budget shall be provided from the collective surplus of school balances held by the LA on behalf of schools

The detailed arrangements applying to this scheme are set out below: -

- In exceptional circumstances, with the prior approval of the Director of Children's Services and the Chief Financial Officer, a school may plan to spend in anticipation of the following year's budget.
- Such spending would not normally be allowed to exceed 2% of the school's own budget allocation.
- Approved deficits will be reviewed regularly with a view to the deficit being repaid over a maximum of 2 years, or in exceptional circumstances over a maximum of 5 years.

## **4.11 Loan Schemes**

The LA shall provide a form of loan arrangement for schools, which does not operate by way of a licensed deficit, but rather by way of actual payments to schools or expenditure by the LA in respect of a particular school on condition that a corresponding sum is repaid from the budget share. The same parameters under section 4.10 apply.

The detailed arrangements applying to this scheme are set out in: -

- Utilisation of School Balances - Loan Scheme for Achievement Related Capital Projects.

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. 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. If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school.

### **4.11.1 Credit Union Approach**

The LA does not operate a scheme.

## **4.12 Multi Year Budgets**

The LA may inform each maintained school of its estimate of the school's budget and central government grant income paid by the LA for the relevant number of years and periods if this is specified within the statutory School Funding Regulations. This will be provided in a format determined by the LA.

The estimates will use information available to the LA at the time of preparation, will be subject to change in the future as permitted within the Fair Funding regulations and be provisional in nature implying no commitment on the part of the LA to fund schools at the level shown in the estimate.

The detailed methodology for calculation will be included in the information given to schools on these amounts.

## **Section Five - Income**

Schools shall be able to retain income except in certain specified circumstances.

### **5.1 Income from Lettings**

Schools may retain income from lettings of the school premises, which would otherwise accrue to the LA, subject to alternative provisions arising from any joint use or PFI agreements. Schools are permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, **provided there is no net cost to the budget share**. However, schools whose premises are owned by the LA shall be required to have regard to directions issued by the LA as to the use of school premises, as permitted under the SSFA 1998 for various categories of schools.

Income from lettings of school premises may not be paid into voluntary or private funds held by the school.

However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.

### **5.2 Income from Fees and Charges**

Schools may retain income from fees and charges except where a service is provided by the LA from centrally retained funds. However, schools are required to have regard to any policy statements on charging produced by the LA.

### **5.3 Income from Fund-Raising Activities**

Schools may retain income from fund-raising activities.

### **5.4 Income from the Sale of Assets**

Schools may retain the proceeds of sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it should be for the LA to decide whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the LA.

Any sale of land or buildings requires consultation with the LA and in the case of County schools, or where it effects the statutory provision, the LAs consent.

### **5.5 Administrative Procedures for the Collection of Income**

Because of the potential VAT implications of providing services, which lead to fees and charges, fund raising activities and the sale of assets, the LA has established administrative procedures for the collection of income, which are set out in the following documents: -

- Financial Procedures and Accounting Instructions.

## **5.6 Purposes for Which Income May Be Used**

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

## **Section Six – The Charging of School Budget Shares**

### **6.1 General Provision**

The budget share of a school may be charged by the LA without the consent of the Governing Body only in circumstances set out in 6.2 below.

The LA shall consult a school as to the intention to so charge, and shall notify a school when it has been done.

Schools are reminded that the LA cannot act unreasonably in the exercise of any power given by this scheme, or it may be the subject of a direction under s.496 of the Education Act 1996. The LA shall make arrangements for a disputes procedure for such charges.

The LA may de-delegate funding for permitted services without the express permission of the Governing Body; provide this has been approved by the appropriate phase representatives of the WSF.

#### **6.1.1 Charging of Salaries at Actual Cost**

The LA must charge the salaries of school based staff to the budget share of a school at actual cost.

### **6.2 Circumstances in Which Charges May Be Made**

- 6.2.1 Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA).
- 6.2.2 Other expenditure incurred to secure resignations where there is good reason to charge this to the school (see [Annex B](#)).
- 6.2.3 Awards by courts and employment tribunals against the LA, or out of court settlements arising from action or inaction by the Governing Body contrary to the LAs advice.
- 6.2.4 Expenditure by the LA in carrying out health and safety work or capital expenditure for which the LA is liable where funds have been delegated to the Governing Body for such work, but the Governing Body has failed to carry out the required work.
- 6.2.5 Expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the LA, or the school has Voluntary Controlled status.
- 6.2.6 Expenditure incurred by the LA in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the LA. See also section 10.1.



- 6.2.7 Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a Service Level Agreement (SLA) and the result is that monies are owed by the school to the LA.
- 6.2.8 Recovery of penalties imposed on the LA by the Board of Inland Revenue, the Contributions Agency, HM Customs and Excise, Teachers' Pensions, The Environment Agency (for Carbon Reduction Commitment purposes) or regulatory LAs as a result of school negligence.
- 6.2.9 Correction of LA errors in calculating charges to a budget share (e.g. pension deductions).
- 6.2.10 Additional transport costs incurred by the LA arising from decisions by the Governing Body on the length of the school day, and failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
- 6.2.11 Legal costs which are incurred by the LA because the Governing Body did not accept the advice of the LA (see also Section 11.2).
- 6.2.12 Costs of necessary health and safety training for staff employed by the LA, where funding for training has been delegated but the necessary training not carried out.
- 6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
- 6.2.14 Cost of work done in respect of teacher pension remittance and records for schools not purchasing LA payroll services. The charge will be the minimum needed to meet the cost of the LAs compliance with its statutory obligations.
- 6.2.15 Costs incurred by the LA in securing provision specified in an Education Health and Care Plan, where the Governing Body or a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with High Needs.
- 6.2.16 Costs incurred by the LA due to submission by the school of incorrect data.
- 6.2.17 Recovery of amounts spent from specific grants on ineligible purposes.
- 6.2.18 Costs incurred by the LA as a result of the Governing Body being in breach of the terms of a contract.
- 6.2.19 Costs incurred by the LA or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- 6.2.20 Costs arising from failure to follow Financial Regulations and Audit advice.
- 6.2.21 Costs of any additional audit required as a result of schools operating their own bank accounts.

6.2.22 In the case of pupils still enrolled at a school but receiving tuition at a Pupil Referral Unit or elsewhere, the schools will be charged in defined circumstances for the service received from the LA.

6.2.23 Costs incurred by the LA in administering admissions appeals, where the LA is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

## **Section Seven - Taxation**

### **7.1 Value Added Tax (VAT)**

The LA has established procedures to enable schools to utilise the LAs ability to reclaim VAT on expenditure relating to non-business activity.

These are set out in separate guidance in the following documents: -

- Guidelines on VAT, Handbook for Schools.
- Financial Procedures and Accounting Instructions.

Amounts reclaimed through these procedures will be passed back to the school.

### **7.2 Construction Industry Taxation Scheme (CITS)**

Schools are required to abide by procedures issued by the LA in connection with CITS. These procedures are as set out in the following documents already sent to schools: -

- Financial Procedures and Accounting Instructions.
- Guidance on CITS produced by the Revenue Officer, Directorate of Resources.

## **Section Eight – The Provision of Services and Facilities by the LA**

### **8.1 Provision of Services from Centrally Retained Budgets**

The LA shall determine on what basis services from centrally retained funds will be provided to schools but the LA is debarred from discriminating in its provision of services on the basis of categories of schools except in cases where this would be allowable under the School and Early Years Finance Regulations or the Dedicated Schools Grant (DSG) conditions of grant. The term service in this paragraph includes existing PRC and redundancy payments, which may not ordinarily be thought of as services but excludes centrally funded premises and liability insurance.

### **8.2 Timescales for The Provision of Services Bought Back from the LA Using Delegated Budgets**

The term of any arrangement with a school starting on or after 1 April 1999 to buy services or facilities from the LA shall be limited to a maximum of three years from the inception of the scheme or the date of the agreement, whichever is the later, and periods not exceeding five years for any subsequent agreement relating to the same services. In the case of contracts for the supply of catering services, these may be extended to five and seven years respectively.

When a service is provided for which expenditure is not retainable centrally by the LA under the regulations made under Section 45A of the Act it must be offered at a price, which is intended to generate income, which is no less than the cost of providing those services. **The total cost of the service must be met by the total income even if schools are charged differentially.**

#### **8.2.1 Packaging**

The purchasing of services will be offered in such a way which does not unreasonably restrict schools' freedom of choice among the services available, and where practicable, this will include purchasing provision on a service-by-service basis as well as in packages of services.

### **8.3 Service Level Agreements (SLAs)**

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

8.3.2 Services, if offered at all by the LA, shall be available on a basis, which is not related to an extended agreement, as well as on the basis of such agreements.

8.3.3 SLAs must be in place by mid February to be effective for the following financial year. Schools will have a maximum of one month from the date of issue to consider the terms of agreement, before signing up for the service for the financial year. The only exception to this would be where a SLA is drawn up for new services bought on an 'as and when' basis. These may be issued during a financial year.

## **8.4 Teachers Pensions**

In order to ensure that the performance of the duty on the LA to supply Teachers Pensions with information under the Teachers' Pension Scheme Regulations 2014, the following conditions are imposed on the LA and Governing Bodies of all maintained schools covered by this Scheme in relation to their budget shares.

The conditions only apply to Governing Bodies of maintained schools that have not entered into an arrangement with the LA to provide payroll services.

A Governing Body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the LA to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the LA which the LA requires to submit its monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The LA will advise schools each year of the timing, format and specification of the information required. A Governing Body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVC's) be passed to the LA within the time limit specified in the AVC scheme. The Governing Body shall meet any consequential costs from the school's budget share.

A Governing Body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the LA which the LA requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The LA will advise schools each year of the timing, format and specification of the information required from each school. A Governing Body shall also ensure that Additional Voluntary Contributions (AVC's) are passed to the LA within the time limit specified in the AVC scheme. The Governing Body shall meet any consequential costs from the school's budget share.

## **Section Nine – Private Finance Initiatives/Public Private Partnerships**

The LA shall have the power to issue regulations from time to time relating to Private Finance Initiatives/Public Private Partnerships.

Amongst other issues these may deal with: -

- the reaching of agreements with the Governing Bodies of schools as to the basis of charges relating to such schemes.
- the treatment of monies withheld from contractors due to poor performance.
- the power of the LA to charge to the school's budget share amounts agreed under a PFI/PPP entered into by the Governing Body of the school.

## **Section Ten – Insurance**

### **10.1 Insurance Cover**

If funds for insurance are delegated to any school, the LA will require the school to demonstrate that cover relevant to an LAs insurable interests, under a policy arranged by the Governing Body, is at least as good as the relevant minimum cover arranged by the LA if the LA makes such arrangements, either paid for from central funds or from contributions from schools' delegated budgets. This should not place an undue burden upon schools, nor act as a barrier to schools exercising choice of supplier.

The LA will have regard to the actual risks, which might reasonably be expected to arise at a school. Guidance on the minimum level of cover required for all schools is available from the County's Insurance Officer.

### **10.2 National Risk Protection Arrangement (RPA)**

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.

The scheme allows schools to join the RPA after 1 April 2020. Schools may do this individually when any insurance contract of which they are part expires.

The scheme also provides for all primary and/or secondary maintained schools to join the RPA collectively by agreeing through the schools forum to de-delegate funding.

## **Section Eleven – Miscellaneous**

### **11.1 Right of Access to Information**

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

### **11.2 Liability of Governors**

Because the Governing Body is a corporate Body and because of the terms of S.50 (7) of the SSFA 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

### **11.3 Governors' Expenses**

#### **Schools Without Delegated Budgets**

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

Under section 50(5) of the act, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. Schools are expressly forbidden from paying any other allowances to governors.

Schools are also barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

#### **Schools with delegated budgets**

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

### **11.4 Responsibility for Legal Costs**

Legal costs incurred by the Governing Body, although the responsibility of the LA as part of the cost of maintaining the school (unless they relate to the statutory responsibility of aided school governors for buildings) may be charged to the school's budget share unless the Governing Body acts in accordance with the advice of the LA. As at present, where a conflict of interest is perceived by our Legal Department, they can make available a list of alternative sources of advice. Schools may also seek completely independently advice from other sources other than from the LA.



### **11.5 Health and Safety**

Governing Bodies are required, in expending the school's budget share, to have due regard to duties placed on the LA in relation to health and safety, and the LAs policy on health and safety matters.

### **11.6 Right of Attendance for Chief Financial Officer**

Governing Bodies are required to permit the Chief Financial Officer of the LA, or any officer of the LA nominated by the Chief Financial Officer, to attend meetings of the Governing Body at which any agenda items are relevant to the exercise of her or his responsibilities. This attendance shall normally be limited to items, which relate to issues of probity or overall financial management and shall not be regarded as routine.

### **11.7 Delegation to New Schools**

The LA is empowered to delegate selectively and optionally to the Governing Bodies of schools that have yet to receive delegated budgets.

### **11.8 Special Educational Needs and Educational Inclusion**

Schools are expected to use their budget share to: -

- Promote high quality learning and high achievement for all.
- Provide for Special Educational Needs.
- secure equal opportunities and equal access in Education.
- Promote lifelong learning opportunities.
- Meet and exceed agreed educational targets.

The LA reserves the right to suspend delegation where a situation is serious enough to warrant it.

### **11.9 Whistle Blowing**

The LA is committed to the highest possible standards of openness, probity and accountability. In line with this commitment schools have received a model whistle blowing policy that sets out the procedures to be followed by persons working at a school or school governors who wish to complain about financial management or financial propriety at the school and how such complaints will be dealt with.

### **11.10 Child Protection**

Schools shall ensure that they meet their duty to assist LA Children, Families and Communities Departments activity on behalf of children in need or enquiries into allegations of child abuse.

Funding to support this duty is contained within existing budget allocations to schools.

### **11.11 Redundancy and Early Retirement Costs**

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded.

However, how this works in practice, including the circumstances in which the LA proposes to depart from this are set out in separate LA HR policy guidance including the Central Funding Support Scheme.

**Further information is also provided at [Annex E](#).**

## **Section 12 – Responsibility For Repairs And Maintenance**

Following consultation in September 2012 on changes to the new funding formula, Worcestershire County Council Cabinet agreed further delegation of revenue funding for building maintenance and repairs. This funding from within the Dedicated Schools Grant has been retained in the past to support the capital programme.

As a consequence the responsibility for Repairs and Maintenance in schools is as follows:-

- **Community, Voluntary Controlled (VC) and Foundation Schools**

The County Council will prepare a capital programme for major works at these schools using the asset management information held by WCC Corporate Landlord. The projects will be identified in line with the Local Investment Plan approved in December 2011 which identified **Basic Need** (additional school places as a consequence of increasing pupil numbers) and **Capital Maintenance** related works as the priorities.

For **Capital Maintenance** related works the emphasis is on keeping schools safe, open and weather tight and therefore the programme will major on heating, roof, window projects and asbestos works. It is the intention to publish this programme in late February each year when the capital grant from the DfE has been announced and the County Council has approved its budget. If a school has a project listed on the programme the County Council requirement is for a contribution of 10% of total costs. However, this will be assessed on an individual school basis including any ceiling cap agreed taking due consideration of the school's financial position. The scheme scope will be defined and approved by officers in the Provision Planning Team within Children, Families and Communities.

All other repairs and maintenance, suitability works or general improvements are for the school governors and leadership team to plan and fund. The revenue budget has been increased to cover some of these costs and the Devolved Formula Capital is also available. Schools can also consider a loan from the County Council. Information on the loan scheme is available from the School's Finance Team in Children, Families and Communities.

- **Voluntary Aided (VA) Schools**

There is no change to the arrangements for VA schools.

- **Academies and Free Schools**

Access to capital funding is through the Education and Skills Funding Agency (ESFA) and information is provided direct or through their web site.

Basic Need funding is grant funded via the LA for additional places commissioned by the LA to meet its priorities.

All other repairs and maintenance, suitability works or general improvements are for the school governors and leadership team to plan and fund. The attached [Annex F](#) sets out the categories of work which Governing Bodies must finance from their budget shares.

The County Council will issue guidance on the accountability and responsibility of Headteachers for premises and safety risk management.

## **Section 13 – Community Facilities**

### **13.1 Introduction**

Schools which choose to exercise the power conferred by section 27 (1) of the Education Act 2002 to provide community facilities will be subject to controls. Regulations made under section 28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power.

Section 88 of the Children and Families Act 2014, has removed the requirements in section 28(4) and section 28(5) of the Education Act 2002 for maintained schools in England. Under section 28(4) a school was obliged to consult its authority and under section 28(5) a school must have regard to advice or guidance from the Secretary of State or their local authority when offering this type of provision.

Under section 28(1), the main limitations and restrictions on the power will be those contained in the maintaining authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998 as amended by paragraph 2 of Schedule 3 to the Education Act 2002.

This amendment extended the coverage of schemes to include the exercise of the powers of governing bodies to provide community facilities.

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

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

Schools are able to spend their delegated budget for the purpose of community facilities.

Mismanagement of community facilities funds can be grounds for suspension of the right to be a delegate budget.

### **13.2 Consultation with the LA – Financial Aspects**

Changes in the Children and Families Act 2014 no longer requires that before exercising the community facilities power and Governing Bodies no longer need to consult or be mindful of the LAs advice under section 27 of the Education Act 2002.

- Schools should inform the LA of their intention to set up a company for the purposes of exercising the community facilities at least 3 months before commencement of any agreement.

The information a school should provide to the LA should include:

- The purpose for which the company is being established
- Details of any third party who will be part of an agreement establishing a company for the purposes of exercising community facility powers

The LA may request further details from the Governing Body of the school in relation to the company being established.

The LA will provide the Governing Body with comments on the proposed establishment of the company within 15 working days of receipt of information from a Governing Body.

The LA will require schools to inform it of any action that has been taken following LA advice.

### **13.3 Funding Agreements**

The provision of community facilities in schools may depend on the conclusion of a funding agreement with a third party which will either be supplying funding and/or taking part in the provision. The LA requires any such proposed agreement to be submitted to the LA for comments at least 1 month before the start of any such agreement.

The LA does not retain a general power of veto over such agreements, however if an agreement has been or is to be concluded against the wishes of the LA or has been concluded without informing the LA, which in the view of the LA is seriously prejudicial to the interests of the school or the LA, it may constitute grounds for suspension of the right to a delegated budget.

### **13.4 Other Prohibitions, Restrictions and Limitations**

The LA may, in the specific instance of use of the community facility power by a Governing Body, require the Governing Body concerned to make arrangements to protect the financial interests of the LA by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question as specified by the LA.

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

### **13.5 Supply of Financial Information**

The LA may require schools which exercise the community facilities power to provide the LA every six months with a summary statement, in a form determined by the LA, showing the income and expenditure for the school arising from the facilities in question for the previous six months and, on an estimated basis, for the next six months.

The LA, on giving notice to the school that it believes there to be cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power, may require such financial statements to be supplied every three months and if the LA sees fit, to require the submission of a recovery plan for the activity in question.

### **13.6 Audit**

The school is required to grant access to its records connected with the exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure.

In concluding funding agreements with other persons pursuant to the exercise of the community facilities, schools must ensure that such agreements contain adequate provision for access by the LA to the records and other property of the those persons held on the school's premises, or held elsewhere insofar as they relate to the activity in question, in order for the LA to satisfy itself as to the propriety of expenditure on the facilities in question.

### **13.7 Treatment of Income and Surpluses**

Schools are able to retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that is the LA or some other person.

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

Any accumulated retained income obtained from exercise of the community facilities power of a community or community special school that the LA ceases to maintain, reverts to the LA unless otherwise agreed with the funding provider.

### **13.8 Health and Safety Matters**

The health and safety provisions of the main scheme extend to the community facilities power.

The Governing Body of a school exercising the community facilities power are responsible of the costs of securing Disclosure Barring Service (DBS) clearances for all adults involved in community activities taking place during the school day. Governing Bodies are free to pass such costs to a funding partner as part of an agreement with the partner.

### **13.9 Insurance**

It is the responsibility of the Governing Body to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power taking professional advice, including from the LA, as necessary. Such insurance should not be funded from the school budget share.

The LA is empowered to undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant costs to the schools. Such costs could not be charged to the school's budget share.

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

### **13.10 Taxation**

Schools should seek advice from the LA and the local VAT office on any issues resulting to the possible imposition of VAT on expenditure in connection with community facilities, including the use of the local VAT reclaim facilities.

For any member of staff employed by the school or LA in connection with community facilities at the school paid from funds held in a school's own bank account (whether a separate bank account is used for community facilities or not), the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules.

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

### **13.11 Banking**

Schools should either maintain a separate bank account for funds relating to community facilities or, if one account is held for the school, adequate internal accounting controls should maintain a separation of funds.

Banks that can be used are set out in the main scheme under section 3. The provisions outlined in section 3 apply equally to the exercise of the community facilities power, except that a mandate showing the LA as owner of the funds in the account should exempt the community facilities funds if they are in the same account as the budget share.

The provision of the main scheme relating to loans (see section 3) applies equally to the exercise of community facilities power.

## **ANNEX A**

### **The Statutory Outline Scheme**

References throughout this statutory guidance to: -

- “the Act” is to the School Standards and Framework Act 1998.
- “the authority” means the LA.
- “the Regulations” are to the annual School and Early Years Finance (England) Regulations made under the Act.

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

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



- A statement as to the allowances payable to governors of a school which does not have a delegated budget in accordance with the scheme made by the authority for the purposes of section 519 of the 1996 Act.
- The keeping of a register of any business interests of the governors and the head teacher.
- The provision of information by and to the Governing Body.
- The maintenance of inventories of assets.
- Plans of a Governing Body's expenditure.
- A statement as to the taxation of sums paid or received by a Governing Body.
- Insurance.
- The use of delegated budgets by Governing Bodies so as to satisfy the authority's duties imposed by or under the Health and Safety at Work etc Act 1974.
- The provision of legal advice to a Governing Body.
- Funding for child protection issues.
- How complaints by persons working at a school or by school governors about financial management or financial propriety at the school will be dealt with and to whom such complaints should be made.
- Expenditure incurred by a Governing Body in the exercise of the power conferred by section 27 of the 2002 Act.

## **ANNEX B**

### **The Funding Framework: Main Features**

Since April 1989 the LA has delegated funding to its schools in accordance with its Local Management of Schools (LMS) scheme as approved by the Secretary of State. Under the terms of the School Standards and Framework Act (SSFA) 1998, LAs were required to draw up a new Fair Funding Scheme for Financing Schools to replace the old LMS scheme. The funding framework, which replaced LMS, is based on the legislative provisions in sections 45-53 of the SSFA 1998.

Under this legislation, LAs determine for themselves the size of their School Budget and LA Budget – although at a minimum a LA must appropriate its entire Dedicated Schools Grant (DSG) to their Schools Budget. The categories of expenditure, which fall within the two budgets, are prescribed under regulations made by the Secretary of State but included within the two, taken together, is all expenditure, direct and indirect, on an LAs maintained schools except for capital and certain miscellaneous items.

LAs may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under s45A of the SSFA 1998. The amounts to be retained centrally are decided by the LA concerned, subject to any limits or conditions (including gaining the approval of their Schools Forum or the Secretary of State in certain instances) as prescribed by the Secretary of State. The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the LA Budget must be centrally retained (although earmarked allocations may be made to schools).

LAs must distribute the ISB amongst their maintained schools using a formula, which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school. This budget share is then delegated to the Governing Body of the school concerned unless the school is a new school, which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with s51 of the SSFA 1998.

The financial controls within which delegation works to be set out in a scheme made by the LA in accordance with s48 of the SSFA.

The Secretary of State issues statutory guidance relating to Schemes for Financing Schools (Maintained) pursuant to s48(4) and paragraph 2A(2) of Schedule 14 to the SSFA 1998.

LAs are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. This guidance lists the provisions which a LAs scheme must, should or may include. Schemes need not follow the format used in this guidance, except for the text of directed revisions.

All proposals to revise the Scheme will be either by directed revisions by the Secretary of State or local changes. These will require either consultation or notification to the schools maintained by the LA covered by the Scheme. Directed revisions from the Secretary of State are made after consultation and such revisions become part of the Scheme from the date of the direction. Scheme changes must be approved by the WSF (Maintained School Members). The LA may apply to the Secretary of State for approval in the event of the

WSF rejecting a proposal or approving it subject to modifications that are not acceptable to the LA.

Subject to provisions of this scheme, Governing Bodies of schools may spend budget shares for the purposes of their school. They may also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under s50 of the SSFA \*.

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

An LA may issue a notice of concern or fully suspend a school's right to a delegated budget if the provisions of the school financing 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 right to a delegated budget share may also be suspended for other reasons (s17 of the SSFA 1998) but in that case there is no right of appeal.

Regulations also require a LA to publish their scheme and any amendments to it on a web site accessible to the general public by the date any revisions come into force together with a statement that the revised scheme comes into force on that date. The web site address is: -

[http://www.worcestershire.gov.uk/info/20063/worcestershire\\_schools\\_forum/7/department\\_for\\_education\\_dfe\\_regulatory\\_issues](http://www.worcestershire.gov.uk/info/20063/worcestershire_schools_forum/7/department_for_education_dfe_regulatory_issues)

## ANNEX C

### Schools to Which this Scheme Applies (As At 1<sup>st</sup> APRIL 2022 – 116)

<b>Nursery Schools (1)</b>	<b>DFE No</b>
Evesham Nursery	1001

<b>First/Primary Schools (96)</b>	<b>DFE No</b>
Abberley Parochial Primary	3000
Alvechurch, Crown Meadow First	2002
Ashton-Under-Hill First	2006
Astley C.E Primary	3300
Barnt Green St. Andrew's C.E. First	3302
Bayton C.E. Primary	3001
Belbroughton C.E. Primary & Nursery	3002
Beoley First	2008
Bewdley Primary	3397
Bewdley, St. Anne's C.E. Primary	3011
Blakedown C.E. Primary	3005
Bredon Hancock's Endowed First	3306
Broadwas C.E. Primary	3308
Broadway First	2013
Bromsgrove, Blackwell First	2022
Bromsgrove, Catshill First & Nursery	2015
Bromsgrove, Charford First	2016
Bromsgrove, Finstall First	2017
Bromsgrove, Lickey End First	2018
Bromsgrove, Meadows First	2019
Bromsgrove, Millfields First	2020
Chaddesley Corbett Endowed Primary	3330
Church Lench C.E. First	3018
Claines C.E. Primary	3019
Cleeve Prior C.E. First	3020
Clent Parochial Primary	3022
Clifton-Upon-Teme Primary	2032
Cookley Sebright Primary	3016
Cropton With Charlton C.E. First	3027
Defford-Cum-Besford C.E. First	3029
Dodford First	2034
Droitwich, Chawson Community First	2036
Droitwich, St. Joseph's R.C Primary	3317
Droitwich, Westlands First	2035
Eckington C.E. First	3038
Eldersfield Lawn C.E. Primary	3039
Elmley Castle C.E. First	3040

Evesham, St Andrews C.E. First	3043
Evesham, St Richard's C.E. First	3042
Evesham, Swan Lane First	2041
Fairfield First	2047
Fladbury C.E. First	3324
Flyford Flavell First	5201
Grimley & Holt C.E. Primary	3048
Hagley Primary	2055
Hallow C.E. Primary	3329
Hanbury C.E. First	3049
Harvington C.E. First	3053
Himbleton C.E. First	3056
Hindlip C.E. First	3057
Kidderminster, Comberton Primary	2907
Kidderminster, Franche Primary	2910
Kidderminster, Offmore Primary	2911
Kidderminster, St. Catherine's C.E. Primary	3021
Kidderminster, St. Mary's C.E. Primary	3331
Lindridge St Lawrence's C.E. Primary	3350
Malvern, St. Joseph's R.C. Primary	3358
Malvern, The Grove Primary	3400
Malvern, Malvern Wells C.E. Primary	3359
Malvern, Wyche C.E. Primary	3074
Ombersley Endowed First	3365
Overbury C.E. First	3084
Pebworth First	2118
Pendock C.E. Primary	3085
Pershore, Abbey Park First & Nursery	2119
Pershore, Holy Redeemer R.C. Primary	3368
Redditch, Batchley First	2128
Redditch, Moon's Moat First	2192
Redditch, Oak Hill First	2920
Redditch, St. Luke's C.E. First	3093
Redditch, Tenacres First	2136
Redditch, Woodrow First	2137
Romsley, St. Kenelm's C.E. Primary	3097
Rubery, Beaconside Primary & Nursery	2197
Rubery, Holywell Primary & Nursery	2921
Rubery, Lickey Hills Primary	2901
Sedgeberrow C.E. First	3099
Stoke Prior First	2147
Sytchampton Endowed First	3381
Tardebigge C.E. First	3382
Tibberton C.E. First	3105
Upton Snodsbury C.E. First	3108
Upton Upon Severn C.E. Primary	3107
West Malvern St.James C.E. Primary	3360
Whittington C.E. Primary	3110
Worcester, Our Lady Queen Of Peace R.C. Primary	3387
Worcester, Pitmaston Primary	2200

Worcester, Red Hill C.E. Primary	3116
Worcester, St Barnabas' C.E. Primary	3114
Worcester, St George's C.E. Primary	3389
Worcester, St George's R.C. Primary	3390
Worcester, St Joseph's R.C. Primary	3391
Wythall, Meadow Green Primary	2188

<b>Middle-Deemed-Primary (2)</b>	<b>DFE No</b>
Droitwich, Westacre Middle	2916
Pershore, Abbey Park Middle	2906

<b>Middle Deemed Secondary Schools (5)</b>	<b>DFE No</b>
Bromsgrove, Aston Fields Middle	4401
Bromsgrove, Catshill Middle	4402
Bromsgrove, Parkside Middle	4403
Evesham, Blackminster Middle	4408
Evesham, St. Egwin's C.E. Middle	4576

<b>Secondary/High Schools (4)</b>	
Bromsgrove, North Bromsgrove High	4002
The Bewdley Community Secondary	4001
Wolverley C.E. Secondary	4503
Worcester, Blessed Edward Oldcorne R.C. College	5402

<b>Special Schools (5)</b>	
Bromsgrove, Chadsgrove	7015
Bromsgrove, Rigby Hall	7001
Fort Royal Community Primary	7025
The Wyre Forest School	7026

<b>Pupil Referral Units (Pru) (3)</b>	
Perryfields Primary	1103
The Beacon Primary	1105
The Forge Secondary	1121

## Annex D

### **Proportion of Budget Share Payable at Each Instalment**

Schools who operate their own bank account will receive the instalments of their budget share on the following basis: -

- The budget share allocation is divided into twelve monthly instalments.
- One third of the April monthly advance is paid to schools bank accounts on 1<sup>st</sup> April or nearest bank working day.
- The balance of the budget share due for April (two thirds) will be paid into school accounts two bank working days before Council's normal pay date (i.e. two days before 28<sup>th</sup> monthly or where this falls on a bank holiday or weekend the nearest previous bank working day).
- Instalments for May to March will be paid into school accounts two bank working days before Council's normal pay date (i.e. two days before 28<sup>th</sup> monthly or where this falls on a bank holiday or weekend the nearest previous bank working day).
- Other grant funding streams are paid on a basis to coincide with that grant being received by the County Council.

## Annex E

### 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 LAs 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 LAs budget. In the former case, the LA 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 LAs policy, then it would be reasonable to charge the excess to the school.
- If a school is otherwise acting outside the LAs policy.
- Where the school is making staffing reductions which the LA does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit.
- 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 LAs redeployment policy.



## Charge of premature retirement costs to LA 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 1<sup>st</sup> April 2013. Cost may not exceed the amount budgeted in the previous financial year.

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

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

A de-delegated contingency could be provided, if the 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 incur costs—

(a)in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or

(b)in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,

they shall recover those costs from the governing body except in so far as the authority agrees with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

(7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the condition in subsection (7B) is met.

(7B) The condition is that the governing body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the Education Acts.

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

## Annex F

### Responsibility for Repairs and Maintenance Schedule of Responsibility for School Buildings in Maintained Community, Voluntary Controlled (VC) and Foundation Schools

<b>Type</b>	<b>Definition</b>	<b>School funding responsibility</b>	<b>LA funding responsibility</b>
Basic Need Capital	Additional school places as a consequence of increasing pupil numbers	Nil	All without limit
Planned Capital Maintenance	The annual capital programme. Likely inclusions are major replacement of roof coverings, doors and windows, boilers, electrical rewire and associated asbestos removal works amongst others.	Potential contribution of up to 10% of total costs assessed on an individual school basis.	Between 90% to 100% (funded from the DFE Capital Maintenance Grant). Dependent on the availability of the grant.
Revenue Maintenance:			
reactive	Emergency repairs	All without limit	Nil
	Unplanned, urgent repair needs not included in a current programme. This includes asbestos removal works.	All without limit	Nil
servicing	The cost of the actual service to components, plant and equipment.	All without limit	Nil
	Consequential works recommended following servicing, testing and inspection	All without limit	Nil
management of premises risks	Asbestos	All surveys, inspections and consequential works other than those described in the next column (LA funding responsibility). All works associated with a	Asbestos management survey programme (responsibility to be reviewed in 2014/15) All asbestos works associated with the Annual Capital Programme.

		school funded project	
	Fire	Fire Risk Assessment and consequential works.	Nil
	Water (Legionella)	All surveys and consequential works.	Nil
Planned maintenance, other than described above	Internal and external redecoration and associated repairs	All without limit	Nil
	Finishes to ceilings, walls and floors.	All without limit	Nil
	Fixtures and fittings (includes sanitary fittings, science laboratory and Food technology furniture)	All without limit	Nil
	External works, boundary walls and fences, car parks playgrounds, roads and paths. Grounds and trees.	All without limit	Nil
	Repair work designated as a priority by the school but not included in the Capital Maintenance Programme	All without limit	Nil

## Responsibility for Repairs and Maintenance

### Maintained Voluntary Aided (VA) Schools Background

This document applies to temporary and permanent buildings on the school site. It does not apply to County Schools

#### **Background**

The DfE has reviewed the liabilities and funding arrangements for VA schools and produced the Regulatory Reform (Voluntary Aided Schools Liabilities and Funding) (England) Order 2002. The rules for determining premises liabilities have been simplified.

VA governing bodies are now liable for capital work to the school buildings and playground. LAs are liable for capital work to playing fields and their associated buildings. All revenue work is LA liability but this has in the main been delegated to governing bodies under the Fairer Funding initiatives.

#### **Definition of Capital and Revenue Works**

**Revenue** work describes those repairs that are of a cyclical nature and do not have a significant effect on the life of the building i.e.

- **Emergency repairs** – defined as unforeseen works to keep building users safe or to keep the building watertight or secure. The works are normally required as a result of breakdown of vital services or fabric defects involving risk to occupants or contents.
- **Urgent repairs** – defects whilst not a positive danger, cause some inconvenience to the user and/or may develop into more serious faults if left unattended.
- **Routine servicing, inspections and testing** – this includes all essential repairs identified by the servicing engineer that would normally be categorised as urgent as defined above.
- **Redecoration**

**Capital** work describes repairs that are of a substantial nature and have a significant life enhancing effect on the building. Capital repairs are grant aided, which is currently 90% of the total cost of the work including fees and VAT. The school has to fund the remaining 10%.

**Schedule of Responsibility for School Buildings in Maintained Voluntary Aided (VA) Schools**

**Revenue Liability (defined above)**

<b>VA Governing Bodies</b>	<b>LA</b>
All emergency and urgent works.	WCC Corporate Landlord will organise <b>BUT NOT FUND</b> asbestos removal (no fees to be charged). The removal of asbestos containing materials can normally be grant aided.
All servicing and consequential repairs.	
Internal and external redecoration (unless part of a capital repair, e.g. external refurbishment).	

**Capital Liability (defined above)**

<b>VA Governing Bodies</b>	<b>LA</b>
The existing buildings and services (internal and external).	
Those buildings currently known as excepted (kitchens, dining areas, medical/dental rooms, swimming pools, caretakers dwelling houses).	
Perimeter walls and fences.	Playing fields.
Playgrounds.	Buildings on playing fields and related to their use.
Furniture, fixtures and fittings.	
Large-scale removal of asbestos.	
Other capital items.	

## **Report to the Worcestershire Schools Forum (WSF) Growth Funding Criteria**

### **1. Purpose**

- 1.1 To give clarity on the current Growth Funding Criteria for schools.

### **2. Background**

- 2.1 Worcestershire has remained with the DfE approved Pupil Growth Fund (PGF) Criteria since 2013/14. Except for using the Funding Floor amount rather than the Average Weighted Pupil Unit (AWPU) from September 2020.
- 2.2 The criteria for Worcestershire Growth Funding, submitted each year to the DfE, is attached as Appendix A
- 2.3 The same criteria is also used where schools experience a bulge year at the request of the Local Authority.

### **3. Current Position**

- 3.1 At present, WCC do not propose to change the current criteria.
- 3.2 The funding floor for the financial year 2023/24 is Primary £4,405 and Secondary £5,503.

### **4. Recommendation**

- 4.1 For reference for members of WSF.

Robert Phillips  
Finance Business Partner - Schools  
Worcestershire Children First  
June 2023

**Worcestershire County Council 885**  
**DfE Approved Pupil Growth Fund (PGF) Criteria**

Additional funding for mainstream maintained schools and academies to support basic need will be made available in circumstances where: -

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

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

Funding will be given: -

For maintained schools on a 7/12 basis only to cover the period September to March each year as the period April to August will be covered by the schools budget being based on numbers from the previous October census.

For academies on a full year basis to cover the period September to August each year as additional funding based upon the previous October census does not start until the beginning of the next academic year. This will be payable in two instalments in the Autumn and Summer Terms to reflect the two different financial years in the LA.

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

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

Funding to be allocated based on the national MFLs, so there is no disparity between the funding of new and existing students, on the increase in actual numbers on the difference in pupils leaving in the previous year top year group and those joining in the new academic year admitting year group. For example, in a primary school between the numbers leaving Year 6 and numbers entering Reception for 7 years from date of increased capacity.

This principle will apply in all cases. The LA reserves the right to re-consider this if there are genuine reasons why a school is not up to the basic need requirement in the October census and the following January census reflects the more appropriate position.

As permitted the LA will also consider the use of the Pupil Growth Fund to support the cost of new schools impact on the Schools Block DSG for the required allocations in the APT submission for any new mainstream schools opened under the DfE Free Schools programme. This will be assessed on an individual school basis and reflect the cost to the Schools Block DSG of including estimated pupil numbers and other data in the APT, which due to lagged funding the pupil numbers and other data are not funded in the actual DSG allocation until the following year.



## **CHILDREN AND FAMILIES OVERVIEW AND SCRUTINY PANEL**

**24 MAY 2023**

### **UPDATE ON THE SPECIAL EDUCATIONAL NEEDS AND DISABILITIES (SEND) ACCELERATED PROGRESS PLAN AND WORCESTERSHIRE STRATEGY FOR CHILDREN AND YOUNG PEOPLE WITH SEND 2023-26**

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#### **Summary**

1. The Cabinet Member with Responsibility for Education and the Director of All Age Disability have been invited to the meeting to:
  - update the panel following the Department for Education (DfE)/NHS England (NHSE) 12-month review of the SEND Accelerated Progress Plan (APP) that took place on 29 March 2023.
  - update the panel on the Worcestershire Strategy for Children and Young People with Special Educational Needs and Disabilities (SEND) 2023-26.

#### **Update on the SEND Accelerated Progress Plan (APP)**

2. In November 2022 the Panel received a report on the DfE/NHSE monitored APP following the 6-month review by the DfE and NHSE. This served to update on progress made against the four remaining areas of weakness identified in the November 2021 SEND Local Area reinspection of the SEND Written Statement of Action.
3. The November 2021, reinspection identified that progress had been made in addressing eight of the significant weaknesses identified at the initial inspection and four significant weakness remained outstanding. An outcome of this revisit inspection was that the Local Area was required by the DfE and NHSE to produce an APP to demonstrate how the remaining areas of weaknesses would be addressed.
4. The APP sought to address the four remaining areas of weakness as follows:
  - The variation in the skills and commitment of some mainstream schools to provide effective support for children who have SEND.
  - The lack of suitable specialist provision to meet the identified needs of children and young people.
  - Fragile relationships with parents and carers and a lack of meaningful engagement and co-production and collaboration.
  - The poor quality of Education, Health and Care Plans (EHC Plans) and limited contributions from health and social care along with the process to check and review the quality of EHC plans.

5. Since the implementation of the APP, the progress of the 4 workstreams has been carefully tracked. A recent summary of the progress to date was presented to DfE/NHSE colleagues during the 12-month review held on 29 March 2023 (attached as Appendix 1). This outlined the progress reached at the 12-month review stage.
6. In addition to the 6-month and 12-month review stages, the Local Area SEND and All Age Disability Partnership Board meets monthly. Alternate meetings are attended by the DfE and NHSE and used to 'Deep Dive' into workstream progress; what is working well and what else needs to change. The Director of Children's Services also meets regularly with workstream leads to monitor and oversee progress.
7. The outcome of this latest review stage has resulted in a letter sent by the DfE SEND Regional Lead to the Director of Children's Services and the Chief Executive of the Integrated Care System for Worcestershire. This letter (attached as Appendix 2) recognises the "vast amount of work that has taken place" and the value of the contributions particularly from parent carers and school representatives. The letter includes the detail of evidence that demonstrates accelerated and continued improvement. The outcome of this letter is that the DfE have included a range of further evidence they would like to be presented to demonstrate further development and embedding of change. A further review meeting is scheduled for September 2023.

### **Worcestershire Strategy for Children and Young People with SEND 2023-26**

8. Local Authorities and partners must have regard to the SEND Code of Practice (January 2015) which provides statutory guidance on duties, policies and procedures relating to Part 3 of the Children and Families Act 2014 and associated regulations. It relates to children and young people with special educational needs (SEN) and disabled children and young people up to the age of 25.
9. The previous Worcestershire Strategy for Children and Young People with SEND 2017-2021 was approved by Cabinet on 8 February 2018.
10. The purpose of Worcestershire's SEND Strategy is to deliver the local partners' statutory duties by setting out a case for change and improvement. This refreshed Strategy (attached as Appendix 3) has been co-produced with the SEND and All Age Disability Partnership Board including the Parent Carer Forum. Workshops were also held with school children to inform the priorities.
11. Six Strategic Priorities were identified as part of the development of the latest SEND Strategy and they are:
  - i. Identification and assessment of SEND is timely and effective
  - ii. There is sufficient and effective SEND provision
  - iii. There is awareness and understanding of SEND within local communities

- iv. Outcomes for young people with SEND are improved as a result of effective planning, preparation for adulthood and better coordination of service delivery to ensure positive transitions as they progress through their education
- v. Children and young people (CYP) with autism achieve positive outcomes and the support required to enable this is in place
- vi. Emotional health and wellbeing is actively promoted for CYP with SEND and their families and effective targeted and specialist support is available for those CYP at risk of, or experiencing difficulties

12. These priorities form part of a plan to drive a programme of work that will be overseen by representatives of the accountable bodies through the SEND and AAD Partnership Board reporting to Children and Young People's Partnership and the Health and Wellbeing Board.

### **Purpose of the Meeting**

13. The Children and Families Overview and Scrutiny Panel is asked to:

- Consider and comment on the information provided in respect of the outcome of the latest review of the SEND Accelerated Progress Plan
- Consider the SEND Strategy
- Determine whether it would wish to carry out any further scrutiny, and
- Agree whether it would wish to make any comments to the Cabinet Member with Responsibility for Education

### **Supporting Information**

Appendix 1 - WCF Accelerated Progress Plan – 12-month overview

Appendix 2 - DfE letter following the 12-month review of SEND APP

Appendix 3 - Worcestershire Strategy for Children and Young People with Special Education Needs and Disabilities (SEND) 2023-2026

### **Contact Points**

#### Specific Contact Points for this report

Mel Barnett, Director for All Age Disability

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Mari Gay, Managing Director NHS Herefordshire and Worcestershire [marigay@nhs.net](mailto:marigay@nhs.net)

### **Background Papers**

In the opinion of the proper officer (in this case the Assistant Director for Legal and Governance (Monitoring Officer) the following are the background papers relating to the subject matter of this report:

[Agenda for Cabinet on Thursday, 8th February, 2018](#)

Agendas and Minutes of Children and Families Overview and Scrutiny Panel on 8 August 2018, 6 March 2019, 13 November 2019, 16 June 2020, 23 February, 3 November 2022.

[Agendas and Minutes for Children and Families Overview and Scrutiny Panel are available on the Council's website here](#)

[All agendas and minutes are available on the Council's website here.](#)

# Worcestershire Local Area Accelerated Progress Plan 12 Month Review

Wednesday 29<sup>th</sup> March 2023



**Key Concern 1:**  
The variation in the skills  
and commitment of  
some mainstream  
schools to provide  
effective support for  
children who have SEND

## Approach

- Secure commitment of stakeholders to build more inclusive cultures
- Address the variation by designing mechanisms to:
  - monitor and evaluate the quality of provision
  - support and challenge ineffective practice
  - broker and deliver high quality training
  - share and accredit good practice
  - build capacity

# Key Outcomes - 1

<b>Monitor and evaluate the quality of provision</b>	<ul style="list-style-type: none"><li>• School profile analysis tracker to identify inclusive practice</li><li>• Evaluating and refreshing Inclusion Support Service offer</li><li>• SEND audits and reviews undertaken by a range of providers</li><li>• Review of OFSTED reports related to SEND and inclusion</li></ul>
<b>Improve systems to share good practice</b>	<ul style="list-style-type: none"><li>• Re-launch of SENCo Network: - 130 schools with SLA (48%), new SENCo website and toolkit, involvement of DCO</li><li>• Sharing of Ofsted findings related to inclusion: Sept 21/ July 22: 38 (67%) +ve and –ve 11 (19%) Sept 22/ Mar 23: +ve 40 (73%) –ve 3 (5%)</li></ul>
<b>Support/challenge ineffective practice</b>	<ul style="list-style-type: none"><li>• Monitoring of KPIs and School Profile Analysis Tracker support/challenge</li><li>• Provision of SEND reviews to 45 schools (17%) – targeted support and training</li><li>• COMF deployed to increase Speech and Language therapy to Nurseries/Reception</li></ul>

## Outcomes - 1 (Cont'd)

<b>Broker and deliver training</b>	<ul style="list-style-type: none"><li>• 56 schools engaged in SEND in mainstream classroom training (21%)</li><li>• 159 Mental Health Leaders trained (59%)</li><li>• 132 Trauma Informed Schools (49%)</li><li>• Additional 14 SENCo leaders training</li></ul>
<b>Build Capacity</b>	<ul style="list-style-type: none"><li>• Additional 12 schools supported to achieve IQM accreditation by July 2023</li><li>• SENCo toolkit and Parent Engagement toolkit</li><li>• Focused Action Learning Groups – RSA Exclusion and RE-Engage</li></ul>



## Key Concern 1: Next Steps

### Next Steps

- Integration with SEND Strategy
- Continue to develop and embed monitoring and evaluation systems
- Working groups to focus on key issues, e.g. transition
- Locality Hubs development

Key Concern 2  
-The lack of suitable  
specialist provision to  
meet the identified  
needs of children and  
young people

## Approach

- Developed the annual commissioning cycle for school places to systematically and regularly collect and analyse child need and place level data to inform short, medium and long term needs
- Used this to assess for sufficiency by forecasting and creating additional places and prioritising commissioning of new provision that is presented in detailed public reporting
- Joint commissioning approach includes schools and settings, NHS partners, finance and commissioning to moderate findings and with parent carer involvement developing the Local Offer descriptions of provision for children and young people.

# Key Outcomes - 2

<b>Successful application to DfE Free School Wave – 120 place school for children with autism</b>	<b>Children with new EHC Plans being placed in Mainstream has increased from baseline (65% Jan 2023)</b>	<b>130 further special school places planned with schools for 2023</b>
<b>47 additional mainstream autism places 2022-23 including commissioning for SaLT provision</b>	<b>Review of special school nursing has resulted in investment in additional capacity for special schools, increasing capacity for training, skill capacity, competency and confidence</b>	<b>Leaders understanding and oversight of children identified for special provision is monitored and prioritised on a regular and systemised basis and linked to commissioning</b>

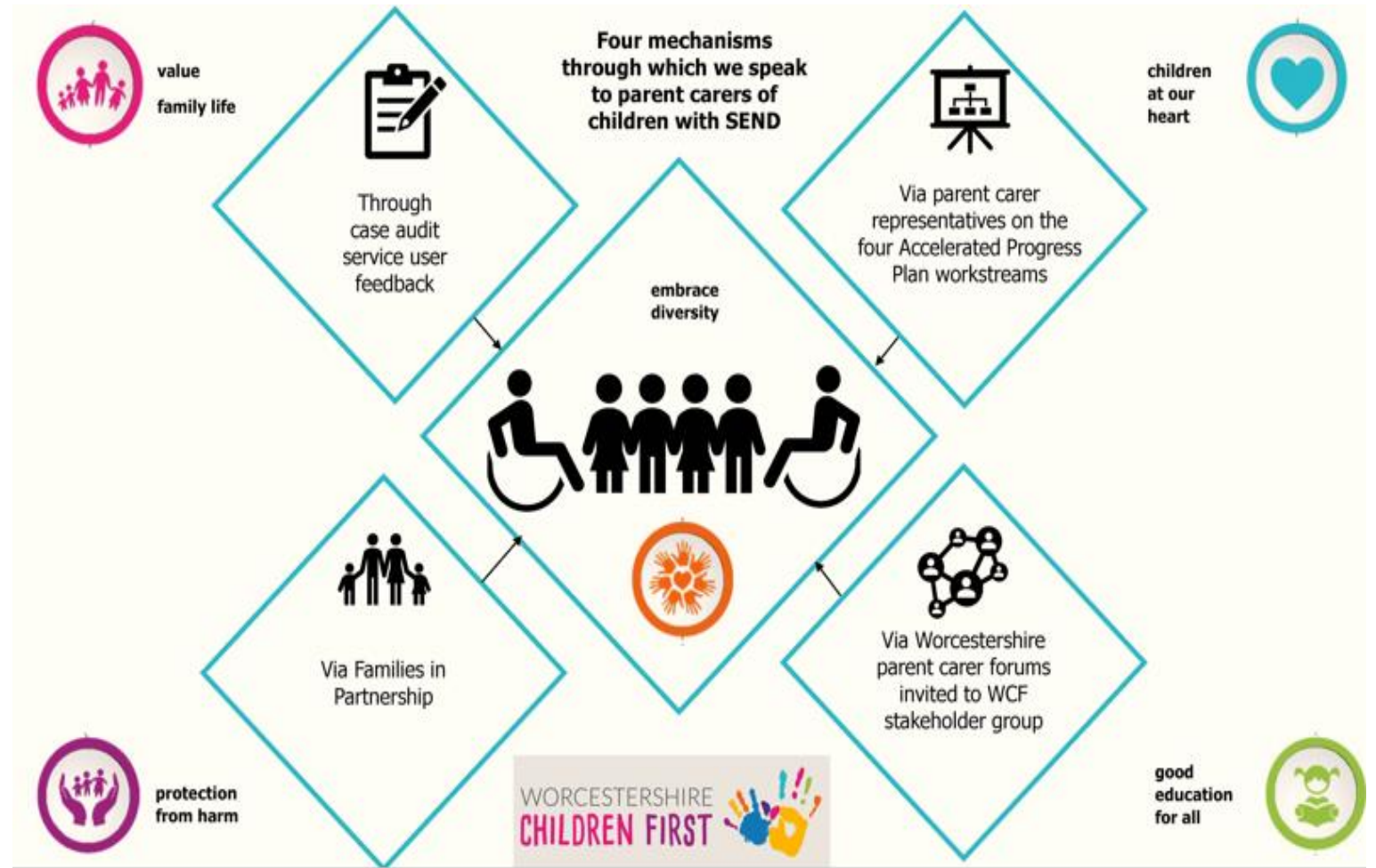
## Next Steps

### Key Concern 2

- Build on descriptions of provision for Local Offer
- Transform Workstream 2 stakeholder group to Provision Plan Reference and Steering Group
- Award and implement Post 16 provision tender to create places and environment for local provision
- Confirm SEMH needs and provision planning
- Confirm and implement early years provision
- Implement and increase Supported Internship places in partnership with education and employment partners
- Unity Academy Free School Alternative Provision will open in September 2023
- Balance System review for OT and Physio to ensure effective and sustainable provision

# Approach

Key Concern 3  
- Fragile relationships  
with parents and carers  
and a lack of  
meaningful  
engagement, co-  
production and  
collaboration



# Key Outcomes - 3



11 SEND stakeholder meetings



46 Workstream meetings, with 2 or more parent/carer representative groups in attendance



9 Different parent carer representative groups in attendance across stakeholder meetings and workstream meetings



215 responses to the SEND parent carer survey which informs next steps and future planning



Improved Local offer design and navigation



Mandatory coproduction training for all designed and soft launch taken place



Increasing trend of compliments being received quarter on quarter

# Key Outcomes – 3 (Cont'd)

- ❖ Overarching trend in the 64 compliments from parents relate to effective communication (53%), issuing EHCPs or quality of EHCPs/professional reports (27%), working collaboratively (11%), and satisfaction with school placement (6%). The remaining compliments were general comments and thanking staff.
- ❖ Co produced local offer redesign
- ❖ Publication of winter update of SEND Parent Carer Survey 2022 Summary Report
- ❖ Publication of the Local Offer Feedback Report 2020-22: You Said We Did
- ❖ Coproduced parent/carers engagement in schools toolkit
- ❖ 550 children and young people are currently on the CWD Register and we are able to communicate and share information with them via regular newsletters

### Key Concern 3

## Next Steps

- To reach a wider audience of parent/carers with children who have a broader spectrum of needs
- Utilise FIP in representing the wider community to inform planning and development and to share information with the community.
- Continued focus on obtaining the voice of children and young people
- Continued Local Offer content development



I worry about coming into school

I worry about the school work

I find the school environment overwhelming (i.e. noise, crowds)

**Top 5 most like me**

I feel unwell when I think about school

I would rather be at home than at school

Not like me	Sometimes like me	Like me
<ul style="list-style-type: none"> <li>I like talking to adults.</li> <li>I like to be in charge of my friends.</li> <li>I find it hard to accept praise and rewards in public.</li> <li>I don't like to seem different.</li> </ul>	<ul style="list-style-type: none"> <li>I don't want people to see me cry.</li> <li>I find it difficult to concentrate.</li> <li>I don't know what I'm supposed to do.</li> <li>I get angry.</li> <li>My head is too full.</li> </ul>	<ul style="list-style-type: none"> <li>I don't like it when the teacher is unfair.</li> <li>I get bored</li> <li>I like it when adults listen to me.</li> <li>I hate... (Ronnie finished this sentence with "shouting at me")</li> <li>I wish I had more friends.</li> <li>I like people to notice me.</li> <li>I get wound up.</li> <li>I want other kids to like me.</li> <li>I like to have things/space of my own.</li> <li>I don't like being shouted at.</li> <li>I don't like it when it is noisy.</li> <li>I don't like changes in routine.</li> <li>I don't like changes in staff.</li> </ul>

NAME Gemma  
DATE 13/10/2022

WHAT PEOPLE LIKE ABOUT ME  
Not sure

IF I COULD... I WOULD...  
go to college everyday. if I could.  
Go on the train into London.  
Really like a job with dogs.  
Really like a job with a pet shop or rescue centre for animals.

WHAT I WANT IN THE FUTURE  
I like to work with animals. Travel. don't know where. maybe abroad.  
Be a veterinary nurse. I'd like to live by the seaside.  
I'd like to rescue a dog or 2.

WHAT MATTERS ISLAND  
PEOPLE  
My family everyone mum dad, cousin, aunt, uncle, brother.  
Friends at college.  
Teachers at college.

WHAT I'M GOOD AT  
Settings role.  
reading/average student at library.

THINGS TO DO  
I like to draw and write and read.  
I like to play the piano.  
I love musical films.  
Spending time with my family.  
College. I love college.

THINGS TO HAVE  
My books.  
My games pig. fluency.  
My crystals these square.

WHAT NEEDS TO HAPPEN  
Need to gain more confidence.  
Be happier because I'd get to socialise more.  
Be less nervous.

Who can help me?  
Social worker  
Best friend  
Mum  
Boyfriend

Life Now  
On a scale from 0 (bad) to 10 (amazing)  
In general, a 0 because things are boring and can't go out in case I get jumped.  
Current school, 4/10 because "it's sometimes fun. There's not that many people. I had more mates at my old school. Most people there are annoying, and I don't learn anything. Old School (before Canopy provision) was an 8/10 or 9/10.

My mountain of strengths  
Using strengths cards.  
Tanya indicated her strengths include honesty, confidence, leadership, being fair, courage, humour, teamwork, curiosity and being willing to give things a go

Hopes for 1 year from now  
To get better marks  
To still be with boyfriend

My wall of worries  
Going into town  
Not seeing did mates

What barriers may be ahead?  
I get distracted.  
I don't try if I think I can't do it.  
If I have to read loads, I read a line and then forget what I've read.

My hopes and dreams for the future  
To make money  
Study/work in beauty  
Get GCSEs  
Have children  
Have a big house

Who can help me?  
Social worker  
Best friend  
Mum  
Boyfriend

Life Now  
On a scale from 0 (bad) to 10 (amazing)  
In general, a 0 because things are boring and can't go out in case I get jumped.  
Current school, 4/10 because "it's sometimes fun. There's not that many people. I had more mates at my old school. Most people there are annoying, and I don't learn anything. Old School (before Canopy provision) was an 8/10 or 9/10.

My wall of worries  
Going into town  
Not seeing did mates

Smiley face cards with icons for: happy, sad, neutral, and various activities like reading, playing, and socializing.

# The Voice of the Child

## Key Concern 4

The poor quality of EHCP's and limited contributions from Health and Social Care, along with the process to check and review EHCP's.

## Approach

- Quality Assurance and Audit programme
- Service User Feedback
- Closing the Loop activity
- Increasing capacity in the WCF workforce
- Increasing capacity in the Health workforce
- Introduction of a new Case Management System

# Key Outcomes - 4

Review of processes has resulted in improvements in the workflow of EHCNA

Regular feedback mechanisms to embed our learning through audits, service user feedback and learning reports

Improved timeliness in advice being received by Education Psychologists. Health timeliness moving to a positive trend and sustained timeliness in receiving social care advice.

Identification of learning needs within the workforce and commissioning training dependent on role e.g. IPSEA training for SEND Case Work Officers and Managers

Development of a seven step guide on learning to support the journey of continued service developments

New processes within SEND services is in place : tracking of annual reviews developed

Backlog of Annual Reviews pre September 2022 have been actioned total of 1993.

## Key Concern 4

## Next Steps

- WCF Appointment of Senior Manager of Business, Quality Assurance and Finance – adding managerial capacity and focus in improvements in SEND
- Develop our approach to gathering the Children and Young People Voice and experience – use this to inform Operational and Strategic developments
- Continue to develop and improve the quality of advice and plans
- Develop an agreed programme of Multi Agency Audits
- Embed the new process of monitoring and tracking annual reviews
- Evaluation of the Joint Assessment Meeting Process (JAM) to inform future multi agency developments
- Implementation of the Parent Portal which will enable real time tracking of dates and next steps. Parents will also be able to receive documentation and make contact with Case Work Officers
- Work with the Research and Improvement for SEND Excellence (RISE) to develop our Preparation for Adulthood (due to start April 2023)

## Complaints and Compliments- Service Quality Assurance

### Approach

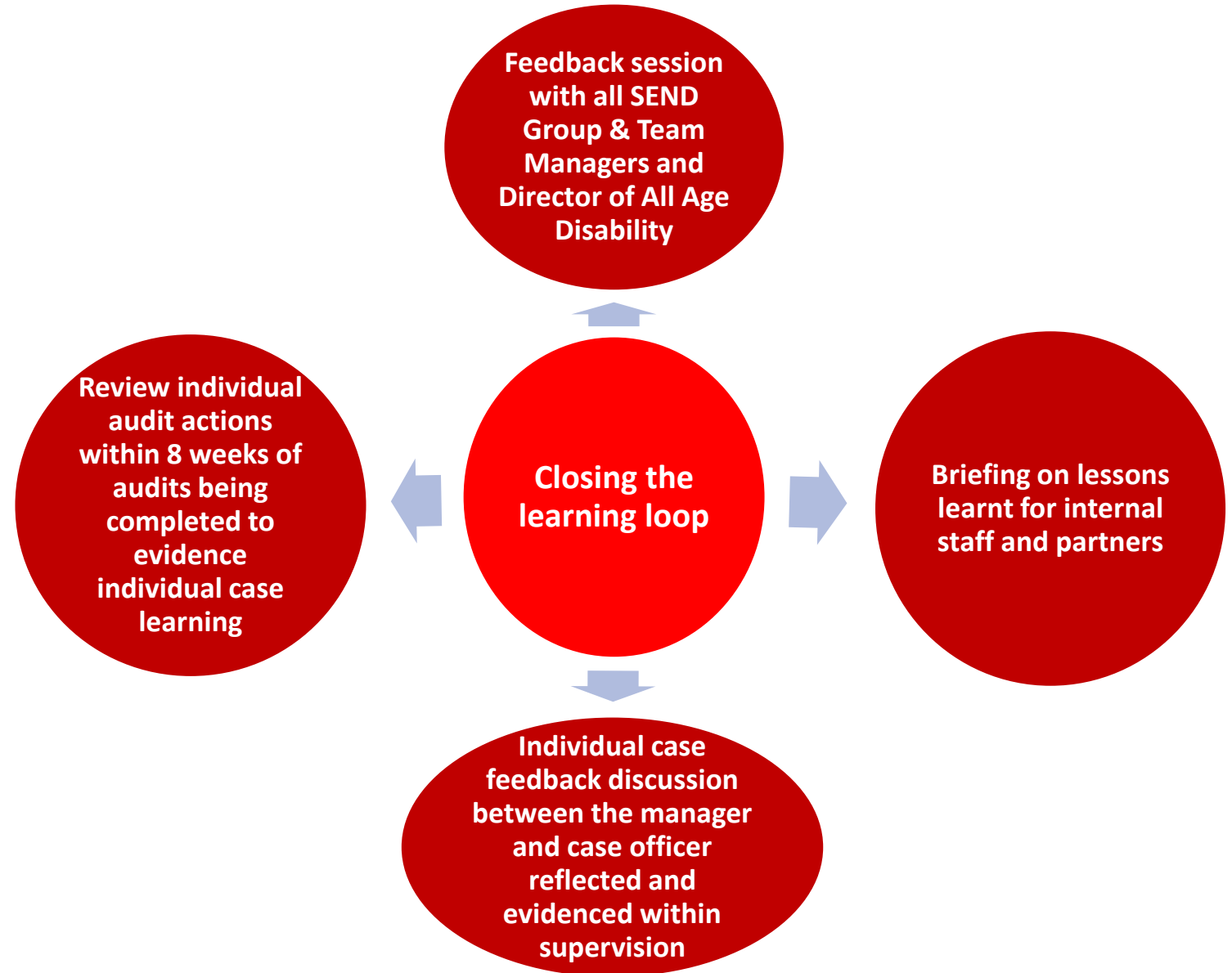
- Dedicated SEND Complaints Officer appointed April 2022.
- Meeting with WCF and Health to agree joint approach in managing complaints with Health Services and Children's Social Care.
- Development of quarterly reports and tracker to give information and analyse the timeliness and content of complaints for quality assurance and learning.
- In cases where a complaint is also about a school, this is fed back to Education services and to the school to work together.
- When complaints are partially upheld, we are recognising the person's experience. We acknowledge we could have done something better to support the parent /carer experience.
- Started tracking and analysing compliments.
- Use the information from compliments and complaints to identify good practice

# Key Outcomes - SQA

- Main theme of **complaints** relate to communication, however there has been an increase in the number of these complaints not being upheld across the three quarters – 31% down to 20% Evidence that effective communication is taking place but we need to do more on agreed expectations.
- Complaints around children not having provision that meets needs is the second main theme. The work being done proactively in service has been recognised in our investigations, Stage 2 and LGO review; the challenge remains to find a suitable placement in a timely way that meets needs.
- **Complaints and audit issues are addressed directly on cases** as well as building our picture
- Learning briefings with SEND Services to disseminate themes and next steps from complaints.
- 66% of compliments came from parent carers and 26% came from schools. The remainder came from other professionals and children.
- The main themes from **compliments** were effective communication (55%), working collaboratively with families and settings (19%), issuing EHCPs or the quality of EHCPs/professional reports (16%), and satisfaction with school placements (7%). The remainder of compliments were general comments and thanking staff.

# Key Outcomes – SQA (Cont'd)

**Closing the learning loop from Quality Assurance Activity is key to ensure we improve our services; we will undertake the following activities to support learning journey:**



## Complaints and Compliments

### Next Steps

- At the beginning of working with families, establish what a reasonable frequency of communication is for them - support staff with workload and to meet expectations.
- Work with Health and Education providers to share learning and identify and improve where the multi agency working together is impacting on the delivery of services
- Continue quarterly analysis and learning briefs.
- Embedding the use of the Portal for families to access their own information – ensure the Portal is developed so that all information is available and accessible.
- Appointment of new Finance and Business Manager who will be the lead for Quality Assurance.



# APP / SEND Partnership Business Improvement Plan Next Steps

- Develop a 23/24 business improvement plan from outcomes of APP
  - Continue our journey of developments and improvements
- Continue with current Governance Structure and measures to oversee progress
- Continuation of Measures and Service Leads Reports
- Development of the Multi Agency Quality Assurance Framework
- Continue developments with Families in Partnership to include reaching more parents of children with diverse backgrounds and needs
- Ensure reflection of the new activity associated with Delivering Better Value (DBV)
- Develop and reform our approach aligned to the Dfe SEND and AP Improvement Plan
- Continue development of the WCF 0-25 service
- Continue implementation of the Health transformation plan
- Continue with the Workforce Strategy to support and upskill staff.
- Develop resilience and stability in the Workforce

# SEND Strategy 2023 – 2026 Priorities

Identification and assessment of SEND is timely and effective	There is sufficient and effective SEND Provision	There is awareness and understanding of SEND within local communities
Outcomes for young people with SEND are improved as a result of effective planning, preparation for adulthood and better coordination of service delivery to ensure positive transitions as they progress through their education	<b>CYP with autism achieve positive outcomes and the support required to enable this is in place</b>	Emotional health and wellbeing is actively promoted for CYP with SEND and effective targeted and specialist support is available for those at risk of, or experiencing difficulties



Department  
for Education

Department for Education  
Sanctuary Buildings  
Great Smith Street  
London  
SW1P 3BT

Tina Russell, Director of Children's Services, Worcestershire Children First  
Simon Trickett, Chief Executive, Integrated Care System (ICS) Lead Herefordshire & Worcestershire Integrated Care Board (ICB)

19 April 2023

Dear Tina and Simon,

**Re: TWELVE MONTH PROGRESS REVIEW AGAINST YOUR ACCELERATED PROGRESS PLAN (APP)**

Thank you for meeting with DfE SEND and NHS England officials on 29 March 2023 to review the progress you have made against your APP over the last six months.

We are particularly grateful for the contributions from your Parent Carer Forum (PCF) and school representatives. It was clear that a vast amount of work has taken place. The local area has a tangible commitment from stakeholders, willing to build more inclusive cultures to improve its SEND services for the children and young people in Worcestershire.

The evidence provided, alongside the feedback from partners, demonstrated the range of actions in place to continue and accelerate improvement. These included:

- Clear articulation of the positive cultural change being experienced in schools.
- The increased staffing in the Local Authority (LA) of Educational Psychologists and case workers, along with the increased workforce in health services such as, special school nursing and therapy services.
- That the ICS is addressing quality and timeliness through improved systems and improved parental engagement and feedback.
- The positive work being undertaken to address the weakness around the lack of suitable specialist provision to meet the identified needs of children and young people. This includes the development of mainstream autism provision and the approval of a 120-place special free school.
- The establishment of trackers, audits, and reviews to capture and analyse data and feedback.
- The co-produced "Engaging with Parent Carers for school's toolkit" provides a practical handbook with links to further information and resources. Monitoring and evaluation of its implementation will provide further learning in this key area.
- The re-launch of the SENco network.

The LA has clearly demonstrated its willing to engage in offers of support which includes:

- Its inclusion of the Delivering Better Value (DBV) project.
- Securing support through the RISE consortium to review and improve the preparing for adulthood agenda.
- Accessing the regional RISE EHC training and support package.

In relation to the work around co-production, over the last twelve months there has been an increase in parental representation across the various workstreams and participation in engagement events, to shape service delivery. We heard from the PCF an increasingly positive view of the area, which is beginning to filter through to other parents. We understand Worcestershire Children First (WCF) will continue to work closely with the PCF to establish clear targets around increased membership, better parental representation, and community engagement.

In September 2022, school representatives felt they were included in the work streams, and it was recognised that there had been a positive shift in working relationships between WCF and partners. These relationships were reaffirmed by the work being led by schools in partnership such as, the Wyre Forest Project, improving engagement with local GPs and the regularly held Headteacher briefings.

As the improvement work continues, we would like to see further evidence of:

- How the local area is embedding the changes into its policies and processes. Further work is needed to build on the early signs of impact and improved outcomes along with a clear understanding of how these improvements will be evidenced and sustained.
- The processes being used to facilitate and coordinate the gathering of education, health, and social care advice to secure good EHC plans. Attention needs to be given to join up approaches across the partnership, evidence the impact of actions undertaken, and how these will be sustained.
- How the local area continues to develop and embed monitoring and evaluation systems to demonstrate oversight, actions, and impact on the experience of children and young people who receive SEN support or have an Education, Health and Care plans (EHCP).
- The work being undertaken to develop the leadership of SEND and inclusion. The improvement work should reflect an inclusive culture in all learning environments. The evidence could be captured by showing how many schools are engaging in the school inclusion project, particularly those where engagement has been problematic.
- Building on the work which has already taken place through the production of “You Tube” videos and sessions developed to close the gap in early years settings.

- Engagement with children and young people with SEND to allow for their voices to be heard.
- How the school's toolkit is being developed to reflect a multiagency approach across all services to demonstrate how they all work with CYP and families.
- The risk register being used to ensure sustainability of improved practise going forward.
- Partnership led communication, such as newsletters, to showcase the multi-agency work being undertaken to give confidence to the wider community.

At your next review meeting, I would like to hear of continued evidence of the further developments outlined above. Your next six-month review meeting will take place in September 2023.

In the meantime, SEND and NHS England Advisers, Pat Tate, and Debbie Ward, along with Deanne Michie as your DfE Case Lead, will continue to provide you with support and challenge. If you have any questions or need any further support, please contact either party in the first instance.

We are copying this letter to Simon Geraghty, Leader of the Council, to Mel Barnett (Director of All Age Disabilities (0-25)), Andre Imich (DfE Lead Professional Adviser), Pat Tate (DfE Adviser), Lorraine Mulroney (National Specialist Advisor-SEND, NHS England), Deborah Ward (NHS England Adviser), Nicola Wesley (NHSE) and Deanne Michie (DfE Case Lead).

Yours sincerely,

*K. Moore*

Katie Moore  
Regional Lead  
West Midlands Vulnerable Children's Unit

## **Report to the Worcestershire Schools Forum (WSF) Disapplication for 'Exceptional Premises'**

### **1. Purpose**

- 1.1 To discuss and seek agreement for the disapplication of the 'Exceptional Premises' factor within the School Block and seeking agreement for the financial year 2024/25

### **2. Background**

- 2.1 The current funding formula has an exceptional factor for premises.
- 2.2 The cost for this financial year 2023/24 is £103,599 compared to £418,236 in 2022/23. The split at present is over 4 schools (1 high and 3 primary schools).
- 2.3 This factor supports schools who do not have facilities, for example a hall or sport hall so that they can meet the educational needs of this facility.
- 2.4 The criteria for disapplication prescribed by the Department for Education are that it must be more than 1% of school funding and apply to fewer than 5% of the schools in the LA area.

### **3. Current Position**

- 3.1 £103,599 is allocated through this factor to 4 schools.
- 3.2 WSF agreed this factor last year, which must be agreed on a year-by-year basis. WCF request disapplication to this funding as it is less than 1% of school funding.
- 3.3 WCF will undertake modelling in this area of expenditure and contact schools that will not receive this funding based on the current criteria set by government.

### **4. Recommendation**

- 4.1 WSF to agree that WCF can request a further disapplication for financial year 2024/25.

Robert Phillips  
Finance Business Partner - Schools  
Worcestershire Children First  
June 2023

## **Report to the Worcestershire Schools Forum (WSF) Split Site Funding and criteria for Financial Year 2024/25**

### **1. Purpose**

1.1 To update the WSF of the current criteria and the impact for Worcestershire schools, on the new funding being set by the Department for Education (DfE) for the financial year 2024/25.

### **2. Background**

2.1 The local authority has been able to set the funding levels for this factor.

2.2 The following schools have received this funding; Stourport High School and Sixth Form, King Charles I School, Bengeworth CE Academy, and Somers Park Primary School.

### **3. Current Aims**

3.1 For the financial year 2024/25, the DfE has set the criteria and will set funding levels for this factor.

3.2 Split site schools must have at least one additional site which:

- does not have a different school Unique Reference Number (URN) to the school's main site,
- is separated from the school's main site by a road or a railway,
- has a building on it which is maintained by the school. The DfE are following the definition of a building used by the DfE Condition Data Collection programme (CDC): a block located on a school site which is owned, controlled and/or maintained by the school and which is primarily used for educational purposes. This excludes any 'ancillary' buildings, swimming pools or playing fields,
- is used primarily for the educational purposes of 5 to 16-year-olds in mainstream education. Therefore, this excludes any sites used solely for special schools (for example, within the same multi-academy trust), nurseries, or school sixth form.

3.3 From 2024/25 four schools will be eligible for split site funding, these are, The Chase, King Charles I School, Bengeworth CE Academy, and Somers Park Primary School.

3.4 WCF will contact Stourport High School and Sixth Form, who due to the criteria changes, will no longer be eligible for this funding.

3.5 The funding rate has not been confirmed, as further modelling is required by the DfE.

### **4. Recommendation**

4.1 For WSF to note the NFF split site criteria for financial year 2024/25 and the schools that will be eligible for this funding.

Robert Phillips  
Finance Business Partner - Schools  
Worcestershire Children First  
June 2023

## **Report to the Worcestershire Schools Forum (WSF) Funding Consultation 2024-25**

### **1. Purpose**

- 1.1 To discuss if there are any parts of the school block funding that WSF wish the Local Authority (LA) to go out to all mainstream school on a funding consultation.

### **2. Background**

- 2.1 Prior to last year we have consulted with mainstream schools to seek agreement on the school block funding formula.
- 2.2 Last year the LA, through WCF, sought agreement that the current funding model principles continued, where possible, at the same levels as the National Funding Formula proposed by the Government.
- 2.3 This occasionally has meant that additional money has moved back and forth between the Growth Fund, which is all part of the same DSG funding block.
- 2.4 Each year WSF maintained schools vote on the continuation of the de-delegated service for maintained mainstream schools. These includes the following:
- Schools Specific Contingency
  - Free School Meal Service
  - Staff cost supply cover – to cover Union Representatives in schools attending meeting.
  - Support to underperforming ethnic minority groups and bilingual learners – Gypsy Roman Travelers and English as Additional Language services.
- 2.5 Academy schools, Special Schools, PRUs, AP and Maintained Nursery Schools have been able to buy into these services except for the Schools Specific Contingency, as this is not a service.

### **3. Current Position**

- 3.1 The LA has been able to fund the school block, matching the National Funding Formula levels proposed by the Government by reducing the Growth Fund.
- 3.2 The de-delegated services are still be supplied to Maintained Mainstream schools.
- 3.3 The major majority of academy school et cetera are purchasing the other services back from the local authority.

### **4. Recommendation**

- 4.1 WSF to agree if they wish for WCF, on behalf of WCC, to consult with schools on the overall funding of the school block for 2024-25
- 4.2 WSF to agree if they wish for WCF, on behalf WCC, to consult with schools on the de-delegated services within the school block for 2024-25

Robert Phillips  
Finance Business Partner - Schools  
Worcestershire Children First  
June 2023