

Worcestershire Schools Forum (WSF) Agenda 20 June 2024

2.30 pm

Remote Meeting

Via MS Teams invite

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Date of next programmed WSF meeting

Thursday 12 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)

Thursday 11 January 2024
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
Phil Hanson (PH)	- HT of Pershore High School
Jo Kelleher [JK]	- Governor, Bredon Hill Academy
David Butler	- Principle Tudor Grange (Worcester)
Marie Pearse [MP]	- HT Evesham Nursery School
Annette Summers [AS]	- Nursery Owner
Vivek Shah [VS]	- Nursery Owner
Elizabeth Dixon	- Franche Primary School

b. Local Authority (LA)

Sarah Wilkins [SW]	- Director of Education, Early Years, Inclusion and Pupil Place Planning Worcestershire Children First
Chris Bird [CBi]	- Acting Director of Resources Worcestershire Children First
Rob Phillips [RP]	- Finance Business Partner - Schools - Worcestershire Children First
Ruth Bessant [RB]	- Finance Business Partner - Schools - Worcestershire Children First

BT thanked member for attending the rescheduled meeting, originally planned for 9 November, in which we would have not meet quorum if it had proceeded.

1. Apologies

Councillor Tracey Onslow [TO]	- Cabinet Member with Responsibility for Education and Skills, Worcestershire County Council
Jay Hart [JH]	- HT Kingfisher School
Mel Barnet [MB]	- Director of All Age Disability Services – Worcestershire Children First
Caroline Brand [CBr]	- Schools Finance Manager – Worcestershire Children First

2. Declaration of Interests

CBI as a Volunteer Foundation Director of Our Lady of Magnificat Multi-Academy Trust and a family member who runs a nursery provision.

3. Declaration of Potential Conflict of Interests with Items on the Agenda

As all maintained schools could apply for item 10 it was felt that it did not need to be listed. With Academy Schools being able to apply to the Education Skills Funding Agency (ESFA).

4. Minutes of the Last Meeting (23 November 2023)

Minutes agreed.

5. Matters Arising From The Minutes

6. Any Other Business

a. Worcester Children First – contract with Worcestershire County Council

To be covered by CBI under item 7b Cabinet Decisions.

7. Cabinet Decisions

a. 14 December 2024 – Fair Funding for Schools 2024/25 National and Local Funding Arrangement for Schools

CBI updated WSF that the Council had approved the funding formula as discussed previously with WSF.

b. 11 January 2024 – Budget and Council Tax 2024/25

CBI confirmed that budget position for all councils at present are hard and with Worcestershire and a high number of other councils are having pressures in Home to School Transport, Social Care and Adult Social Care. To meet the pressures the Council are going to need to implement a number of savings as per the paper attached the agenda.

These pressures do not include the Dedicated Schools Grant (DSG) as they are off balance sheet at present. This is planned to change when the Statutory override ceases in 2026.

The other document discussed at the Cabinet Meeting on 10 January is the WCF Contract which expires at midnight on the 30 September 2024. The contract was for five years. The council is minded not to continue the contract when it comes to a natural end. This was agreed by Cabinet, but still to go to full cabinet. This would led to staff and services returning to WCC.

SW confirmed that work will begin, and it will not affect the working of WSF, but will not affect this forum going forward.

BT requested that the working between the schools and WCF is continued when back in WCC. SW reassured WSF that it will be the same staff moving back so we would not be expecting any changes in working methods.

8. School Block Allocation 2024/25

RP reported that we were unfortunately WCC were unable to match the National Funding Formula in its entirety this year, we have taken approximately £140 thousand from the Growth Fund and reduced some of the factors by a pound or

two and minimum funding guarantee, to reduce us from the original circa £500 thousand shortfall. One of the factors for the funding short fall is a drop in the primary cohort of pupils.

RP also confirmed that we have disagreed with the ESFA on one of the schools who they felt should receive split-site and exceptional premises. As the ESFA are going to fund Split-Site we have withdrawn the exceptional premises factor for this school. As we believe you should only receive one or the other funding streams not both.

MR raised concerns on the dropping number of Primary pupil and asked if this was being fed back to the sector, RP confirmed that the Provision Planning Team were discussing with individual schools.

SW also confirmed that with primary schools, her team are work closely with cluster rather than the full primary partnership.

BT Thanked RP for his work on the return and keeping the level as high as possible, especially with other local authorities having a larger variance than Worcestershire and still trying to meet the gap.

9. Provisional Schools Funding Settlement

RP gave a briefing on the DSG settlement for Worcestershire. This is showing a very large increase in Early Years. This is due to the changes in the funding of Early Years children due the changes being implemented this financial year. 2-Year-old from working families from April 2024 and for children who have turned 9 months before the funding period for September 2024. This will also change as the year progresses and actual numbers are known as the funding is based on the Department for Education (DfE) estimate of uptake.

Members are also reminded that the school block has increased but they are reminded that the Mainstream Supplementary Additional Grant has been for 2023/24 has been amalgamated into this area in 2024/25.

10. Financial Support for Local Authorities Support Schools in Financial Difficulty

RP updated the forum on the criteria and that all maintained school can apply for this funding. The deadline for applications is the 1 March 2024. This will then allow for the process to be completed within the financial year.

The funding is revenue funding rather than capital so should be used for revenue projects.

A discussion around this item took place, and SW asked for feedback with the forms and application.

BT fed back that he thought that the process and forms looked easy and helpful and that we may have some clarity on the definition on Capital.

PH Commented that the SRMA is a great process and that they can seem sometimes brutal for an outsider of the school looking in but well worth the process and implementing the recommendations.

11. Outcome of Early Years Consultation

RP updated WSF the consultation papers, and that there was overall support for all the recommendations put forward to the sector. With the hope that this will also help the sector to be able to set budgets without having to wait for the LA to confirm hourly rates, due to understanding the criteria and split of the funding rate received.

The hourly funding rate is approved by the member with responsibility for this area, but any comments would be incorporated in any recommendation presented. No feedback from the WSF was given.

RP asked that the schools forum acknowledge the support that Nicky Buford put into this consultation, which without her support, RP would not have been able to meet the timeline and deadline of this consultation.

12. Specialist Equipment

SW updated WSF on the papers within the agenda paper and asked for feedback on the proposals. Schools have asked for an updated policy, the current policy is legal, but does need updating for organisation etc.

We have no outstanding request for supporting within special schools as the SEND team have come to agreement with schools.

The policy will be updated and brought back to WSF for reference. The process will also look for an alternative for purchase and storage of this equipment going forward, as this is normally done by the school currently.

This policy may potentially have an impact on the High-Level Needs Block for the additional cost of equipment but will also have saving where items can be used by other pupils in other schools.

BT noted that it was strange that the NHS make the decision on the equipment needed, but they don't pay for it. He also supports the sharing of equipment and the purchasing of any equipment being centralised.

13. WSF Constitution

It was agreed we need to look at the vacancies within WSF and needing to make sure that we match membership with the requirement of any constitution to empower WSF.

14. WSF Membership Vacancies

We have had some rolling vacancies, with these being within the governors within schools more than any other.

SW to contact the primary school partnership to find additional primary school governors and other groups concerning secondary and middle deemed secondary schools.

15. Cost of School Transport

This is being looked at with member of council and officers. The local authority has certain statutory requirements for home to school transport. The cost of this being approximately 50% each for maintain stream and special provision. With the amount per pupil being a lot higher for pupil attending specialist provision.

The council is looking at ways to reduce the burden and meet the needs of the young people. The funding for this section comes from the main council budget and is not funded from any DSG. This is to make sure we meet our duties and best value for the taxpayers.

The home to school transport for reference is no longer within Children Service but sits in Economy and Infrastructure area with other transport costs to support the resource to monitor and consider options.

BT raised that school are happy to work with the council to look at solutions to this area. This was echoed by SW to raise this with the Home to School Transport Team.

Meeting ended.

The meeting closed at 3.29 PM.

Date of next meeting

The date of the next WSF meeting: - Thursday 16 May 2024 at 2.30 PM
(Remote Meeting - /MS Teams)

REPORT TO THE WORCESTERSHIRE SCHOOLS FORUM (WSF)
MAINTAINED SCHOOL BALANCES 2023/24

1.0 PURPOSE

1.1 To inform the WSF of the revenue balances held by maintained schools for the financial year 2023/24.

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 increased this year by **£4,953,358** from **£4,418,045** to **£9,371,403**. 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 2023-24. 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).

	2022/23 £	*2022/23 %	2023/24 £	*2023/24 %	Variance £
Nursery & Primary	6,644,311	6.01%	6,772,665	5.73%	128,343
Secondary	(6,097,736)	(16.55%)	(1,597,371)	(4.01%)	4,527,418
Special	3,570,078	18.40%	3,800,616	18.88%	230,538
PRUs	301,392	10.91%	395,503	13.07%	94,112
Total	4,418,045	2.61%	9,371,403	5.17%	4,953,358

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

	2022/23 £	2023/24 £	Variance £
Nursery & Primary	69,212	71,291	2,079
Secondary	(677,526)	(199,671)	477,885
Special	892,520	950,154	57,634
PRUs	100,464	131,834	31,370

4.0 SCHOOLS IN DEFICIT

- 4.1 The number of schools ending the financial year 2023/24 in deficit has decreased by one. In total there are 29 schools compared to 30 at the end of 2022/23. This is detailed in the table below:

	2022/23	2023/24	Variance
Nursery & Primary	25	25	0
Secondary	4	3	(1)
Special	0	0	-
PRUs	1	1	-
Total	30	29	2

- 4.2 The total value of deficit balances, after adjustment for academy conversions, for 2023/24 is £6,546,689 compared to £10,773,396 for 2022/23. This is a reduction of £4,226,680 and is detailed in the table below. The largest deficit balance for 2023/24 is £2,909,442. This is a reduction of £1,020,451 from £3,929,893 at the end of 2022/23

	2021-2022 £	2022-2023 £	Variance £
Nursery & Primary	(3,253,690)	(3,152,624)	101,066
Secondary	(7,465,127)	(3,316,616)	4,148,511
Special	-	-	-
PRUs	(54,579)	(77,413)	(22,834)
Total	(10,773,396)	(6,546,689)	4,226,680

5.0 BUDGET SETTING 2024/25

- 5.1 The number of maintained schools setting budgets for 2024/25 is 107 of which 34 have set a deficit budget. 24 schools ending 2023/24 in deficit balance have set a deficit budget for 2024/25. The total value of the deficit budgets is £8.36 m against the value of surplus budgets of £6.24m. This indicates that schools' balances will be in deficit totalling £2.12 m.
- 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.
- 5.3 All schools 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 Project (TASP)' meeting to review progress.

6.0 RECOMMENDATION

6.1 The WSF notes and discusses the above position.

Robert Phillips. Finance Business Partner - Schools
Worcestershire Children First
June 2024

SCHOOL BUDGET & CARRY FORWARD SUMMARY
Worcestershire County Council

Delegated in-year funding	2022/23	2023/24
	£	£
Primary	110,473,541	118,155,872
Secondary	36,851,188	39,822,517
Special	19,398,695	20,133,346
PRU's	2,762,783	3,026,957
Total delegated in-year funding	169,486,207	181,138,691

Carry Forward	Primary		Secondary		Special		PRU's		Total	
Carry Forward Range	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24
<£0	25	25	4	3	-	-	1	1	30	29
£0<-£25,000	7	6	-	-	-	-	-	-	7	6
£25,001-£50,000	11	9	-	-	-	-	-	-	11	9
£50,001-£100,000	18	20	1	-	-	-	-	-	19	20
£100,001-£200,000	20	22	2	2	-	-	1	1	23	25
£200,001-300,000	7	5	-	1	-	-	1	1	8	7
>£300,000	8	8	2	2	4	4	-	-	14	14
Total	96	95	9	8	4	4	3	3	112	110

Average Balance	69,212	71,291	(677,526)	(199,671)	892,520	950,154	100,464	131,834		
Lowest Balance	(671,716)	(859,003)	(3,929,893)	(2,909,442)	700,423	731,654	(54,579)	(77,413)		
Highest Balance	728,657	941,818	583,291	831,185	986,514	1,271,005	201,370	288,103		
Total Value of deficits	(3,253,690)	(3,152,624)	(7,465,127)	(3,316,661)	-	-	(54,579)	(77,413)	(10,773,396)	(6,546,698)
Total Value of Surpluses	9,898,001	9,925,278	1,367,392	1,719,291	3,570,078	3,800,616	355,971	472,916	15,191,441	15,918,101
Total Value	6,644,311	6,772,655	(6,097,736)	(1,597,371)	3,570,078	3,800,616	301,392	395,503	4,418,045	9,371,403

SCHOOLS IN DEFICIT IN CURRENT

& Previous Year	23	20	6	3	-	-	1	1	30	24
Academy (Conversions)	3	1	0	1	1	0	0	0	4	2

Appendix A Schools' Carry-forward analysis 2022/23 & 2023/24										
Cost Centre	School	Total Resources 2021-22 *	2021-22 CFWD inc interest		Total Resources 2022-	2022/23 CFWD inc interest		Movement		
SM4402	BROMSGROVE, CATSHILL MIDDLE	2,046,518	167,108	8.17	2,582,736	192,460	7.45		25,352	
SM4403	BROMSGROVE, PARKSIDE MIDDLE	3,535,272	75,332	2.13	3,969,270	108,760	2.74		33,428	
SM4408	EVESHAM, BLACKMINSTER MIDDLE	1,294,099	(383,727)	(29.65)	1,703,631	(310,016)	(18.20)		73,712	
SM4576	EVESHAM, ST. EGWIN'S C.E. MIDDLE	2,473,235	402,137	16.26	2,707,459	375,084	13.85	(27,053)		
SM4001	THE BEWDLEY SCHOOL & SIXTH FORM	5,940,469	139,523	2.35	6,733,654	211,801	3.15		72,278	
SM4002	A BROMSGROVE, NORTH BROMSGROVE HIGH	6,609,042	(3,929,893)	(59.46)	5,185,284				3,929,893	
SM4503	Wolverley Ce Secondary	5,618,232	(2,970,323)	(52.87)	6,721,724	(2,909,442)	(43.28)		60,881	
SM5402	B Worcester, Blessed Edward Oldcome Catholic College	6,258,446	583,291	9.32	6,843,248	831,185	12.15		247,894	
TOTAL SECONDARY		36,851,188	(6,097,736)	-16.55	39,822,517	(1,597,371)	-4.01	(27,053)	4,527,418	
SPECIAL SCHOOLS										
SS7015	BROMSGROVE, CHADSGROVE	2,845,464	950,678	33.41	3,255,161	1,271,005	39.05		320,327	
SS7001	BROMSGROVE, RIGBY HALL	3,599,481	700,423	19.46	3,992,735	928,829	23.26		228,406	
SS7026	Wyre Forest New Special School	6,232,614	986,514	15.83	7,204,025	731,654	10.16	(254,860)		
SS7009	A REDDITCH, PITCHEROAK	1,569,956								
SS7025	FORT ROYAL COMMUNITY PRIMARY	5,151,180	932,463	18.10	5,681,425	869,128	15.30	(63,335)		
TOTAL SPECIAL		19,398,695	3,570,078	18.40	20,133,346	3,800,616	18.88	(318,195)	548,733	
PRU'S										
SS1103	PERRYFIELDS PRIMARY SCHOOL	941,179	154,600	16.43	1,081,727	184,812	17.08		30,212	
SS1121	THE FORGE SECONDARY SCHOOL	1,002,153	(54,579)	(5.45)	1,220,936	(77,413)	(6.34)	(22,834)		
SS1105	THE BEACON PRIMARY SCHOOL	819,451	201,370	24.57	724,293	288,103	39.78		86,733	
TOTAL SPECIAL		2,762,783	301,392	10.91	3,026,957	395,503	13.07	(22,834)	116,945	
TOTAL DELEGATED BUDGETS		169,486,207	4,418,045	2.61	181,138,691	9,371,403	5.17	(2,805,754)	7,759,112	
B = Bank account school										
O = Opening school/Newly delegated school										
C = Closed school										
A = Academy										
=Academies Closed in Previous Year										
* Total Resources does not include carry-forward or "school generated other income"										

Report to the Worcestershire Schools Forum (WSF)

School Attendance - legal Intervention:

The process for issuing penalty notices for irregular attendance, Including Impact of 2024 legislation changes.

1. Purpose

1.1 The forum will consider an update on penalty notice procedures for irregular school attendance, including current guidance expectations and the impact of national legislative changes from August 2024 (subject to any impact/timescales of general election).

2. Background

2.1 National Framework for Penalty Notices

Penalty notices are issued to parents as an alternative to prosecution where they have failed to ensure that their child of compulsory school age regularly attends the school where they are registered or, in certain cases, at a place where alternative provision is provided.

Penalty notices can be used by all schools (with the exception of independent schools), in accordance with the Local Authority Code of Conduct for Penalty Notices, where the pupil's absence has been recorded with one or more of the unauthorised codes and whereby such absence/(s) constitute an offence.

A penalty notice can be issued to each parent liable for the offence or offences.

2.2 Purpose of Penalty Notices

Penalty notices are intended to prevent the need for court action. They should only be used where it is deemed likely to change parental behaviour and where support to secure regular attendance has been provided and has not worked or been engaged with.

Penalty notices can also be used where court action may not have been appropriate in the circumstances of the offence (e.g. an unauthorised holiday in term time).

Penalty notices must be issued in line with the Education (Penalty Notices) (England) Regulations 2007, as amended, and can only be issued by those authorised to do so on behalf of schools, local authorities or the police. They must also be issued in line with local codes of conduct which are drawn up and maintained by each local authority.

3. Current Position

3.1 Worcestershire County Council (WCC) Fulfilling this function.

WCC issue all penalty notices on behalf of all Worcestershire schools (with the exception of independent schools, as above) and fulfil this function in line with the current code of conduct (**Appendix 1**).

All administrative functions in issuing and monitoring penalty notices, the tracking of received payments, and the management of telephone enquiries, are completed by WCC business support.

3.2 Unpaid Penalty Notices Requiring Legal Action

For any outstanding matters whereby a penalty notice remains unpaid, following authorisation, a WCC administrator prepares all court files for action through Worcestershire Magistrates Courts in accordance with the Police and Criminal Evidence Act (PACE, 1984) to ensure legal timeframes and disclosure law compliance.

The Prosecution Officer, in accordance with the code for crown prosecutors, upholds welfare and authorisation duties prior to the progression of any outstanding penalty notice matters, with the Director of Childrens Services considering such recommendations for each case, with escalation to legal services were deemed appropriate.

WCC legal services further consider each unpaid penalty notice matter on a case-by-case basis, in accordance with Crown Prosecution Service requirements and will review all evidence to consider whether further progression via the single justice procedure¹ or court hearing is deemed appropriate, or otherwise.

On occasions whereby parents may wish to enter a not guilty plea and request a Magistrates Court hearing, or whereby the single justice procedure is not deemed appropriate, legal services represent on such matters on behalf of the Local Authority. Wherever required the prosecution officer will provide relevant evidence.

3.3 Benefits for Schools, Children and Families

The Local Authority Delivering Its Duties in this way Ensures that for Schools, Children and families:

- Welfare checks made by the prosecution officer safeguard objective proportionality compliance
- Appropriately trained administrative staff ensure evidential compliance in the preparation and issue of all legal documents and are adept in dealing with all relevant enquiries
- Professional working relationships with courts ensure timely hearing dates and court disposal notifications
- Following receipt of witness statement evidence, where required, all further penalty notice functional burdens are not imposed on schools
- Schools can sustain positive parental and pupil relationships, wherever possible.
- A consistent and proportionate Worcestershire approach, where required, ensures each child's right to education

3.4 Penalty Notice Costs

WCCs annual costs in regard to penalty notices, per financial year are listed in **Table 1** below.

This includes all administrative costs, prosecution officer duties and legal services representation for unpaid penalty notices and court hearings where required.

¹ The Single Justice Procedure (SJP) process is used for summary offences and does not require defendants (parents/carers) to attend court.

Table 1

Financial Year	Costs Incurred
2019/2020	£35,777
2020/2021	£53,505
2021/2022	£53,505
2022/2023	£57,031
2023/2024	£59,448

3.5 Penalty Notice Revenue

WCCs annual penalty notice revenue, received per academic year, is listed in **Table 2** below.

As detailed, during 2020–2022 there were periods of time whereby due to nationally dictated covid lockdowns school attendance was not statutory, and therefore the legal obligation to attend school was disapplied and the ability to issue penalty notices withdrawn.

Table 2

Academic Year	Revenue from paid PNs
2018/2019	£48,240
2020/2021	£900 covid - statutory duties were disapplied for part of year
2021/2022	£17,340 covid - statutory duties were disapplied for part of year
2022/2023	£55,680
2023/2024 to date (1 st May 2024)	£30,180

As evidenced during this five-year period annual revenue has fluctuated year on year.

The revenue funding is not covering the running cost consistently of this service. With income fluctuating each year. With the team and officers also working to supporting schools and parents to improve attendance at schools of pupils.

As costs are reported per financial year and revenue reported per academic year, this must be considered for any comparative purposes.

3.6 Changes to Penalty Notice Procedures Due to New National Legislative Guidance

The laying of regulations for a National Framework for Penalty Notices have been made in order to improve consistency of attendance enforcement across the country. All local authorities and schools will be required to adhere to the national framework from 19th August 2024.

Main changes:

The Department for Education (DfE) propose the National Framework aims to:

- **Make penalty notices more effective** by ensuring they are only used in cases where they are the most appropriate tool to change parental behaviour and improve attendance.
- **Prioritise the support first approach** by expecting support to be used in cases where it is appropriate and using penalty notices in cases where support is not appropriate (e.g. a term time holiday), has not worked, or has not been engaged with.

- **Improve consistency in the use of penalty notices across England** by introducing a new national threshold at which they are considered.
- **Improve the deterrent effect of a penalty notice** by increasing the fine amount and introducing a new national limit of 2 penalty notices within a 3-year period to break cycles of repeat offending.

More specifically, the National Framework directs:

- A single consistent national threshold for when a penalty notice must be considered for 10 sessions (usually equivalent to 5 school days) of unauthorised absence within a rolling 10 school week period.
- A requirement that when the national threshold is met, schools make an assessment on a case-by-case basis whether a penalty notice can and should be requested.
- The option of using a Notice to Improve where support is appropriate, but not working, or being engaged with, to give a parent² a final opportunity to engage before penalty notice issue.
- An increase to the rate of a penalty notice from £120 to £160 if paid within 28 days, and from £60 to £80 if paid within 21 days.
- An increase of any second penalty notice issued to the same parent for the same child within a 3-year period being charged at a higher rate of £160 with no option for this second offence to be discharged at the lower rate of £80.
- A national limit of 2 penalty notices that can be issued to a parent for the same child within a 3-year period, so at the third (or subsequent) offence another method will need to be considered (such as court prosecution or alternative attendance legal intervention)
- The ability for Local Authorities to use surplus revenue from penalty notices, (if any), from 2024-25 onwards, to fund any other LA functions which serve to support regular attendance in line with the **Working together to improve school attendance** guidance. This must not be to the detriment of the duty to uphold the administration of the penalty notice system and prosecution process where required.

3.7 Potential Impacts of Legislative changes

New guidance expectations may prompt more schools to consider the use of penalty notice procedures for unauthorised leave of absence and irregular attendance where they may not have done so previously.

The DfE expects all schools to consider this as one of the approaches they may wish to use, to secure regular attendance, where appropriate.

Should the number of penalty notices requests made by schools substantially increase, this will require further WCC resource in order to continue to meet any increase in demand and ensure legal timeframes can continue to be met. Any increase in unpaid penalty notices matters requiring court action, and relative costs to pursue these will also need to be considered.

² A parent includes any person who is not a parent but who has parental responsibility for the child or who has care of the child, as set out in section 576 of the Education Act 1996.

As each school’s overall attendance rates fluctuate term by term, as do the cohorts of pupils on roll, it is difficult to predict any direct impact of the legislative changes at this juncture.

For illustrative purposes **Table 3** below provides Autumn term 2023 leave of absence data.

This shows the potential impact of how the new guidance changes may impact Worcestershire pupil numbers in regard to penalty notice ‘eligibility’, showing a vast potential increase in expected numbers.

In contrast however, it remains that Headteachers are able to continue to exercise their discretion in regard to penalty notice procedures within their schools. With that in mind even though the numbers of identified ‘eligible’ pupils can be seen to vastly increase due to the 10 session threshold, it is also evident that during the Autumn term only 16% of possible penalty notice criteria cases were required for action by the Local Authority.

Table 3

Autumn Term 2023	
Penalty Notice data: Mainstream Settings	
998 pupils with 12+ absences for G code - Autumn term	160 PN requests received (16%)
1652 pupils with 10+ absences for G code -Autumn Term	
Difference in potential PN numbers for 1 term: + 654	
Penalty Notice data: Special School Settings	
106 with 12+ absences for G code – Autumn term	0 PN requests received (0%)
128 with 10+ absences for G code – Autumn term	
Difference in potential PN fine numbers for 1 term: +22	

4. Recommendation

4.1 Schools Forum Feedback

It was evident following the DfE national penalty notice consultation feedback from Schools, Local Authorities and public bodies throughout the summer term of 2023 that the new national framework will provide some consistency as desired by educational settings as well as by children, young people and their families.

As all Local Authorities are required to, we will now be redrafting Worcestershire’s Penalty Notice Code of Conduct to adhere to national requirements.

In readiness for proposed implementation from 19th August 2024 it is proposed that Worcestershire School Forum representatives act as the consultation group for any feedback on the updated Code of Conduct with the timescales..

Michelle Fowler
Education Engagement Manager
Worcestershire Children First
May 2024

**Worcestershire County Council
Education Investigation Service**

Education Penalty Notice

CODE OF CONDUCT



Document Details:

Status: V1.1

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Contact: edinvservice@worcschildrenfirst.org.uk (01905) 846 760

Website: [Education Engagement Team – Attendance and CME | Worcestershire County Council](#)

1. Rationale:

Regular and punctual attendance of pupils at school is both a legal requirement and essential in order for pupils to maximise the opportunities available to them. The Education Investigation Service will continue to investigate cases of irregular school attendance by undertaking targeted interventions and, where appropriate, instigate legal action under the Education Act 1996 for unauthorised absence. A Penalty Notice will be a useful sanction at an early stage before attendance problems become entrenched and where the Local Authority considers that prosecution would be too heavy-handed.

Penalty notices relating to exclusion are a power available to local authorities from 1st September 2007, to help ensure parents fulfil their responsibilities to ensure their child is not out in a public place without reasonable justification during the first five days of every exclusion from school.

Worcestershire County Council has the responsibility for drawing up the Code of Conduct. The local code of conduct is a requirement of The Education (Penalty Notices) (England) Regulations 2007 and is there to ensure that the powers to issue penalty notices are applied consistently and fairly across the Local Authority area and that suitable arrangements are in place for the administration of the scheme.

Worcestershire County Council's Education Investigation Service discharges the responsibilities for taking legal action against parents/carers and is also responsible for the review and administration of the Code of Conduct.

Parents and pupils are supported by schools/alternative provision and by Worcestershire County Council to overcome barriers to regular attendance through a range of assessment and intervention strategies. Sanctions of any nature are of use only where parental co-operation in this process is either absent or deemed insufficient to resolve the presenting problem.

Sanctions are used as a means of enforcing attendance where there is reasonable expectation that their use will secure improvement.

2. Legal Frame Work

The Education (Penalty Notice) (England) Regulations 2007 (Statutory Instrument 1867) in relation to offences under section 444 of the Education Act 1996. This replaced The Education (Penalty Notice) (England) Regulations 2004 with effect from 1st September 2007

The Anti Social Behaviour Act 2003, Section 23, introduced section 444A and 444B into section 444 of the Education Act 1996. These sections enable Penalty Notices to be issued as an alternative to prosecution in the Magistrates Court under section 444 Education Act 1996 and allows parents to discharge liability for conviction of that offence by paying the penalty.

The Education and Inspections Act 2006, Section 103 places a duty on parents in relation to an excluded pupil, to ensure that their child is not present in a public place during school hours without reasonable justification during the first five days of every fixed term and permanent exclusion. These days are known as the “specified days of exclusion”. Section 104 of the Act requires schools to notify parents in writing that they are responsible for the child during these days. Section 105 allows for a penalty notice to be issued to a parent guilty of an offence under section 103 (3).

The Act empowers designated Local Authority Officers, Head Teachers, Deputy Head Teachers and Police to issue Penalty Notices in case of unauthorised absence from school in line with the Local Authority's code of conduct for Penalty Notices.

The Local Authority and any persons authorised to issue Penalty Notices must have regard to the Human Rights Act 1998, Disability Discrimination Act 1995 and Sex Discrimination Act 1975 and the Equality Act 2006 and the Special Educational Needs Code of Practice.

The Education (Penalty Notices) (England) (Amendment) Regulations 2012 came into force on 1st September 2012 and these Regulations increase the amount of a Penalty Notice from £50 to £60 (if paid within 28 days) and from £100 to £120 (if paid within 42 days).

The Education (Penalty Notices) (England) (Amendment) Regulations 2013 (Statutory Instrument No 757) came into effect on 1st September 2013. For a period of absence that is alleged to have taken place wholly from 1st September 2013 onwards, these shorten the payment period during which a Penalty Notice may be paid: the Penalty Notice is £60 if paid within 21 days and £120 if paid within 28 days.

3. Circumstances where a Penalty Notice may be Issued

A Penalty Notice can be issued in cases of unauthorised absence from school and in respect of any excluded child found in a public place during school hours ‘without reasonable justification’ in the first five days of the exclusion.

The Education Investigation Service will generally only issue a Penalty Notice if it is an appropriate sanction for unauthorised absences from school or for a child's presence in a public place during school hours without reasonable justification, for example where the parent/carer has failed to make adequate arrangements for that child during their exclusion.

It is the parent(s)/carer(s) responsibility to prove reasonable justification to the Authority and they may be asked to produce evidence of matters upon which they intend to rely (e.g. doctor's certificate or confirmation of a hospital visit). Whether parental justification is reasonable is a matter for the Authority to decide upon, taking account of individual circumstances advanced by the parent. Parents will be given the opportunity to provide reasonable justification prior to issuing the penalty notice.

The issuing of a Penalty Notice is considered appropriate in cases of;

- An excluded child is found in a public place during the school hours of the first five days of exclusion
- Overt truancy is detected (including being caught on truancy sweeps)
- Parentally condoned absence is evidenced
- Unauthorised leave of absence has been taken (unauthorised family holidays)
- Delayed return from leave of absence without prior school agreement
- Persistent late arrival at school (after the register has closed)

Other than in specific circumstances, penalty notices will only be issued to a parent(s) if the pupil has at least 10 unauthorised absence sessions recorded against their name within the previous 60 school sessions (i.e. equivalent of 5 school days in any 6 school week period). In these cases parent(s) will be issued with a formal warning of the possibility of a Penalty Notice being issued and given a maximum of 15 school days within which there should be no further unauthorised absence sessions. Where the parent(s) fail to comply with the warning a Penalty Notice will be issued.

Specific circumstances to the above may include:

Leave of absence in term time for which no permission has been sought from the school, or permission sought was refused, or child has not returned by the agreed date and no acceptable reason for delay has been received, and where a child has been encountered on more than one truancy patrol and the absences were unauthorised.

Where more than one child in a family is involved multiple Notices may be issued. There will be no restriction on the number of times a parent/carer may receive a formal warning of a possible issue of a Penalty Notice. Where a Penalty Notice is used for unauthorised absence there will be a restriction of no more than two per parent per academic year.

The use of a Penalty Notice allows a parent/carer to discharge their liability for an offence under section 444 of the Education Act 1996 and 103 of the Education and Inspections Act 2006 by the payment of a fine. If the fine remains unpaid at the end of the 28 day payment period, the matter will automatically proceed to court for prosecution of the original offence unless the notice is withdrawn and the parent/carer will be notified in writing.

4. Procedures for Issuing Penalty Notice

The issue of Penalty Notices will be administered by the Education Investigation Service to ensure compliance with the Regulations and that provisions of this code do not conflict with other forms of statutory intervention pursued by the Education Welfare Service.

Penalty Notices will always be issued by first class post as there may be health and safety implications involved in the operation of direct delivery.

With certain exceptions, parents will receive a warning letter before a Penalty Notice is issued. Exceptions may include unauthorised leave of absence in term-time and where a child has been encountered on more than one truancy patrol. The warning letter will indicate the period of time over which improvement is expected (usually 15 school days) and the consequences of failing to ensure regular attendance.

The Education Investigation Service will consider requests to issue Penalty Notices from schools/college in the local authority and the local Constabulary.

The Education Investigation Service will action these requests providing a signed attendance certificate from the head teacher is received with a declaration confirming that:-

- The circumstances of the case meet the criteria for the issue of a Penalty Notice, as specified in the Code of Conduct, and
- All necessary information is provided to the Education Investigation Service in order to establish that an offence under Section 444 (1 /1A) Education Act 1996 has been committed, and
- In the case of an unauthorised period of leave of absence, supporting evidence is provided that clearly details the reasons permission has not been granted by the Head teacher.

Worcestershire County Council advises that schools/alternative education providers maintain a clear, consistent and robust approach towards granting leave of absence for exceptional circumstances (family holidays in term time), in line with their Attendance and Equal Opportunities policies and the Human Rights Act.

Primary responsibility for issuing Penalty Notices rests with the LA. Penalty Notices will only be issued subject to approval by the Education Investigation Manager, or Senior Education Investigation officer(s)

No parent will receive more than one Penalty Notice resulting from the unauthorised absence of an individual child in any twelve month period, unless the absence is due to unauthorised leave of absence, or the child being encountered for a second or subsequent time on a truancy patrol.

A Penalty Notice would not usually be issued in cases where a parent has been subject to previous conviction under Section 444(1) or (1A) Education Act 1996, within the previous year.

Within this Code of Conduct, parent is as defined in Section 576 Education Act 1996.

The collection of payments and issuing of receipts will be administered by the Education Investigation Service on behalf of the Local Authority with support from the Finance department.

5. Procedure for the Withdrawal of a Penalty Notice

Once issued a Penalty Notice can only be withdrawn in the following circumstances;

- The notice has been not been issued in accordance with the code of conduct.
- Evidence has been established that the notice was issued to the wrong person.
- The parent has provided evidence that they did not receive the notice (e.g. the notice was sent to the wrong address).
- There are material errors in the information leading to the issue of the Penalty Notice.
- The period for payment has expired and the Local Authority does not intend to institute legal proceedings for offence to which the Penalty Notice relates.

6. Payment of Penalty Fines

Arrangements for payment will be detailed on the Penalty Notice.

The fine payable within 21 days of service of the Penalty Notice is £60 and within 21 to 28 days is £120. The payment period expires after 28 days.

Revenue generated from the Penalty Notices will be used to cover the costs of issuing and enforcing notices, or the cost of prosecuting recipients who do not pay. Any surplus will be surrendered to the Secretary of State.

If not paid in full by the end of the 28 day period the Local Authority will commence legal proceedings for the offence under Section 444(1) of the Education Act 1996, or under the provisions of Section 103(3) of the Education and Inspections Act 2006

If following the period of payment the matter is not going to proceed to court for the original offence then a letter of withdrawal will be sent to the parent/carers informing them the matter has been withdrawn following non-payment during the designated period.

7. Policy and Publicity

Deployment of Penalty Notices as a sanction is included in Worcestershire County Council's Inclusion and Attendance Strategies.

All school/alternative provision Attendance Policies should include information on the deployment of Penalty Notices and this should be brought to the attention of parent(s) on a regular basis.

8. Reporting and Review

Review of this code of conduct will take place every three years or more often if required by legislative changes. Review may involve consultation where it is considered appropriate.

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 The local authority needs to comply with International Financial Reporting Standards (IFRS) 16 from 1 April 2024.
- 2.3 This means that all leases will be considered as borrowing, which schools are not able to do without the written agreement of the Secretary of State. This has led to the changes to the scheme.
- 2.4 We will continue to develop the scheme to be easier for all to understand.

3. Current Aims

- 3.1 The sections changed is Section 3.6 Appendix C of the current agreed scheme. A breakdown of the changes in section 3.6 are included in Appendix A attached to this paper.
- 3.2 Appendix C of the scheme has also been updated with the changes in schools and reorganising them by school name, excluding area. If necessary to reduce confusion the area has been included at the end of the school name.

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
September 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.

3.6 Borrowing by Schools

The following paragraph has been added:

Schools are required to have written consent from the Secretary of State for all leases that fall outside the scope of the IFRS16 Maintained Schools Finance Lease Class Consent 2024, or any updated guidance provided by the Secretary of State. Schools must also report all lease(s) to the local authority for accounting purposes.

Original bullet point

- ~~• 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.~~

Changed to

- Leases falling outside of the IFRS16 Maintained Schools Finance Lease Class Consent 2024, or any updated guidance provided by the Secretary of State

Annex C

The schools that have converted have been removed from the list and the order has been amended to match school name rather than area.

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 1st May (Nursery Schools, 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 31st 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 1st 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 are required to have written consent from the Secretary of State for all leases that fall outside the scope of the IFRS16 Maintained Schools Finance Lease Class Consent 2024 or any updated guidance provided by the Secretary of State. Schools must also report all lease(s) to the local authority for accounting purposes.

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.
- Leases falling outside of the IFRS16 Maintained Schools Finance Lease Class Consent 2024 or any updated guidance provided by the Secretary of State
- 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 1st April will be equal to that of 31st 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 1st 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 1st April will be equal to that of 31st 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. All schools submitting a deficit, or zero accumulated balance will need to submit a deficit recovery plan.

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 2023.

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, 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 3 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. This scheme is not open to schools that have submitted a deficit.

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

WCC Scheme for Financing Schools
Version Financial Year 2023 (September)

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 Twelve – 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 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 Education Sufficiency and Place Planning Team within Worcestershire Children First and Property Services.

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 Worcestershire Children First. .

- Voluntary Aided (VA) Schools
- In September 2018, the Government announced its intention to retire the LCVAP process with effect from 1st April 2020.
- Capital funding for condition works at VA schools (formerly LCVAP) is now funded either via the relevant Diocese (Responsible Body) in the form of a School Condition Allocation (SCA), or directly from the Education and Skills Funding Agency (ESFA) in respect of non-diocesan VA schools via the Condition Improvement Fund (CIF).

- **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 regardless of school status. 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 Thirteen – 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 SSFA1998.

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 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 this scheme's provisions, Governing Bodies of schools may spend budget shares for 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/departments_for_education_dfe_regulatory_issues

Annex C

Schools to Which this Scheme Applies (As 1 June 2024)

Nursery Schools (1)	DFE No
Evesham Nursery	1001
First/Primary Schools (89)	DFE No
Abberley Parochial Primary	3000
Abbey Park First & Nursery	2119
Ashton-Under-Hill First	2006
Astley C.E Primary	3300
Batchley First	2128
Bayton C.E. Primary	3001
Belbroughton C.E. Primary & Nursery	3002
Beoley First	2008
Bewdley Primary	3397
Blakedown C.E. Primary	3005
Bredon Hancock's Endowed First	3306
Broadwas C.E. Primary	3308
Broadway First	2013
Chaddesley Corbett Endowed Primary	3330
Chawson Community First	2036
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
Comberton Primary	2907
Cookley Sebright Primary	3016
Crothorne With Charlton C.E. First	3027
Crown Meadow First	2002
Defford-Cum-Besford C.E. First	3029
Dodford First	2034
Eckington C.E. First	3038
Eldersfield Lawn C.E. Primary	3039
Elmley Castle C.E. First	3040
Fairfield First	2047
Finstall First	2017
Fladbury C.E. First	3324
Flyford Flavell First	5201
Franche Primary	2910
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
Holy Redeemer R.C. Primary	3368
Lickey End First	2018

First/Primary Schools (89)	DFE No
Lickey Hills Primary	2901
Lindridge St Lawrence's C.E. Primary	3350
Malvern Wells C.E. Primary	3359
Meadow Green Primary (Wythall)	2188
Meadows First	2019
Millfields First	2020
Moon's Moat First	2192
Offmore Primary	2911
Ombersley Endowed First	3365
Our Lady Queen Of Peace R.C. Primary	3387
Overbury C.E. First	3084
Pebworth First	2118
Pendock C.E. Primary	3085
Pitmaston Primary	2200
Red Hill C.E. Primary	3116
Rubery, Beaconside Primary & Nursery	2197
Sedgeberrow C.E. First	3099
St. Andrew's C.E. First (Barnt Green)	3302
St. Andrews C.E. First (Evesham)	3043
St. Anne's C.E. Primary (Bewdley)	3011
St. Barnabas' C.E. Primary	3114
St. Catherine's C.E. Primary	3021
St. George's C.E. Primary (Worcester)	3389
St. George's R.C. Primary (Worcester)	3390
St. James C.E. Primary (Malvern)	3360
St. Joseph's R.C Primary (Droitwich)	3317
St. Joseph's R.C. Primary (Malvern)	3358
St. Joseph's R.C. Primary (Worcester)	3391
St. Kenelm's C.E. Primary (Romsley)	3097
St. Luke's C.E. First	3093
St. Mary's C.E. Primary (Kidderminster)	3331
St. Richard's C.E. First	3042
Stoke Prior First	2147
Swan Lane First	2041
Sytchampton Endowed First	3381
Tardebigge C.E. First	3382
Tenacres First	2136
The Grove Primary	3400
Tibberton C.E. First	3105
Upton Snodsbury C.E. First	3108
Upton Upon Severn C.E. Primary	3107
Westlands First	2035
Whittington C.E. Primary	3110
Woodrow First	2137
Wyche C.E. Primary	3074

Middle-Deemed-Primary (2)	DFE No
Westacre Middle	2916
Abbey Park Middle	2906

Middle Deemed Secondary Schools (4)	DFE No
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Aston Fields Middle	4401
Parkside Middle	4403
Blackminster Middle	4408
St. Egwin's C.E. Middle	4576

Secondary/High Schools (3)	DFE No
The Bewdley Community Secondary	4001
Wolverley C.E. Secondary	4503
Worcester, Blessed Edward Oldcorne R.C. College	5402

Special Schools (4)	DFE No
Chadsgrove	7015
Rigby Hall	7001
Fort Royal Community Primary	7025
The Wyre Forest School	7026

Pupil Referral Units (Pru) (3)	DFE No
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 1st 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 28th 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 28th 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 1st 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

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

Type	Definition	School funding responsibility	LA funding responsibility
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, and associated asbestos removal works .	Nil	All without limit
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, re-inspections and consequential works other than those described in the next column (LA funding responsibility). All works associated with a school funded project	Asbestos management survey plan All asbestos works associated with the Annual Capital Programme.
	Fire	Fire Risk Assessment and	Nil

Type	Definition	School funding responsibility	LA funding responsibility
		consequential works.	
	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. Drains and, SUDS systems. 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
	All repair works relating to all buildings that are either owned or solely used by third parties	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)

VA Governing Bodies	LA
All emergency and urgent works.	WCC Corporate Landlord will organise BUT NOT FUND 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)

VA Governing Bodies	LA
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.	
Playgrounds.	
Furniture, fixtures and fittings.	
Large-scale removal of asbestos.	
Other capital items.	

Report to the Worcestershire Schools Forum (WSF) De-delegated Services

1. Purpose

- 1.1 The reason is to bring to your attention the use of the funds as we have received request from some maintained mainstream schools wanting to claim back the funding as they don't believe they are receiving these services.
- 1.2 For a discussion on this subject if we will need to go out to consultation on the services for financial year 2025-26 or not.

2. Background

- 2.1 The de-delegated service is agreed annually by WSF on behalf of all maintained mainstream schools. This has been in effect since 2013 with the new funding formula.
- 2.2 The services that are de-delegated are as follows:
 - Contingency Fund
 - Free School Meal Eligibility Checking
 - Staff Cost Supply Cover
 - Support to underperforming Ethnic Minority Groups and Bilingual Learning
- 2.3 The services that could be requested but are not request are as follows:
 - Insurance (Funded directly by Schools)
 - Licences/Subscriptions (Funded directly by Schools)
 - Behaviour Support Services (Funded directly by Schools)
 - Museum and Library Services (Funded directly by Schools)
 - Additional School Improvement Service (Funded directly by Worcestershire County Council)
 - Education Functions for Maintained Mainstream Schools (Funded directly by Worcestershire County Council)
- 2.4 If a school converts to an academy from the 2 April to 31 August, they will receive 7/12 back into the maintained school budget, of the de-delegated charge back. If a school converts after this date they are charged for the full year. The academy can opt to purchase some of these services from either Worcestershire County Council or Worcestershire Children's First.
- 2.5 The current rates have remained the same since 2013, whilst cost have increased dramatically over this period.
- 2.6 This is a way for schools to share the cost of these services.

3. Current Position

- 3.1 This financial year we have de-delegated the following amount from schools, and the use of this money is also listed within the table 1.

Table 1: Breakdown of De-delegated Services

Service Fund	Amount (£)	Use of Income/Service
Contingency Fund	98,091	To support schools in financial difficulty, redundancy cost, unforeseen expenses, suspension cost for example.
Free School Meal Eligibility Checking	16,107	To pay for the FSM eligibility checking for all maintained mainstream schools. With Worcestershire County Council contributing to this service. Academies can also buy into this service.
Staff Cost Supply Cover	89,402	This is used to cover the cost of trade union duties for staff to attend meeting to support school's staff. Support with other supply cover for specific reasons. Academies can also buy into this service.
Support to underperforming Ethnic Minority Groups and Bilingual Learning	203,398	This funding is used to support the running cost of the English as Additional Language team and the Gypsy Roma Traveller Team. With Worcestershire County Council contributing to both teams.

4. Recommendation

- 4.1 The request is for WSF to note for information and discussion.
- 4.2 Agree if they wish a consultation with mainstream maintained school to take place on this factor.

Robert Phillips
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Worcestershire Children First
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