



NOTICE OF MEETING

SCHOOLS FORUM

WEDNESDAY, 21 OCTOBER 2015 AT 4.30 PM

CONFERENCE ROOM A, SECOND FLOOR, THE CIVIC OFFICES

Telephone enquiries to Jane Di Dino 023 9283 4060

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Membership

Schools Members

One head teacher representative - nursery phase

Three head teacher representatives - primary phase

Two head teacher representatives - secondary phase

One head teacher representative - special phase

Five academy representatives

Five governors

Non School Members

Four Councillors (one from each political party)

One representative from the following organisations:

The Anglican Diocese

The Roman Catholic Diocese

The 16-19 Representative

The Early Years providers (from the private, voluntary and independent sector)

(NB This agenda should be retained for future reference with the minutes of this meeting).

Please note that the agenda, minutes and non-exempt reports are available to view online on the Portsmouth City Council website: www.portsmouth.gov.uk

AGENDA

- 1 Apologies**
- 2 Declarations of Interest**
- 3 Membership Changes.**
- 4 Proposed Future Meeting Dates.**
 - 20 January 2016
 - 24 February 2016
 - 13 July 2016
 - 19 October 2016
- 5 Minutes and Matters Arising From the Previous Meeting - 15 July 2015.**
(Pages 1 - 4)

6 School Revenue Funding Arrangements 2016-17. (Pages 5 - 42)

Purpose

The purpose of this report is to inform the Schools Forum of the progress being made towards the implementation of changes to the school revenue funding arrangements for 2016-17 and to seek endorsement for the first stage of the submission to the Department for Education (DfE) of the 2016-17 budget proforma.

Recommended that Schools Forum:

- a) Endorse the principles proposed by the Working Groups in Appendices 1 and 2 to guide and inform the funding arrangements for 2016-17.
- b) Endorse, that following confirmation of the 2016-17 Dedicated Schools Grant (DSG), officers will amend the unit values to minimise the impact of fluctuations in funding at the school level and to maintain overall affordability. In order to provide schools with some certainty, where possible any changes will be limited to the following formula factors:
 - Basic Per Pupil Entitlement
 - Prior attainment
 - Lump Sum
 - The percentage of the financial cap
- c) Endorse the proposed changes to the mainstream funding formula factors, together with the choices that the Council has made in implementing these factors locally, as detailed at paragraph 4.6.
- d) Endorse the submission of the draft proforma to the DfE as the first stage of the 2016-17 school revenue funding formula process.
- e). Agree by phase, (maintained primary and secondary schools) to the de-delegation of the following budgets for central administration in 2016-17.

Expenditure Item	De-Delegation Proposed	
	Primary	Secondary
Administration of free school meals eligibility	Yes	Yes
Licences	Yes	Yes
Special Staff Costs: Union Duties Only	Yes	Yes
Schools Contingency Fund	Yes	Yes
Behaviour Support	Yes	No
Museum & Library Services	Yes	No

- f) Endorse the proposed Growth Fund criteria for 2016-17 as set out in Section 5 of the attached consultation document.

- g) Note that subject to the guidance awaited from the DfE and the results of the work being undertaken by the Inclusion Commissioning Manager the authority is not proposing to make changes to High Needs place numbers or Element 3 Top-up funding for Special Schools, Resource Units and Alternative Provision settings for 2016-17.
- h) Endorse the MFG exemptions submitted to the DfE by the required deadline of 30 September 2015 as set out in paragraph 5.3.

7 Scheme for Financing Schools. (Pages 43 - 190)

Purpose.

This report outlines the proposed changes to the Scheme for Financing Schools which reflect the revisions required by the Department for Education (DfE) and have been consulted with schools.

RECOMMENDED that the Schools Forum approve the revised Scheme for Financing Schools.

8 Childcare Sufficiency. (Pages 191 - 196)

Purpose

This report updates the Schools Forum with the local authority progress in meeting the childcare sufficiency duty related to funded 2 year olds.

RECOMMENDED that the Schools Forum:

- 1. Note the progress in expanding the sufficiency of 2 year old places.**
- 2. Endorse the allocation of £51,000 from the Dedicated Schools Grant 2014-15 carry forward to be used to continue the expansion of the 2 year old provision in the city.**

9 Dedicated Schools Grant Budget Monitoring report for the First Quarter 2015 - 2016. (Pages 197 - 200)

Purpose.

To inform the Schools Forum of the projected revenue expenditure within the Dedicated Schools Grant for the current financial year 2015-16. This report sets out the forecast budget position for the year-end as at the end of June 2015.

RECOMMENDED that the Schools Forum notes the forecast year-end budget position as at the end of quarter 1, for the Dedicated Schools Grant, together with the associated explanations, as detailed in section 4 of the report.

10 School Term Dates (Pages 201 - 202)

Mike Stoneman, Strategic Commissioning Manager will present the attached note.

RECOMMENDED that the Schools Forum note the supplementary information.

11 Any Other Business.

Members of the public are now permitted to use both audio visual recording devices and social media during this meeting, on the understanding that it neither disrupts the meeting or records those stating explicitly that they do not wish to be recorded. Guidance on the use of devices at meetings open to the public is available on the Council's website and posters on the wall of the meeting's venue.

Agenda Item 5

SCHOOLS FORUM

MINUTES OF THE MEETING of the Schools Forum held on Wednesday, 15 July 2015 at 4.30 pm in the Civic Offices, Portsmouth

Present

David Jeapes, Head Teacher	Secondary
Jackie Collins, Head Teacher	Primary
Sue Wilson, Head Teacher	Primary
James Humphries	Secondary academy representative
Steven Labedz	Secondary academy representative
Steven Sheehan, Governor	Primary

17. Apologies

Apologies were received from Carole Damper, Margaret Dunford Councillor Ken Ferrett, Colin Galloway Clive Good, Gareth Hughes Bruce Marr, Lee Miller, Councillor Lynne Stagg and Karen Stocks.

18. Declarations of Interest

No interests were declared.

Richard Webb noted that he was still waiting for declaration of interests forms from a number of members.

19. Membership changes.

There had been no changes to the membership.

20. Minutes and matters arising from the last meeting on 25 February 2015.

The Schools Forum agreed the minutes of the meeting held on 25 February 2015.

21. Introduction from the Chair.

The Chair informed members that the meeting was not quorate and therefore the forum would not be able to take decisions.

Richard Webb said that in accordance with the Schools Forum constitution, he would review the membership of members who have not attended three consecutive meetings.

The Chair welcomed everyone to his first meeting as Chair and referred to the letter he had sent to members setting out his aims and objectives. He added that he was pleased that members had agreed in a recent email exchange to set the dates of their head and governing body meetings so that they can feed into the Schools Forum.

22. DSG outturn position 2014-15 and revised budget 2015-16.

Richard Webb, Finance Manager introduced the report.

In response to questions, Catherine Kickham, Early Support Commissioning Manager, Julia Katherine Inclusion Commissioning Manager and Richard Webb clarified the following points:

- SEN provision for year R and pre-school is currently being reviewed to enable future need to be predicted more accurately.
- Working parents in certain income brackets are eligible for two year old placements. According to the January census, 64% have taken up their places. The aim is to increase this to 90%. Portsmouth is ranked 8th out of 19 local authorities in the South East for take-up. Plymouth has the highest take-up: 81%.
- Evidence shows that the higher the qualification of the lead at the childcare centre the better the outcomes for the children.
- The government has not yet provided detailed guidance on the provision for 3-4 year olds which is due to increase from 15 to 30 hours a week.
- The Department for Education issued a Call for Evidence in relation to the cost of providing childcare that closes in August 2015.

The Chair reported that their nursery manager said that a move from 15 to 30 hours for 3-4 year olds has meant that there are fewer places available.

Actions

- The Chair will contact Carole Damper, the early years' provider to request that she seek feedback from her peers on this new initiative for 3-4 year olds.
- Details of the mechanisms for utilising the carry-forward balance be brought to the Schools Forum meeting in October 2015.

The Schools Forum

- 1. Noted the year-end outturn budget position to the DSG at the end of March 2015 and the variance explanations contained within this report.**
 - 2. Endorsed the revised budget for 2015/16 as set out in appendix 1.**
- 23. Maintained school balances as at 31 March 2015.**
- The Chair commented although a number of schools are sitting on hefty balances, he had every confidence that head teachers have plans for them. The Chair also highlighted that the balances of academies are not included within the report.

Richard Webb introduced the report and added that the Cabinet Member for Children & Education considered this report at his meeting yesterday and had expressed concern about the some of the surplus balances. Subsequently he had instructed the Director of Children's Services to communicate with those schools with balances in excess of 20%.

Di Smith, Director of Children's Services clarified that she will seek assurance that the funding is being used effectively to ensure the attainment of current pupils. She added there is a risk that as some schools carry-forward large balances, it might be perceived that all schools do not need as much funding in future.

Sue Wilson reminded the Forum that schools had been contacted before and there was no noticeable difference in balances.

The Chair was mindful that the circumstances of each school are different and high balances might be temporary.

Actions

1. Schools Forum members report back to their head teacher colleagues regarding the concern over the level of balances.
2. Schools that had high balances for a number of years be identified and inform the communication by the Director of Children's Services.

The Schools Forum noted the level of schools' revenue balances and capital balances as at 31 March 2015 as shown in appendices 2 & 3.

24. Childcare Sufficiency

Catherine Kickham introduced the report and in response to questions, clarified the following points:

- The £51,000 referred to within the report originated from trajectory funding.
- There is no one area in the city where take-up is low.
- At the 12 month development check the Health Visitor can identify eligible parents and signpost them to the service.
- Some BME parents do not see the relevance of the 2 year old provision, but when the benefits to their children are explained to them, most take it up.

The Schools Forum

- 1. Noted the progress in expanding the sufficiency of two-year old places.**
- 2. Noted the request for the allocation of £51,000 from the 2014-15 carry forward to be used to continue the expansion of the two year old provision in the city.**

25. School term dates.

Mike Stoneman introduced this report and pointed out the following error in the report:

Page 42 section 5.1 - the headings should read 2016 not 2015.

The Chair informed members that there had been a huge take up of the two week summer school offered to year 1 pupils at Mayfield School. The aim is to target pupils who would benefit the most. Staff do this on a voluntary basis and are given two weeks off in term time.

Sue Wilson explained that her school had asked parents for their views on a possible small change to term dates. The overwhelming response was that they would be happy for that but wanted all schools in the area (including outside Portsmouth) to have the same dates.

The Schools Forum noted the content of the report and feedback to their representative groups, encouraging the continuation of the current process for setting school term times.

26. School funding arrangements 2016-17.

Richard Webb advised members that as yet there was no guidance from the Department for Education regarding the funding formula changes for 2016-17. Officers are however, preparing the base data in preparation for the announcement by the DfE. He will inform members by email if there are any urgent updates.

Alison Egerton explained that there will be two working groups: a joint primary and secondary one and a special one. There are currently vacancies for a special head teacher, a secondary governor and a primary finance officer. Three meetings will be held; a joint one on 17 July at 3pm and then two separate meetings in early September. Feedback from these meetings will be reported to the Schools Forum in October.

The meeting concluded at 5.50pm.

David Jeapes
Chair



Title of meeting: Schools Forum

Date of meeting: 21 October 2015

Subject: School Revenue Funding Arrangements 2016-17

Report from: Di Smith, Interim Director of Children's Services

Report by: Richard Webb, Finance Manager

Wards affected: All Wards

Key decision: No

Full Council decision: No

1. Purpose of report

The purpose of this report is to inform Schools Forum of the progress being made towards the implementation of changes to the school revenue funding arrangements for 2016-17 and to seek endorsement for the first stage of the submission to the Department for Education (DfE) of the 2016-17 budget proforma.

2. Recommendations

It is recommended that Schools Forum:

- a. Endorse the principles proposed by the Working Groups in Appendices 1 and 2 to guide and inform the funding arrangements for 2016-17.
- b. Endorse, that following confirmation of the 2016-17 Dedicated Schools Grant (DSG), officers will amend the unit values to minimise the impact of fluctuations in funding at the school level and to maintain overall affordability. In order to provide schools with some certainty, where possible any changes will be limited to the following formula factors:
 - Basic Per Pupil Entitlement
 - Prior attainment
 - Lump Sum
 - The percentage of the financial cap
- c. Endorse the proposed changes to the mainstream funding formula factors, together with the choices that the Council has made in implementing these factors locally, as detailed at paragraph 4.6.

- d. Endorse the submission of the draft proforma to the DfE as the first stage of the 2016-17 school revenue funding formula process.
- e. Agree by phase, (maintained primary and secondary schools) to the de-delegation of the following budgets for central administration in 2016-17.

Expenditure Item	De-Delegation Proposed	
	Primary	Secondary
Administration of free school meals eligibility	Yes	Yes
Licences	Yes	Yes
Special Staff Costs: Union Duties only.	Yes	Yes
Schools Contingency Fund	Yes	Yes
Behaviour Support	Yes	No
Museum & Library Services	Yes	No

- f. Endorse the proposed Growth Fund criteria for 2016-17 as set out in Section 5 of the attached consultation document.
- g. Note that subject to the guidance awaited from the DfE and the results of the work being undertaken by the Inclusion Commissioning Manager the Authority is not proposing to make changes to High Needs place numbers or Element 3 Top-up funding for Special Schools, Resource Units and Alternative Provision settings for 2016-17.
- h. Endorse the MFG exemptions submitted to the DfE by the required deadline of 30 September 2015 as set out in paragraph 5.3.

3. Background

- 3.1. Following the publication of the 'school revenue funding 2016 to 2017 - operational guidance' by the DfE on 16 July 2015; a detailed review of the guidance identified the following:
 - The schools block per pupil unit of funding in 2016-17 will be maintained the same value as in 2015-16.
 - The early years per pupil unit of funding and the High Needs block funding for 2016-17 will be confirmed after the spending review.
 - That there were no prescribed changes to the mainstream funding factors.
 - The DfE had updated their guidance regarding the use of the Growth Fund in relation to meeting basic need.
 - The guidance regarding the high needs funding arrangements for 2016-17 will be issued in September 2015, but that

authorities should work on the principle that the allocation of high needs place funding will remain the same as in 2015-16.

- 3.2. Following receipt of the guidance, Officers met with the Schools' Funding Working Groups, (Mainstream Group and the Special School Group) where both groups agreed the respective 2016-17 working group principles as set out in Appendices 1 and 2.
- 3.3. The Mainstream Working Group agreed to the financial modelling of the continued reduction of the Primary Lump sum to support amalgamations in 2016-17 and a review of the Growth Fund criteria to ensure that it continues to meet the DfE requirements and the needs of schools in Portsmouth. The results of the proposals are set out in Section 4 of the consultation document.
- 3.4. As the guidance regarding the High Needs funding has yet to be issued, it was proposed to meet with the High Needs Working Group after the issue of the High Needs funding Guidance in September 2015 if required.
- 3.5. This report updates Schools Forum on the outcome of financial modelling and subsequent consultation on the proposed formula changes with schools and the submission of the return to the DfE on the factors for inclusion in the 2016-17 funding formula.

4. Consultation

- 4.1. The consultation with maintained schools and Academies in Portsmouth was issued on the 4 September 2015 and closed on the 25 September 2015. The consultation was issued to Head Teachers, School Finance Officers and Chairs of Governors. A copy of the consultation document is attached at Appendices 3 and 4.
- 4.2. In addition to the consultation document, schools were also provided with a spreadsheet which demonstrated the financial effects of the proposals on the funding formula for their individual schools. The spreadsheet utilised the pupil data as per the October 2014 census and reflected the impact of the changes in:
 - school organisation, including primary amalgamations, academies and all through schools
 - the reduction of the primary lump sum
 - the adjustment to the basic entitlement per pupil to reflect the reduction of the lump sum.
- 4.3. A copy of the provisional proforma return that we are required to submit to the DfE by the 31 October 2015 is attached at Appendix 5.

- 4.4. Schools Forum is advised that at this point in the implementation process the Council is not consulting on the final unit values for 2016-17, but rather the principles and factors that it intends to apply in implementing the funding formula arrangements for 2016-17. Depending on the final DSG that the Council is allocated for 2016-17, together with changes in pupil characteristics and the growing pressures in respect of High Needs, it may be necessary to amend the unit values to maintain overall affordability. In order to provide schools with some certainty, any changes will be limited to the following formula factors:
- Basic Per Pupil Entitlement
 - Prior attainment
 - Lump Sum
 - The percentage of the financial cap
- 4.5. Of the 63 Portsmouth schools and Academies, 16 schools replied to the consultation. Of those who replied 15 agreed with the proposal to reduce the Lump Sum and 14 agreed with the proposed change in the Growth Fund criteria. A breakdown of the responses is included in Appendix 6.
- 4.6. The proposals for changes to the mainstream funding factors for 2016-17 are summarised below:
- **Lump Sum**
To support the amalgamation of primary schools as set out in the consultation document, it is proposed to reduce the primary lump sum to £115,000 for 2016-17 and transfer the funding released to the primary 'per pupil entitlement' factor. It is proposed to continue to reduce the primary lump sum on an annual basis by an amount which minimises the impact on individual schools' funding and the amount of Minimum Funding Guarantee (MFG) payable.
- 4.7. Other funding arrangements
- **Growth Fund**
The current Growth Fund criteria was reviewed against the updated guidance issued by the DfE, whilst the current fund met the DfE criteria, it required schools to wait two years before they received funding for any growth in the Published Admission Number (PAN). It is proposed to implement the new Growth Fund and revised criteria (subject to DfE approval) from 1 November 2015, Section 5 and Appendix 2 of the attached consultation document set out the details.
- 4.8. Following the closure of the consultation, if any questions are raised with regards to any of the proposals, a response will be provided at the meeting.

5. Next Steps

- 5.1. Officers are continuing to work with Special Schools to agree the number of places and top up funding requirements for 2016-17. The authority is still awaiting High Needs Funding information from the Education Funding Agency for 2016-17. However initial information received in July 2015 indicates that they are not proposing to change the current agreed place numbers with Special Schools, Resourced Units and Alternative Provision settings, but they will allow authorities the flexibility to agree numbers locally.
- 5.2. Subject to the guidance awaited from the DfE and the results of the work being undertaken by the Inclusion Commissioning Manager the Authority is not proposing to make any changes to place numbers or Element 3 Top-up funding for 2016-17.
- 5.3. The authority has submitted a number of disapplication of MFG for the items listed below. At the time of writing this report we have received approval for all but the central expenditure item below, for which we are still awaiting a response.

- **Variation of pupil numbers**

Mayfield School - to increase the pupil numbers to include the September 2016 primary cohort as part of the continuing conversion from a secondary school to an all-through school. This request has been agreed by the DfE in previous years and is expected to be approved for 2016-17.

Prior Year adjustment to resource unit numbers - following a minor error in the 2015-16 budget share, a request to adjust the pupil numbers of 5 schools to enable the correct calculation of the 2016-17 budget and MFG.

- **Minimum Funding Guarantee exemptions**

Additional funding to schools - Subject to the 2016-17 Dedicated Schools Grant allocation the authority is considering passing a proportion of the 2014-15 carry forward back to schools. However this will be a one-off allocation of funding and will artificially inflate the 2016-17 per pupil MFG rate, which could put pressure on the 2017-18 funding formula. The authority has requested to dis-apply any additional funding from the MFG calculation.

Mayfield School - Primary pupils are funded at a different basic per pupil entitlement to secondary pupils, therefore as the primary school grows, each year, the additional primary pupils will artificially reduce the per pupil rate in the MFG calculation. We are asking to exclude

the September 2016 pupils from the 2016-17 MFG calculation so that the school is not over protected.

- **Central Expenditure**

Special educational needs (SEN) transport costs - The Education Service budget is required to make a £1.1m saving over two years, in order for the Council to continue to provide an effective service, it is seeking support from the DSG to fund a proportion of the SEN home to school transport costs. The regulations require the authority to seek Secretary of State approval as the DSG has not previously been used to fund this budget. The amounts proposed are £300,000 for 2016-17 and £500,000 in 2017-18.

6. Reasons for recommendations

Following the publication of the DfE Guidance 'school revenue funding 2016 to 2017 - operational guidance' in July 2015, the Local Authority has been working closely with the Schools Funding Working Groups. The Working Groups have provided advice and guidance on the proposed changes to the funding formula regarding the implications to schools, which have informed the proposals within the attached consultation document.

7. Equality impact assessment (EIA)

This report does not require an Equality Impact Assessment as the proposal does not have any impact upon a particular equalities group.

8. Legal comments

There are no legal implications arising from the recommendations in this report.

9. Director of Finance's comments

Financial comments have been included within the body of this report.

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Signed by: Di Smith, Interim Director of Children's Services

Appendices:

1. Mainstream Working Group Principles - 2016-17
2. Special School Working Group Principles - 2016-17

3. 2016-17 - Funding Formula Consultation Document
4. 2016-17 - Consultation indicative budget shares
5. DfE Funding Proforma - 1st Stage Submission
6. Consultation responses 2016-17

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Schools revenue funding 2016 to 2017 operational guide, July 2015	https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/445686/Schools_revenue_funding_2016_to_2017_operational_guide_publication_version_final.pdf
Financial Modelling using the Education Funding Agency Authority Proforma Tool.	Held by Portsmouth City Council Children's Finance Team

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

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**School Funding Reform 2016-17
Mainstream Schools
Principles for agreement by Schools Forum**

1. The Department of Education have advised that the schools block per pupil unit of funding will remain the same as in 2015-16.
2. The Department of Education have advised that all primary & secondary schools will continue receive protected funding levels at minus 1.5% per pupil for 2016-17.
3. For modelling purposes funding for each phase should remain in same proportion / percentage of overall funding as in 2015-16.
4. Ceilings on gains will continue to be imposed to allow for overall affordability (the final percentage level will need to be determined following the funding and data set announcements in December 2015). We will continue to use the current ceiling of 1.5% for modelling purposes.
5. We will seek to minimise the MFG and fluctuations in funding for schools.
6. Results of financial modelling will be shared with working groups and Schools Forum at a high level only (e.g. X schools lose more than £a or b%, Y schools gain more than £c or d%) to ensure that further proposals are informed by principles.
7. The formula factors for primary and secondary schools for 2016-17 will continue to be applied as they were in 2015-16. Any amendments to the formula factors for 2016-17 will only be considered where necessary following the announcement for the funding arrangements for 2016-17 by the Department of Education.
8. Funding values for specific agreed factors will only be adjusted to ensure overall affordability with the exception of the lump sum, see 9 below.
9. The Primary lump sum will continue to be reduced to support amalgamations, with the equivalent funding being allocated through the other formula factors.
10. Members of the working group will be expected to seek views and input from their phases and to ensure their colleagues are aware of any consultations issued by the Local Authority in respect of school funding.

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**School Funding Reform 2016-17
Special Schools
Principles for agreement by Schools Forum**

Note

At this stage we are still awaiting the outcomes from the response to the call for evidence from the Department for Education, when we have details about any proposed changes we will review the working group principles to reflect any changes. At this stage we will keep the principles at the status quo.

Principles

1. That the funding supports an inclusive ethos, where pupils' special educational needs across all phases of education will ordinarily be met in their local mainstream school, or through the continuum of locally maintained / funded provision including mainstream nurseries and schools, resourced provisions and units and special schools, rather than an expectation of relying on special school provision. Early years settings, schools and colleges will deliver high quality provision through their skilled staff, supported where necessary by specialists and experts
2. The Local Authority and Special schools continue to work together to seek to provide sufficient funding to special schools whilst recognising that the funding is cash flat and we need to establish a sustainable solution.
3. The authority will work with each Special School to agree the number of commissioned places for the academic year 2016-17.
4. For 2016-17 we are not intending to alter the Element 3 Top-up funding model or band values (of bands A-H).
5. Members of the working group will be expected to seek views and input from schools not represented at the working group and to ensure their colleagues are aware of any consultations issued by the Local Authority in respect of school funding.

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2016-17 School Funding Formula

Consultation



Funding Formula Consultation 2016-17

Contents

1. Introduction & Background
2. Early Years Funding Formula
3. Mainstream Schools Funding Formula
4. High Needs
5. Growth Fund
6. Responding to the Consultation

1 Introduction & Background

- 1.1. In April 2013 the Department for Education introduced the fair funding formula which sought to standardise the method of allocating funding to schools across the country. This was a first step in a two year transitional process towards a national fair funding formula that was intended to be introduced from the financial year 2015-16.
- 1.2. In March 2014 the Department for Education confirmed that the national fair funding formula had been delayed until a later date (i.e. after 2015-16) when multi-year budgets would be available to provide certainty. However the Authority has not received any further notification from the Department for with regards to a national fair funding formula and therefore the current arrangements remain in place.
- 1.3. The Department for Education (DfE) have confirmed that the level of funding per pupil for 2016-17 that the Council receives for Mainstream Schools will remain at the 2015-16 per pupil levels (i.e. the same level since 2011-12).
- 1.4. The level of funding for both Early Years and High Needs will be agreed by the Department for Education after the Autumn spending review. However it is understood that the Early Years funding will continue to be based on participation and the High Needs funding will continue to remain at the same level for 2015-16.
- 1.5. Therefore there is no additional funding from the DfE to allocate out to schools and similar settings for 2016-17.
- 1.6. Each year the Council is required to consult on any proposed changes to the Early Years and School Funding Formula. The purpose of this consultation document is therefore to set out the changes Portsmouth City Council intends to make to the Funding Formula in implementing the revenue funding arrangements for 2016-17; and to seek your views on these proposals.
- 1.7. As in previous years, Schools Forum agreed to the creation of funding working groups (see Appendix 1) to help inform the proposed changes to the funding arrangements for 2016-17. Two groups were established (one for mainstream schools and the other for Special Schools) and they met during July and September 2015 to help inform and guide the majority of proposals contained within this document.

2. Early Years Funding Formula

- 2.1. No changes are currently proposed to the Early Years funding formula for 2,3 or 4 year olds.

3. Mainstream Schools Funding Formula

Introduction

- 3.1. The DfE have confirmed that there will no significant changes to the school revenue funding formula for Primary and Secondary schools in 2016-17. Therefore the proposals that we are consulting on will be limited to the following areas:

- To continue to review the reduction of the Primary Lump Sum with working group to support schools amalgamating; and
- The need to maintain overall affordability.

Lump Sum

- 3.2. Following the reduction of the Lump Sum in 2015-16 to support the amalgamation process, the authority proposed the continued reduction of the Lump Sum for 2016-17 and in future years. The working group agreed that financial modelling be completed to identify an appropriate level of reduction in the Lump Sum for 2016-17.
- 3.3. The following Lump Sums were modelled for primary schools and presented to the working Group at the meeting on 2 September:
- A lump of £110,000 (reduction of £20,000)
 - A lump sum of £115,000 (reduction of £15,000)
 - A lump sum £120,000 (reduction of £10,000).
- 3.4. Any funds released through the reduction of the current Lump Sum amount will be reallocated to schools via the basic per pupil entitlement, thus increasing the amount each school would get per pupil on roll.

3.5. The table below sets out the comparison of the 3 options modelled.

Options	Per pupil amount added to basic entitlement	Overall impact on DSG funding	Number of schools with a decrease	Number of schools with an increase
	£	£	£	£
£110,000	62.97	59,922	14	35
£115,000	47.23	45,679	14	35
£120,000	31.49	31,436	14	35

3.6. Whilst the overall numbers of schools who lost and gained funding under each of the options remained the same, the degree of the loss/gain varied considerably, the paragraphs below set out the impact on those schools that lose funding in more detail.

3.7. The reduction of £20,000 to a Lump Sum of £110,000 will create a decrease in funding for 14 schools, three of which will receive a decrease in funding of more than 1% of their total budget, amounting to £8,854 per school. The remaining 11 schools will see a decrease in funding of between £164 and £4,698. It was felt that a reduction in funding of over 1% was not acceptable for these schools and therefore the option was rejected.

3.8. The reduction of £10,000 to a Lump Sum of £120,000 also created a decrease in funding for 14 schools, again 3 schools will receive a decrease of £4,426 per school, a reduction of just over 0.5% of their school budget. The remaining 11 schools see a reduction of between 0% and 0.5% with the reduction ranging between £48 and £2,348. Whilst the working group felt that this option had a minimal impact on schools, it was thought that a reduction of £10,000 was not substantial enough to make an impact on amalgamation decisions.

3.9. The option preferred by the working group, was a reduction in the Lump Sum of £15,000 to £115,000. Again this saw a reduction in funding to 3 schools of just over 0.8% of their budget share with a financial impact of £6,640. The remaining 11 schools all saw a reduction between £123 and £3,523. This option was felt to offer the largest reduction in the Lump Sum with the financial impact on schools being under a 1% reduction in their budget.

3.10. Therefore we are proposing to reduce the Primary Lump Sum amount to £115,000 in 2016-17 and to allocate the funding removed from this factor through the 'Basic per Pupil Entitlement' factor.

3.11. No changes are proposed to the Secondary Lump Sum.

MFG & Capping

- 3.12. The Minimum Funding Guarantee (MFG) for primary and secondary schools will remain at minus 1.5% for 2016-17.
- 3.13. We have not received any confirmation that the MFG mechanism will continue to remain in place after 2016-17 onwards.
- 3.14. The capping mechanism will also be retained again in 2016-17. As part of setting the budget for 2016-17 it will be necessary to re-determine the level at which the capping on the gains will be applied. For the purposes of consulting with schools, the indicative budgets have assumed that the cap remains at plus 1.5%.

Budget Share Financial Modelling

- 3.15. An indicative 'budget share' spread sheet has been prepared to accompany this document which will provide you with an understanding of the impact of these proposals on your schools funding allocation. The indicative budget share allocation is calculated using the October 2014 pupil data provided by the DfE and includes any adjustments to resource unit pupil numbers from 2015-16 and the proposal to reduce the Lump Sum to £115,000.

The following points should be noted:

- The comparison to the current 2015-16 budget share is shown before the de-delegation of any centrally held funding.
- The final budget share for 2016-17 may differ as a result of the change in pupil numbers and characteristics and will be based on the October 2015 pupil census.
- The budget share excludes any funding for resourced units or early years nursery provision.
- The budget share includes changes relating to the National Non Domestic Rates corrections for 2015-16 payments and adjustments relating to schools that have converted or are expected to convert to Academy status.
- Changes to pupil numbers to reflect the third year (September 2016 cohort) of Mayfield School becoming an all-through school
- The removal of the Lump Sum protection in 2015-16 for those schools which amalgamated during 2014-15.

- Any adjustments for to corrections to pupil numbers for 2015-16 budget share relating to resourced units
- The removal of any prior year adjustments paid in 2015-16.

3.16. Those schools who received notification in March 2015 of the corrections required to their pupil numbers at resource units will get a separate breakdown explaining the variation.

Maintaining Overall Affordability

3.17. In setting the final budget for 2016-17 for Primary and Secondary schools, updated pupil data based on the October 2015 census will be provided by the DfE. As a result of the change in pupil numbers and pupil characteristics and growing pressures in the High Needs budgets, it may be necessary to amend the final unit values attached to the funding formula factors, in order to maintain overall affordability within the Dedicated Schools Grant.

3.18. In order to provide schools with some certainty, it is proposed that any changes to the unit values attached to funding factors will be limited to the following formula factors:

- Basic Per Pupil Entitlement
- Prior Attainment
- Lump sum
- Percentage of the financial cap

De-Delegated Budgets

3.19. In setting the budget for 2015-16, Schools Forum agreed to de-delegate the following budgets to central control as shown in the table below.

Current De-Delegation Arrangements:

Expenditure Item	De-delegation for 2015-16
Administration of free school meals eligibility	De-delegate from maintained primary & secondary schools.
Licences	De-delegate from maintained primary & secondary schools.
Special Staff Costs: Union Duties.	De-delegate union duties from maintained primary & secondary schools.
Behaviour Support	De-Delegate from maintained primary schools only.

Expenditure Item	De-delegation for 2015-16
Museum & Library Services	De-delegate from maintained primary schools only
Schools Contingency Fund	De-delegate from maintained primary & secondary schools.

3.20. It is proposed that the 2016-17 De-delegation arrangements will be as per the table above.

3.21. The final de-delegation rates and the method of calculation will be set after the receipt of the October 2015 census data set and will be taken to the January 2016 Schools Forum for approval.

4. High Needs

Resourced Units

- 4.1. The place funding for resourced units will remain at £10,000 per place. There are currently no proposals to amend the resourced unit top-up rates for 2015-16.

Special Schools

- 4.2. The place funding for Special Schools will remain at £10,000 per place.
- 4.3. The Council's 'SEND Team' will be in discussion with each of the schools to confirm the number of places required for September 2016.
- 4.4. The Element 3 top-up funding will continue to be provided in accordance to the level of need of the pupil via the A-H banding mechanism, for which the values are unique to each school. The current legislation provides protection for the top-up funding at minus 1.5% per pupil. For 2016-17 it is currently proposed that the top-up rates will remain at the 2015-16 levels.

Alternative Provision

- 4.5. The place funding for Alternative Provision (AP) places will remain at £10,000 per place.
- 4.6. It is not proposed to change the Element 3 Top up rate for Local Authority commissioned places in 2016-17.

5. Growth Fund

- 5.1. Although not part of the Funding Formula the Growth Fund forms part of the overall funding available to schools. The guidance issued by the DfE in July 2015¹ has clarified the use of the Growth Fund, which can only be used for the following circumstances:
- Provision of extra pre 16 places to meet basic need
 - To meet the start-up costs of new maintained schools and recoupment academies where the school is opening in response to basic need
- 5.2. Whilst the current Growth fund criteria meets the revised criteria, in that only those schools who have experienced an increase in the Published Admission Number (PAN) are eligible. It requires schools to have seen the growth in pupil numbers for at least two years before they are eligible for the funding.
- 5.3. Over recent years the authority has been working with schools to increase the number of primary school places available in the city to meet the increasing primary population. Discussions with the Strategic Commissioning Manager and schools who are going through this period of change have indicated that funding received at the time the additional places come on line, would be more supportive of effective budget management than two years down the line.
- 5.4. To ensure that the Growth Fund supports the expanding schools, we have completed a review of the Model currently in use.
- 5.5. We have considered Growth Fund Models used by other local authorities and financial modelling has been undertaken to assess the affordability and impact of the different Models. The options considered included:

Ealing Model:

- a lump sum of £60,000 for Primary and £75,000 for secondary schools for each full form of entry (prorated for a 0.5 form entry).

Solihull Model

- An allocation based on the teacher element of the Age Weighted Pupil Unit paid per pupil

¹ Schools revenue funding 2016 to 2017, operational guide, July 2015

Staffordshire Model

A lump sum (prorated for a 0.5 FTE entry) which is the equivalent to:

- 7/12ths salary cost of a 1 FTE teacher (Main Scale 6)
- 7/12ths salary cost of a 0.5 Term time only teaching assistant (Grade 4)
- £3,000 towards the cost of resources and materials

- 5.6. Each of the options were modelled as if they were implemented in 2015-16 and compared to the funding anticipated to be provided via the current Growth fund model.
- 5.7. Based on the schools that would have been eligible for funding under these models, both the Ealing and Solihull models were unaffordable, with costs of between £383,500 and £480,000, in excess of the current 2015-16, £365,000 budget. The Staffordshire Model is affordable within the current budget and provides funding to 11 eligible Schools, compared to an estimated 3 schools under Portsmouth's current model.
- 5.8. The results of the financial modelling were presented to the Mainstream Working Group on 2 September 2015 and following discussion they supported the proposal for the implementation of the Staffordshire model as this was both affordable and provided surety for schools.
- 5.9. Appendix 2 sets out the new proposed criteria for 2016-17.
- 5.10. As a number of schools have increased their PAN from September 2015-16, it is being proposed that Schools Forum adopt this new model in November 2015 subject to approval from the Department for Education, in addition to the current criteria until March 2016. Where schools are eligible under both the current criteria and the new criteria, the new criteria will apply unless the amount is lower than the funding the school would have received under the current criteria in which case that would apply.
- 5.11. There are no proposed changes to the "Increasing Age Range" criteria of the current Growth Fund. Where schools are eligible for Growth funding under the increasing age element they will not be eligible under the increasing PAN. As they will receive funding for the increase in pupils for the period September to April as part of the Funding Formula.

6. Responding to the Consultation

- 6.1. A consultation response is attached at Appendix 3 for schools to complete. The consultation will close on the Friday 25th September 2015.

- 6.2. Please send your completed response forms to schoolsfinancialsupport@portsmouthcc.gov.uk
- 6.3. The responses to this consultation will be reported to Schools Forum meeting in October.

Funding Working Groups Membership

1. Mainstream Working Group

	Mainstream	
	Primary	Secondary
Head Teacher	Polly Honeychurch (Cottage Grove)	Simon Graham (St Edmunds)
Governor	Marie Roberts (Corpus Christie/ St Pauls)	Vacant
Finance	Jane Hayward (St Swithuns)	Matt Shires (Mayfield)
Academy	Rebecca Suffolk (Lyndhurst Primary?)	Lee Miller (Portsmouth Academy for Girls)

2. Special Working Group

	Special
Head Teacher	No representative
Governor	Jim Tolley (Willows)
Finance	Richard McCormack (Harbour)
Academy	Alison Beane (Mary Rose)
SEN Representatives	Julia Katherine (Inclusion Commissioning Manager) Troy Hobbs (Team Manager)

Exceptional Growth Fund- 2016-17

Applies to: Maintained schools and Academies

Increasing Published Admission Number.

Criteria

Funding will be allocated to those schools who meet the following criteria within 4 weeks of the following:

- Approval of the change in published Admission Number (PAN) by the Cabinet Member for Children and Education, if the increase will be implemented in the current financial year; or
- The start of the financial year in which the increase in the PAN is implemented.

'Growth funding will be allocated to schools where:

- *The Council carries out a formal consultation and approves to increase the capacity of a school*
- *A school or academy carries out a formal consultation at either the request of the council or is supported by the Council*
- *The Council requests a school/academy to increase their PAN to meet localised demand*
- *A school or academy admits a **significant** increase in pupils to meet demand from new housing developments at the request of the Council.*

In setting the criteria, 'significant' has been defined as follows:

- 'Significant'** – Where the increase in the number on roll exceeds 10 pupils and this equates to 5% or more of the total number of pupils on roll.*

Methodology

The allocation from the growth fund to schools', who meet the above criteria, for a full form entry of 30 pupils, will be equal to:

- 7/12th salary cost of a 1 FTE teacher (main scale 6)
- 7/12th salary cost of 0.5 term time only teaching assistant (band 4 point 15)
- £3,000 towards the cost of resources and materials

For payments made between 1 April and 31 August, the salary payment will be based on the salary scale in use as at 1 April of the financial year in which the payment is made.

For payments made between 1 September and 31 March, the salary payment will be based on the salary scale in use as at 1 September of the financial year in which the payment is made.

Where any pay awards have not been decided at the time of the payment, payment will be made on the basis of the pay tables that are in use at the time. There will be no back dated payment if a subsequent pay award is agreed at a later date and backdated.

Funding will be pro-rated for part form entry.

A payment will be made for each year that the school is growing until, the earliest of the following:

- The school reaches full capacity attributable to the increase in PAN approved by the Cabinet Member for Children and Education
- The Growth Fund criteria changes due to affordability
- There is a change in the funding formula as directed from the Education Funding Agency.

No allocation will be made to a school or academy where the school or academy:

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

Funding is not retrospective and will only be implemented from 1 September 2015.

'Funding will not be allocated from this fund to a school which has received additional funding in the year, through its budget share, as a result of an agreed variation in its pupil numbers.'

'Where schools are eligible under both the current criteria and the new criteria, the new criteria will apply unless the amount is lower than the funding the school would have received under the current criteria in which case the current criteria would apply until March 2016.'

For example – primary school

School has been requested by the Local Authority to increase the PAN from a 1½ form entry to a two form entry from September 2016, this was approved by the Cabinet Member for Children and Education in October 2015.

Whilst the increase was agreed in 2015-16, the payment will be made in financial year 2016-17 as this is the year in which the changes come into effect.

The increase in PAN is for half a form entry of 15 pupils therefore the payment will be pro-rated by 0.5.

7/12th salary cost of a 1 FTE teacher (main scale 6)
 $£39,835/12 \times 7 = £23,237$

7/12Th salary cost of 0.5 FTE teaching assistant (band 4 point 15)
 $(£16,488/52 \times 46.9 \times 0.5)/12 \times 7 = £5,088$

£3,000 towards the cost of resources and materials

Total = $£31,325 \times 0.5$ = Total payment to school £15,662.50

Questions:

Funding Formula Proposals			
1	Do you agree with the decision to reduce the Primary lump sum to £115,000 in respect of the lump sum factor?	Y	N
Please add any further comments			
2	Do you have any other comments in respect of the mainstream funding formula?	Y	N
Please add any further comments			
Other Areas			
3	Do you agree with the proposals in respect of the Growth Fund?	Y	N
Please add any further comments			

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2016-17 Funding Formula Consutation

Estimated Primary and Secondary Budget Shares 2016-17

Schools who have converted or expected to convert to Academy status by 10th January 2016 are shown as Academies

Schools amalgamated during 2015-16 - The budget shares of the Infant and Junior schools have been combined to provide the 2016-17 budget share

The 2016-17 budget shares include adjustments for - the removal of the 2015-16 lump sum protection for amalgamated schools and any adjustments associated with Resource units (those schools affected have already been contacted)

All calculations have been based on the October 2014 Census

LAESTAB	School Name	2015-16		Basic Entitlement						NDR Rates			2016-17										EFA Approved Prior Year adjustments	Notinal SEN
		Number on Roll - October 2014 Census	Post MFG 2015-16 Budget Share (before de- legation)	Primary	Secondary	Total Deprivation	English as a Second Language	LAC	Low Attainment	Lump Sum	NDR Rates adjustment 2015-16	2016-17 NDR Rates	Rates	PFI	Total Allocation Before MFG or CAP	16-17 MFG Budget	16-17 MFG Adjustment	16-17 Post MFG Budget	Variation to 2015- 16 Budget	Percentage variation to 2016 17 budget				
£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£					
8512005	Arundel Court Primary School	507	2,575,543	1,412,700	0	779,221	28,954	17,240	112,162	115,000	0	25,883	25,883	0	2,491,159	2,350,277	47,768	2,538,928	(36,616)	(1.42)		358,612		
8512006	Milton Park Primary School	378	1,660,597	1,053,255	0	195,463	12,204	0	99,666	115,000	0	27,608	27,608	0	1,453,489	1,360,588	0	1,453,489	(207,108)	(12.47)	(49,707)	200,519		
8512008	Copnor Primary	685	2,376,750	1,908,677	0	139,954	10,328	0	90,243	115,000	0	39,317	39,317	0	2,303,519	2,149,202	0	2,303,519	(73,231)	(3.08)		231,418		
8512637	Goldsmith Infant School	178	763,634	495,977	0	103,003	17,499	2,859	51,995	115,000	(31)	7,320	7,290	0	793,623	671,334	(16,287)	777,336	13,702	1.79		103,390		
8512644	Court Lane Junior School	477	1,534,278	1,329,108	0	55,102	6,470	0	14,957	115,000	0	27,855	27,855	0	1,548,491	1,405,637	0	1,548,491	14,213	0.93		105,236		
8512645	Meredith Infant School	265	1,065,608	738,393	0	164,446	16,423	0	79,594	115,000	7,320	18,166	25,486	0	1,139,342	998,856	(43,358)	1,095,984	30,375	2.85		155,926		
8512648	Devonshire Infant School	177	806,083	493,191	0	111,864	11,897	0	64,399	115,000	0	10,476	10,476	0	806,827	681,351	0	806,827	744	0.09		115,887		
8512653	College Park Infant School	361	1,262,206	1,005,887	0	66,850	4,325	0	92,772	115,000	0	18,118	18,118	0	1,302,953	1,169,835	(23,343)	1,279,609	17,403	1.38		166,091		
8512654	Meon Infant School	180	731,296	501,550	0	51,048	7,009	0	55,966	115,000	0	12,695	12,695	0	743,268	615,574	(11,910)	731,358	62	0.01		96,080		
8512658	Northern Parade Junior School	335	1,248,937	933,441	0	139,056	5,297	8,773	15,116	115,000	0	14,544	14,544	0	1,212,032	1,101,682	0	1,212,032	(36,905)	(2.95)	(19,194)	102,399		
8512659	Northern Parade Infant School	269	1,026,883	749,539	0	110,782	9,287	0	55,107	115,000	0	11,339	11,339	0	1,051,054	924,715	(8,346)	1,042,708	15,825	1.54		121,683		
8512665	CUMBERLAND INFANT SCHOOL	177	764,772	493,191	0	90,077	12,387	0	42,058	115,000	(27)	6,360	6,334	0	759,046	637,712	0	759,046	(5,726)	(0.75)		89,341		
8512666	Solent Junior School	363	1,189,702	1,011,460	0	13,134	2,157	0	6,868	115,000	0	18,364	18,364	0	1,166,982	1,033,618	6,875	1,173,857	(15,845)	(1.33)		69,896		
8512670	WESTOVER PRIMARY SCHOOL	333	1,150,605	927,868	0	32,731	3,889	0	53,480	115,000	0	18,364	18,364	0	1,151,333	1,017,969	0	1,151,333	728	0.06		115,333		
8512673	Medina Primary School	205	941,959	571,210	0	178,796	416	0	44,038	115,000	0	18,364	18,364	0	927,825	794,461	5,877	933,702	(8,257)	(0.88)		113,503		
8512674	Highbury Primary School	336	1,310,280	936,227	0	163,342	7,934	0	61,754	115,000	0	22,801	22,801	0	1,307,059	1,169,257	0	1,307,059	(3,221)	(0.25)		149,746		
8512677	Court Lane Infant School	360	1,264,414	1,003,100	0	35,891	11,323	0	77,700	115,000	0	27,855	27,855	0	1,270,869	1,128,014	0	1,270,869	6,454	0.51		144,824		
8512679	Solent Infant School	269	973,116	749,539	0	9,345	4,297	0	65,247	115,000	0	29,827	29,827	0	973,256	828,429	0	973,256	139	0.01		111,986		
8512680	Southsea Infant School	177	777,566	493,191	0	68,041	20,359	0	38,203	115,000	0	10,723	10,723	0	718,175	619,794	0	718,175	(59,391)	(7.64)	(27,342)	81,129		
8512689	Cottage Grove Primary School	372	1,761,058	1,036,537	0	452,901	49,445	11,849	75,588	115,000	226	21,290	21,516	0	1,762,837	1,626,320	0	1,762,837	1,778	0.10		232,619		
8512694	LANGSTONE INFANT	292	1,097,518	813,626	0	122,208	8,922	0	93,381	115,000	0	17,009	17,009	0	1,170,145	1,038,137	(58,145)	1,112,000	14,483	1.32		166,159		
8512697	Penhale Infant School	232	1,031,231	646,442	0	235,927	22,091	0	72,034	115,000	0	9,244	9,244	0	1,100,737	976,494	(53,443)	1,047,294	16,062	1.56		157,208		
8512698	Stamshaw Infant School	255	1,050,883	710,529	0	178,479	11,457	0	62,514	115,000	0	11,586	11,586	0	1,089,565	962,980	(24,817)	1,064,748	13,864	1.32		140,086		
8512699	Wimborne Infant School	208	786,130	579,569	0	81,866	7,095	0	60,879	115,000	0	9,983	9,983	0	854,391	729,408	(59,178)	795,214	9,083	1.16		111,750		
8512700	Langstone Junior School	328	1,202,633	913,936	0	127,641	1,797	0	25,031	115,000	0	19,720	19,720	0	1,203,124	1,068,404	0	1,203,124	491	0.04		104,400		
8512705	Wimborne Junior School	348	1,271,833	969,664	0	146,134	3,235	6,133	17,273	115,000	0	16,392	16,392	0	1,273,831	1,142,439	0	1,273,831	1,998	0.16		106,855		
8512709	Moorings Way Infant School	126	565,739	351,085	0	53,463	5,523	0	46,620	115,000	(28)	6,600	6,573	0	578,264	456,691	(4,968)	573,295	7,557	1.34		78,155		
8512714	Fernhurst Junior School	347	1,373,279	966,877	0	250,874	11,862	0	34,446	115,000	(11)	18,711	18,699	0	1,397,758	1,264,059	(1,276)	1,396,482	23,203	1.69		141,463		
8512715	Meon Junior School	333	1,187,581	927,868	0	117,308	2,876	0	13,732	115,000	0	14,174	14,174	0	1,190,957	1,061,783	0	1,190,957	3,376	0.28		92,114		
8512716	Craneswater Junior School	353	1,304,582	983,596	0	152,242	10,784	8,362	24,262	115,000	0	17,625	17,625	0	1,311,870	1,179,245	0	1,311,870	7,288	0.56		117,038		
8512719	Manor Infant School	243	1,038,519	677,093	0	222,990	18,089	2,777	90,483	115,000	0	24,034	24,034	0	1,150,466	1,011,432	(96,744)	1,053,721	15,202	1.46		176,203		
8512765	Portsdown Primary School and Children's Centre	329	1,566,270	916,722	0	333,522	7,054	0	71,402	115,000	0	16,392	16,392	0	1,460,093	1,328,701	86,013	1,546,106	(20,164)	(1.29)		191,583		
8513212	St Jude's C.E. Primary	401	1,571,743	1,117,342	0	235,889	26,973	2,797	59,428	115,000	0	18,734	18,734	0	1,576,164	1,442,430	0	1,576,164	4,421	0.28		174,275		
8513214	St George's Beneficial Primary School	256	1,334,258	713,316	0	388,346	18,753	6,073	58,404	115,000	6,293	19,104	25,396	0	1,325,287	1,184,891	11,017	1,336,304	2,046	0.15		180,739		
8513420	Corpus Christi Catholic Primary School	314	1,158,630	874,926	0	158,093	19,301	0	47,360	115,000	0	5,029	5,029	0	1,219,708	1,099,680	(45,135)	1,174,574	15,943	1.38		131,011		
8513422	St. John's CC Primary School	211	985,521	587,928	0	243,859	23,047	0	24,767	115,000	0	3,426	3,426	0	998,027	879,600	0	998,027	12,506	1.27		108,227		
8513423	St. Swithun's Catholic Primary School	315	1,180,006	877,713	0	122,819	15,936	0	45,877	115,000	0	3,919	3,919	0	1,181,264	1,062,344	0	1,181,264	1,258	0.11		122,864		
8515207	St Paul's Catholic Primary Sch	379	1,608,202	1,056,042	0	339,394	13,280	5,592	76,863	115,000	0	4,930	4,930	0	1,611,102	1,491,172	0	1,611,102	2,900	0.18		209,875		
Total Maintained Primary Schools		11,674	46,499,848	32,528,317	0	6,472,100	469,975	72,456	2,121,667	4,370,000	13,743	623,877	637,620	0	46,575,892	41,664,514	(289,402)	46,286,490	(213,358)	(9)	(96,242)	5,375,622		
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Local Authority Funding Reform Proforma

LA Name:

Portsmouth

LA Number:

851

Pupil Led Factors

1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Reception uplift	Yes	Pupil Units		35.00					
	Description	Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
	Primary (Years R-6)	£2,786.39		15,245.00		£42,478,516	£74,456,955	40.76%	6.00%	
	Key Stage 3 (Years 7-9)	£3,626.31		4,886.00		£17,718,151		17.00%	6.00%	
	Key Stage 4 (Years 10-11)	£4,235.31		3,367.00		£14,260,289		13.68%	6.00%	
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
2) Deprivation	FSM6 % Primary	£42.97		5,071.76		£217,934	£12,935,731	12.41%		
	FSM6 % Secondary		£70.72		2,915.72	£206,200				
	IDACI Band 1	£315.34	£211.61	1,933.03	939.17	£808,297			20.00%	20.00%
	IDACI Band 2	£630.69	£423.22	1,788.26	928.23	£1,520,681			20.00%	20.00%
	IDACI Band 3	£946.03	£634.84	2,202.03	1,130.33	£2,800,766			20.00%	20.00%
	IDACI Band 4	£1,261.38	£846.45	1,485.87	767.84	£2,524,187			20.00%	20.00%
	IDACI Band 5	£1,576.72	£1,058.06	1,523.30	736.12	£3,180,676			20.00%	20.00%
	IDACI Band 6	£1,892.07	£1,269.67	667.96	325.41	£1,676,990			20.00%	20.00%
	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
3) Looked After Children (LAC)	LAC X March 14	£2,811.00		89.81		£252,469	£1,169,949	0.24%	50.00%	
4) English as an Additional Language (EAL)	EAL 3 Primary	£359.45		1,570.26		£564,431		0.88%		
	EAL 3 Secondary		£1,821.55		193.82	£353,049				
5) Mobility	Pupils starting school outside of normal entry dates			241.85	4.80	£0		0.00%		
	Description	Weighting	Amount per pupil	Percentage of eligible Y1-2 and Y3-6 NOR respectively	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
6) Prior attainment	Low Attainment % new EFSP	100.00%	£740.00	39.05%	3,656.19	£2,705,584	£7,518,343	7.21%	100.00%	
	Low Attainment % old FSP 73	13.04%								
		Secondary pupils not achieving (KS2 level 4 English or Maths)		£2,000.00		2,406.38			£4,812,759	

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Lump Sum per Middle School (£)	Lump Sum per All-through School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
7) Lump Sum	£115,000.00	£139,150.00			£6,911,500	6.63%		
8) Sparsity factor					£0	0.00%		
Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.								
Primary distance threshold (miles)		Primary pupil number average year group threshold		Fixed or tapered sparsity primary lump sum?	Fixed			
Secondary distance threshold (miles)		Secondary pupil number average year group threshold		Fixed or tapered sparsity secondary lump sum?	Fixed			
Middle schools distance threshold (miles)		Middle school pupil number average year group threshold		Fixed or tapered sparsity middle school lump sum?	Fixed			
All-through schools distance threshold (miles)		All-through pupil number average year group threshold		Fixed or tapered sparsity all-through lump sum?	Fixed			
9) Fringe Payments					£0	0.00%		
10) Split Sites					£0	0.00%		
11) Rates					£1,068,689	1.03%		
12) PFI funding					£152,863	0.15%		
13) Sixth Form					£0	0.00%		
14) Exceptional circumstances (can only be used with prior agreement of EFA)								
Circumstance					Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Additional lump sum for schools amalgamated during FY15-16					£0	0.00%	0.00%	0.00%
Additional sparsity lump sum for small schools					£0	0.00%		
Exceptional Circumstance3					£0	0.00%		
Exceptional Circumstance4					£0	0.00%		
Exceptional Circumstance5					£0	0.00%		
Exceptional Circumstance6					£0	0.00%		
Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)					£104,214,030	100.00%	£14,614,314	
15) Minimum Funding Guarantee (MFG is set at -1.5%)					£975,201			
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)					Yes			
Capping Factor (%)	1.50%	Scaling Factor (%)	100.00%					
Total deduction if capping and scaling factors are applied					-£520,774			
					Total (£)	Proportion of Total funding(%)		
MFG Net Total Funding (MFG + deduction from capping and scaling)					£454,427	0.43%		
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)								
Additional funding from the high needs budget								
Growth fund (if applicable)					£365,000.00			
Falling rolls fund (if applicable)								
Total Funding For Schools Block Formula					£104,468,763			
% Distributed through Basic Entitlement					71.45%			
% Pupil Led Funding					92.20%			
Primary: Secondary Ratio					1 :	1.28		

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A total of 16 schools responded to the consultation

Options	Number of schools that stated "Yes"	No of schools that stated "No"	No of schools that stated neither "Yes" or "No"
Reduce lump sum to £115,000 and add funding released into Basic Entitlement	15	1	0
Do you have any other comments in respect of the mainstream funding formula?	2	14	0
Change Growth fund criteria and use Staffordshire Model	14	0	2

Comments on funding proposals:

School 2 -

"Consideration should be given to Schools Forum agreeing to a 3 year plan detailing the intended movement of the lump sum and the implications."

"Should the funding formula be adapted from Secondary Schools to phase out the lump sum?"

School 13 -

"We are one of the schools to lose £15,000. Governors do not feel they have much influence over this."

School 15 -

"Unfortunately we are unable to agree the decision to reduce the lump sum to £115K as we are trying extremely hard to save for a new playground, along with remodelling space to accommodate curriculum activities, i.e. library, sports, dance, cooking. At the present costs required for refurbishment it is likely we will have to save for 5 to 10 years to accrue suitable finances to pay for these works. We have seen a decrease in lump sum from over the past 2 years for amalgamated schools. We have no capacity to amalgamate so it has no benefit for us as a school. Unfortunately we appreciate this is quite a selfish decision but we have to think of our pupils here first."

School 16 -

"We agree with the proposal to reduce the lump sum in order to increase the KS2/3 AWPU. This helps to improve the financial stability to schools who are considering amalgamation with the Key Stages or in the case of our school, changing the age range altogether and become an all-through school.

By increasing the AWPU, we are able to direct funding where it would not have been received previously and allows for focus to be made on the educational benefits of amalgamation rather than basing decisions on budgets and the financial position."

Any additional comments on mainstream funding formula:

School 8 -

"While accepting the need for changes Governors did express some concern that reducing the lump sum would impact heavily on primary schools and recognised that funding primary schools well is critical if children are going to get the best start to their education. It was felt that all schools should equally share the burden of any cuts."

School 13 -

"New arrivals with English as a second language – we don't agree with the funding we are proposed to receive and we have contacted EMAS for clarity on the data provided"

Any other comments in respect of the growth fund:

School 2 -

"Agree with the principles however need to consider the flat rate agreed is based on 7/12ths costs. For an Academy it is a whole years costs that should be reflected in this amount."

School 7 -

"It is essential to support the growth of schools through expansion as the costs are significant and this money will go some way to supporting the investment needed but certainly will not cover the costs involved especially for SEN."

School 9 -

"Benefits more schools than the old model does"

School 13 -

"Yes and no is the answer,

Staffordshire model is our preferred option.

Would also like to point out that each year as a school we have been growing (by 15 places) and there doesn't appear to be any plans to backdate monies."

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Agenda Item 7



Portsmouth
CITY COUNCIL

Title of meeting: Schools Forum

Date of meeting: 21 October 2015

Subject: Scheme for Financing Schools

Report from: Di Smith, Interim Director of Children's Services

Report by: Richard Webb, Finance Manager

Wards affected: All Wards

Key decision: No

Full Council decision: No

1. Purpose of report

- 1.1. This report outlines the proposed changes to the Scheme for Financing Schools which reflect the revisions required by the Department for Education (DfE) and have been consulted on with schools.

2. Recommendations

- 2.1. It is recommended that Schools Forum approve the revised Scheme for Financing Schools attached at Appendix 1.

3. Background

- 3.1. In August 2015 the DfE issued the revised guidance for the Scheme for Financing Schools to include the recent changes to legislation as set out in The School and Early Years Finance (England) Regulations 2014. These proposals have been incorporated within the Portsmouth City Council Scheme for Financing Schools. The revised scheme will become effective once approved by Schools Forum.
- 3.2. Consultation on the changes to the scheme took place between the 29th September 2015 and 9th October 2015, with Head-teachers, Governors and Finance staff and any responses to the consultation will be reported to the Forum at the meeting on the 21st October.

4. General Revisions

- 4.1. The document has been revised to ensure consistency of language, the correct use of titles for responsible officers and updated hyperlinks to further information.

5. Directed Revisions

- 5.1. The revisions to the scheme listed below have been directed by the DfE and must be implemented:
- a. Paragraph 2.9 has been updated to reflect the requirement for maintained schools to publish a register of the business interests of their governors, along with any relationships with staff at the schools they govern.
 - b. Paragraph 3.6 has been updated to clarify that borrowing includes the use of finance leases and is not allowable

6. Significant Changes

- 6.1. The revisions to the scheme listed below have been implemented by the Local Authority and inform schools of changes to Portsmouth City Council policies and processes:
- a. Paragraph 3.1 has been updated to reflect changes in the process for paying Element 3 top up to Special schools, Resource units and Alternative Provision units from September 2015.
 - b. Paragraph 4.5 has been updated to provide schools with more information and guidance on deficit recovery plans. An example deficit recovery plan has also been added in appendix 7.
- 6.2. The revised version of the Scheme for Financing Schools, once approved will be issued to schools (including Head Teachers, Governors and Finance Staff) and made available on the intranet and the external website.

7. Reasons for recommendations

The Scheme for Financing Schools has been amended to take account of the revisions required by the Department for Education as well as other local amendments and will become effective once approved by Schools Forum.

8. Equality impact assessment (EIA)

This report does not require an Equality impact Assessment as the proposals does not have any impact upon a particular equalities group.

9. Legal comments

Approval of the recommendations in this report will enable the Council to meet its statutory duties in respect of the maintenance and publication of a scheme for financing the schools which it maintains. (Section 48 and Schedule 14 of the School Standards and Framework Act 1998).

10. Head of Finance's comments

There are no financial implications arising from the recommendations within this report.

.....
Signed by: Di Smith, Interim Director of Children's Services

Appendices:

Appendix 1 - Scheme For Financing Schools

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Statutory Guidance - Schemes for Financing Schools	https://www.gov.uk/government/publications/schemes-for-financing-schools?utm_source=EFA%20e-bulletin&utm_medium=email&utm_campaign=e-bulletin&mxmroi=2305-8620-29964-0

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

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Scheme for Financing Schools

October 2015

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1. INTRODUCTION

1.1 The Funding Framework

The funding framework which replaces Local Management of Schools is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998 (SSAF Act 1998) [School Standards and Framework Act 1998](#)

Under this legislation, Local Authorities determine for themselves the size of their Schools Budget and non-schools education budget – although at a minimum a Local Authority must appropriate its entire Dedicated Schools Grant to their Schools Budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, and included within the two categories taken together, is all expenditure, direct and indirect, on an Authority's maintained schools except for capital and certain miscellaneous items. Local Authorities may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under s.45A of the Act. The amounts to be retained centrally are decided by the Authority, 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 non-schools education budget must be retained centrally (although earmarked allocations may be made to schools).

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

Subject to provisions of the scheme, governing bodies of schools may spend budget shares for the purposes of their school. They may also spend budget

shares on any additional purposes prescribed by the Secretary of State in regulations made under section.50 of the SSAF Act 1998)¹.

An Authority may 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 of the Secretary of State. A school's right to a delegated budget share may also be suspended for other reasons (schedule 17 of the SSAF Act 1998)

An Authority is obliged to publish each year a statement setting out details of its planned Schools Budget and other expenditure on children's services, showing the amounts to be centrally retained and the funding delegated to schools. After each financial year the Authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

The detailed publication requirements for financial statements are set out in regulations, but each school must receive a copy of each year's budget and out-turn statements so far as they relate to that school or central expenditure.

Regulations also require a Local Authority to publish their scheme and any amendments to it on a website which is accessible to the general public. Any revised version must be published by the date that the revisions come into effect, together with a statement that the revised scheme comes into effect on that date.

1.2 Role of the Scheme

The scheme will govern the financial relationship between the Authority and its maintained schools from 21st October 2015. It defines the requirements relating to financial management and associated issues under which both parties are bound.

1.2.1 Application of the scheme to the Authority and maintained schools

This scheme will apply to all of the community, nursery, voluntary, foundation, community special or foundation special schools and pupil referral units (PRUs)

¹ Section 50 has been amended to provide that amounts spent by the 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 (section 50 (3A) of the SSAF Act)

maintained by the Authority as listed in Annex 1. This scheme does not apply to Academy schools.

1.3 Publication of the scheme

The Scheme for Financing Schools and any subsequent amendments will be published on the Authority's website and internal network where it is accessible to all school staff and governors. [\[Financial Rules 1- 4\]](#) and [\[Financial Rules 5-7\]](#)

1.4 Revision of the Scheme

The Authority will consult with all maintained schools in respect of any proposed revisions to the Scheme for Financing Schools prior to submission to the Schools Forum for approval by members of the Forum representing maintained schools. Where the Schools Forum does not approve the revisions, or only approves them subject to modifications considered unacceptable by Portsmouth City Council, Portsmouth City Council may apply to the Secretary of State for approval.

1.5 Delegation of powers to the head teacher

The governing body of each school shall consider the extent to which it wishes to delegate its financial powers to the head teacher and to record its decision annually (and any revisions) in the minutes of the governing body. The governing body must decide upon an appropriate delegation level, however the Authority recommends a level of up to £1,000 for nursery, primary and special schools and up to £5,000 for secondary schools.

Each school is required to submit an annual budget plan, which has been approved by the full governing body, by 31st May each year. For schools using the corporate EBS financial system, the budget is deemed to be submitted when it has been loaded onto the system. Schools not using the corporate system are required to send a signed copy of the approved budget to the Finance Manager for Education and Children's Services by the due date.

1.6 Maintenance of Schools

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

maintains its schools is through the funding system put in place under sections 45 to 53 of the SSAF Act 1998.

2. FINANCIAL CONTROLS

2.1 General Procedures

2.1.1 Application of financial controls to schools

Schools are required to abide by the provisions contained within the City Council's Financial Rules and Standing Orders, which have been sent separately to all schools. The Rules are also available on the City Council's website at: [Contract Procedure Rules](#), summary of the main points is given below:

- a) To protect its interest and that of the governing body the City Council's Standing Orders, amended as appropriate, will be applied to schools with delegated budgets.

Local management has been recognised in the Standing Orders on contracts by the following:

- Reference to Strategic Director or Head of Service shall include a Head of a school with delegated budgets under an approved Local management scheme;
 - Reference to committee shall include the governing body of a school;
 - The head/governing body of a school can receive and accept tenders.
- b) If a governing body of a school with a delegated budget enters into a contract, it does so on behalf of the City Council.

It is recommended that governing bodies formally adopt the Financial Rules and minute the decision.

2.1.2 Provision of financial information and reports

Schools not using the corporate accounting system are required to provide the Authority with details of anticipated and actual expenditure in an agreed format at least once every 3 months. Portsmouth City Council will interrogate financial records as appropriate for those schools using the corporate accounting system.

Under s.151 of the Local Government Act 1972 the Authority's Chief Financial Officer (Section 151 Officer) is responsible for the maintenance of proper

accounting records. The Section 151 Officer therefore must approve the use of the accounting system used by schools.

At present only one accounting system has been approved for schools namely ORACLE E-business suite (EBS).

Any school wishing to operate an alternative accounting system should first seek approval from the Section 151 Officer who must be satisfied that the accounting system is sufficient to meet their statutory responsibilities.

Schools are required to keep the accounting system up to date. As a basic rule transactions should be recorded on a weekly basis as a minimum.

Schools are required to abide by the accounting policies and year-end procedures prescribed by the City Council in order that the accounts can be prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in Great Britain.

2.1.3 Payment of salaries; payment of bills

See paragraphs 2.1.3.1 – 2.1.3.6

2.1.3.1 Personnel Management

All schools have been issued with a Portsmouth City Council personnel manual, which has been endorsed by professional associations and trade unions representing staff in schools. The manual provides information on all the major issues within the employment process. There are also supplementary appendices in these sections specifying model processes, which will enable balanced and reasonable employment decisions to be taken on a variety of subjects. Some of these relate to specific categories of staff in schools although generic procedures are included wherever this is appropriate.

Under Local Management, the governors will have responsibility to determine the stance they will take on various employment matters; adherence to the provisions of the manual (and adoption of the model processes) will mitigate the possibility of individual or collective difficulties arising. It must be emphasised that, whilst it is legitimate to “dip into” specific parts of the manual to establish the proper stance to be adopted in a particular situation, the manual is attempting to highlight the importance of the ongoing, continuous approach towards the appointment and development of staff. In this context, issues like induction, appraisal, training and communication become a natural and obvious part of the process of employing people.

2.1.3.2 Payment of Salaries and Wages

Schools are required to make sufficient arrangements to account properly and remunerate accurately all employed and self-employed staff in so far as they are contracted to that school.

Schools should also ensure that arrangements are in place for the timely completion of all employee related statutory returns (tax or otherwise) for all employed or self-employed staff in so far as they relate to that school.

Portsmouth City Council has the right to recover from school budget shares any penalties or fines imposed due to a schools failure to make proper arrangements or negligence (see paragraph 6.2).

2.1.3.3 Purchasing Matters

Schools are free to choose their suppliers, but may find it advantageous to use the arrangements made by a Local Authority for purchases from store, call-off contracts and general supplies contracts. These contracts enjoy advantageous prices due to the substantial volume of business.

Schools should seek to ensure that all payments, in so far as they relate to that school are made according to statutory regulations and/or the terms and conditions of any contractual agreements entered into so as not to incur the school or Authority any penalty costs (legal or otherwise).

The Authority will have the right to charge a schools budget share with any costs incurred as a result of a school's failure to meet its contractual or legal obligations in respect of payments.

2.1.3.4 Control of assets

Each school must maintain an inventory, which as a basic minimum includes all items with a value of over £200 or which are deemed portable and attractive. The information required of inventory items over £1,000 should be consistent with the requirements of Portsmouth City Council's Financial Rules and should be kept up to date. A copy of the up to date inventory should be kept off site.

All disposals of inventory items must be authorised in writing by the head teacher or governing body and should include the reason for their disposal.

The inventory should be checked annually against the physical items held and discrepancies investigated and reported to the governing body.

School equipment may only be loaned to staff or pupils with the permission of the head teacher. A register of all loaned equipment should be maintained.

A model inventory log sheet is provided at Annex 4.

2.1.3.5 Accounting Policies (including year-end procedures)

Schools are required to abide by all procedures issued by Portsmouth City Council for this.

2.1.3.6 Writing off of debts

Governing bodies may approve the write off of debts up to £100; above this sum the school must request the approval of the Section 151 Officer.

2.2 Basis of accounting

Schools are responsible for ensuring that all income is accounted for properly and in accordance with Portsmouth City Council Financial Rules. Schools must also ensure that VAT is charged at the correct rate where applicable. The City Council has established administrative procedures for the collection of income, which are set out in the Financial Rules.

2.3 Submission of budget plans

Schools are required to submit a budget plan to the Local Authority (or post it on ORACLE) by 31st May each year. Schools must take account of estimated balances as at 31st March of that year in formulating a budget plan.

In addition schools must submit a summary of:

- the objectives that the budget plan is intended to deliver;
- the assumptions which underpin its calculation;
- how spending by the school will meet the principles of Value for Money

All schools are required to have their 3-year budget plan approved by the full governing body and evidenced as such in the minutes of that meeting. Similarly

any revisions to the budget plan must be approved and recorded in the minutes by the full governing body.

All schools are required to review their budget plans at least half way through the financial year (each October) and make revisions as necessary. All revised budget plans should be either submitted to the Authority or posted on ORACLE, by 30th November each year, after approval by the full governing body.

Profiled budget monitoring reports (including committed expenditure) should be provided to the finance committee of the governing body for review at each meeting. For schools using ORACLE, the BB501 or BB502 are the recommended reports for the finance committee.

2.3.1 Submission of financial forecasts

Schools are required to submit a financial forecast to the Authority by 31st May each year, covering the full multi-year period for which schools have been notified of budget shares beyond the current financial year. The Authority may use the information provided as evidence to support Portsmouth City Council's assessment of Schools Financial Value Standards and to support the balance control mechanism. In order to reduce the burden on schools, it is recommended that a signed version of the 5-year budget plan produced by the school's financial modelling software is submitted.

2.4 Efficiency and Value for Money

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

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

There are significant variations in efficiency 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 monies between budget headings, as they deem necessary in pursuit of their objectives.

Governing bodies should agree the virement and expenditure limits for head teachers above which the governing body or finance sub-committee must give approval. These virement limits should be formally recorded in the minutes of the governing body meeting when they are approved.

(Virement: a measure of flexibility that allows budget-holding managers to reflect budget variances within a year)

2.6 Audit: General

Schools will be subject to the internal audit regime as determined by the City Council and the external audit regime as determined by the City Council's appointed external Auditors. Schools must provide access to all records as required and otherwise co-operate with the appointed auditors.

Specific guidance relating to the Authority's audit requirements is contained in the Financial Rules issued to all schools separately.

Schools can expect reasonable notice of any forthcoming audit unless that audit is required as a result of an irregularity financial or otherwise.

2.7 Separate external audits

Governing bodies may spend funds from their budget share to obtain external audit certification of their accounts if they wish, but this will in no way exempt them from the audit provisions contained within the City Council's financial regulations.

2.8 Audit of voluntary and private funds

Schools are required to provide evidence of independent examination and an audit certificate in respect of any voluntary and private funds and of the accounts of any trading organisations controlled by the school to both Portsmouth City Council and the Governing Body. The accounts should be submitted within three months of the appropriate year end of the fund. Any school refusing to provide audit certificates to the authority as required by the scheme is in breach of the scheme and the authority can take action on that basis.

2.9 Register of business interests

The governing body of each school must maintain a register which lists, for each member of the governing body and the head teacher:

- Any business interests they or any member of their immediate family have
- Details of any other educational establishment that they govern
- Any relationships between school staff and members of the governing body

The register must be kept up to date with notification of any changes and through annual review of entries.

The register must be made available for inspection by governors, staff, parents and the authority and must be published, for example on a publicly available website.

2.10 Purchasing, tendering and contracting requirements

Schools must abide by the Authority's regulations with regard to purchasing, tendering and contracting matters unless these regulations would require schools:

- To seek Local Authority officer countersignature for any contract for goods or services for a value below £60,000 in any one year;
- To select supplies only from an approved list;
- To do anything incompatible with any provision of the scheme, or any statutory provision or any European Union Procurement Directive;
- To seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year;

Schools are required to assess in advance, where relevant, the health and safety competence of contractors, taking into account Portsmouth City Council's policies and procedures.

2.11 Application of contracts to schools

Schools retain the right to opt out of Portsmouth City Council arranged contracts except where they have specifically agreed to remain bound by the contract for its entire term.

Schools wishing to opt out of a Portsmouth City Council arranged contract must notify Portsmouth City Council no later than nine months before the contract is due to expire.

Governing bodies are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts; however in most cases they do so, on behalf of Portsmouth City Council as maintainer of the school and the owner of the funds in the budget share. There are a few exceptions where contracts may be made solely on behalf of the governing body, for example, contracts made by aided or foundation schools for the employment of staff.

2.12 Central funds and earmarking

Portsmouth City Council may allocate additional sums to schools from central funds. Any such allocations will be separate from the school's budget share and subject to specific conditions detailing the purposes for which they can be used.

Any funding from centrally retained budgets will be subject to conditions setting out the purpose for which the funds may be used; while these conditions may not preclude virement (except where the funding is supported by a specific grant which the Authority itself is not permitted to vire), this should not be carried to the point of assimilating the allocations into the schools budget share.

Portsmouth City Council reserves the right to request that earmarked funds must be returned to the City Council if they are not spent within any period stipulated by Portsmouth City Council over which schools are allowed to use the funding.

Portsmouth City Council will not make any deduction, in respect of interest costs to Portsmouth City Council, from payment to schools of devolved specific or special grant.

2.13 Spending for the purposes of the school

Subject to any provisions of this scheme and to regulations made by the Secretary of State, governing bodies are required to spend budget shares only and directly on the purposes of the school. By virtue of section 50(3A) (which

came into force on 1st April 2011), amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

Under section 50(3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. For example the School Budget Shares (Prescribed Purposes)(England) Regulations 2002 (SI 2002/378), which have been amended by the School Budget Shares (Prescribed Purposes) (England) (Amendment) Regulations 2010 (SI2010/190) which allow schools to spend their budgets on pupils who are on the roll of other maintained schools and academies.

2.14 Capital spending from budget shares

School governing bodies may use part of their budget share to meet the cost of capital expenditure on the school premises. Schools are expected to inform Portsmouth City Council of any intended capital expenditure. If Portsmouth City Council owns the school premises, the governing body should seek the consent of Portsmouth City Council prior to the commencement of any works. If the proposed expenditure is expected to exceed £20,000 then the governing body should take into account any advice from Portsmouth City Council as to the merits of the proposed expenditure.

Governing bodies of community or voluntary controlled schools must seek the consent of Portsmouth City Council to any proposed work, which will only be withheld on health and safety grounds.

2.15 Notice of concern

The Authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Section 151 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 Portsmouth City Council 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 Portsmouth City Council.
 - Insisting on regular financial monitoring meetings at the school attended by Local Authority officers.
 - Requiring a governing body to buy into Portsmouth City Council's financial management systems.
 - 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 Portsmouth City Council may take where the governing body does not comply with the notice.

Where a governing body has complied with the requirements of a notice of concern Portsmouth City Council will write to the governing body withdrawing the notice of concern.

2.16 Schools Financial Value Standard

All Local Authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.

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

All maintained schools with a delegated budget must submit the form to Portsmouth City Council by 31st March 2015 and annually thereafter.

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 head teacher must inform all staff of school policies and procedures related to fraud and theft, the controls to prevent them and the consequences of breaching those controls. This information must also be included in induction for new staff and governors.

3. INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

For the purposes of this section , Budget Share includes any place led funding for special schools pupil referral units and special units

3.1 Frequency of instalments

Budget shares will be made available to the governing bodies of Portsmouth City Council's maintained schools by 1st April each year. Where schools are converting to academy status part way through a year they will receive a proportion of the budget share based on the number of months they are maintained

Schools have the right to opt for instalments of their total budget share to be paid into their own local bank account. Any requests to pay the budget share in to a schools local bank account should be made at least three months prior to the start of the relevant financial year. The local bank account should be held with an approved banking institution as agreed with the Finance Manager for Technical and Financial Planning. Such payments will be paid by bank transfer, on a monthly basis on the first banking day of each month. The proportion of budget share payable at each instalment is detailed in paragraph 3.2.

If a school uses Portsmouth City Council Payroll Services then budget share instalments will be made to their local bank account excluding estimated pay costs. Schools using alternative payroll services will be paid instalments of total budget share (i.e. including estimated pay costs).

The estimated pay costs excluded from the schools budget share instalment will be calculated based on the previous months actual salary payments (i.e. April's instalment would exclude the actual salary costs for March)

Element 3 Top up payments for pupils with high needs will be paid in advance and adjusted in accordance with the following timetable for all maintained Special schools, Resource Units and AP units. Special Academy schools will be paid in advance, on a monthly basis and adjusted for actual pupils using the same timetable in line with the budget share guidance [Special Schools Budget Shares](#) except at year end where the adjustment will be made as part of the closedown process.

Element 3 top-up adjustments timetable			
Class list - sent by SEND Team	Period covered	School response deadline	Adjustment Processed
1 November 2015	1 September to 31 October 2015	13 November 2015	27 November 2015
1 March 2016	1 November to 29 February 2016	11 March 2016	18 March 2016
24 March 2016	1 March to 24 March 2016	31 March 2016	8 April 2016
20 July 2015	11 April to 20 July 2016	1 August 2016	12 August 2016

3.2 Proportion of budget share payable at each instalment

Payments of budget share will be made on the following basis:

	Schools using PCC payroll services	Schools using other payroll services
First banking day of	Proportion of budget share (excluding estimated pay costs)	Proportion of budget share (including estimated pay costs)
April	12%	12%
May	8%	8%
June	8%	8%
July	8%	8%
August	8%	8%
September	8%	8%
October	8%	8%
November	8%	8%
December	8%	8%
January	8%	8%
February	8%	8%
March	8%	8%

3.3 Interest clawback

Portsmouth City Council will deduct from budget share instalments paid into school bank accounts, an amount equal to the estimated interest lost by Portsmouth City Council in making the budget shares available in advance.

This interest clawback will be calculated in accordance with the formula detailed in Annex 2.

3.3.1 Interest on late budget share payments

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

3.4 Budget shares for closing schools

This scheme provides for budget shares of schools for which approval for discontinuation has been secured, to be made available until closure on a monthly basis net of estimated pay costs, even where some different basis was previously used.

3.5 Bank and building society accounts

All schools have the right to have their own external bank account which is in the name of the school and into which their budget share instalments can be paid. Schools without an external bank account which have a deficit balance will lose that right until the deficit is cleared.

The Section 151 Officer is required to approve all banking arrangements for City Council establishments, including schools.

Governors will be required to follow the City Council's guidance relating to tenders for banking services when letting banking contracts.

Any school, which operates an imprest account, must reconcile and close that account prior to starting use of its own local bank account. New bank account arrangements may only be made with effect from the beginning of each financial year.

Any school wishing to have its own bank account for the first time must give Portsmouth City Council at least three months' notice. If a new account is opened, Portsmouth City Council will at the request of the school transfer immediately to the account an amount agreed by both the school and the City Council, as the estimated surplus balance held by Portsmouth City Council in respect of the school's budget share, on the basis that there is a subsequent correction when accounts for the year are closed.

Schools are not compelled to have their own bank account and may if they wish continue with current banking arrangements. The decision to opt out of the City Council's banking arrangements lies with the governing body and their decision should be recorded in the minutes of the meeting.

Schools must only have one current account and may have up to two official deposit accounts. School current accounts must have a chequebook and direct debiting facilities. Schools must set up a direct debit mandate to enable the Authority to charge for items paid for on their behalf. Schools cannot stop the direct debit.

Schools will retain all interest earned on invested balances and will bear the cost of all bank charges arising from their local arrangements.

Schools are not permitted to overdraw their bank accounts.

The Authority may make a deduction from the budget share of a school operating its own bank account, to recompense for the loss of interest incurred because funds are forwarded earlier than payments would normally be made.

3.5.1 Restrictions on accounts

The Finance Manager for Technical and Financial Planning is able to advise schools on the banking institutions at which accounts may be held. Schools wishing to use any other banking institution should seek approval from the Section 151 Officer prior to opening an account. Schools having bank accounts with other banks prior to 1st April 2001 will be allowed to retain those accounts.

This scheme allows schools to have accounts for budget share purposes, which are in the name of the school rather than Portsmouth City Council. However, if a school has such an account, the scheme will require that the account mandate should provide that Portsmouth City Council is the owner of the funds in the account; that it is entitled to receive statements; and that it can take control of the account if the school's right to a delegated budget is suspended by Portsmouth City Council.

3.6 Borrowing by schools

School governing bodies may only borrow external monies with the written permission of the Secretary of State, with the exception of schemes with overall approval by the Secretary of State, Currently only Salix loans have such approval.

External borrowing is defined as-

- Loans from lenders (other than the City Council)
- Overdraft arrangements
- Finance leases and hire purchase contracts
- Credit cards (not purchasing cards)

Schools should consult the Finance Manager for Education and Children's Services for an opinion on the nature of any lease before entering into an agreement.

Voluntary aided schools may take out a loan from the Diocesan Authority to pay for capital works only with prior consent of the Section 151 Officer. Loan repayments for approved loans may be charged against the delegated budget share.

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

4.1 The right to carry forward surplus balances

Schools can carry forward from year to year any under spent portion of their budget share.

4.2 Controls on surplus balances

As schools are moving towards greater autonomy and should not be constrained from making early efficiencies and to support medium term budgeting in a tighter financial climate, the balance control (clawback) mechanism for excessive balances continues to be withdrawn.

Schools will be deemed to have excessive balances, when Primary and Special Schools have uncommitted balances in excess of 8% and Secondary Schools 5% of their budget shares.

The control framework for monitoring school balances and their intended use requires that:

- a. Schools will continue to be asked to provide a breakdown of their year-end balances between committed and uncommitted, as well as an analysis of the intended use of any committed balances. The Education and Children's Finance team will continue to co-ordinate the process.
- b. A School Balances report will be presented to both the Cabinet member for Children's and Education and Schools Forum, following the completion of the year-end closedown process. This report will provide an analysis of the balances by school and schools with significant balances may be highlighted specifically within the report.
- c. Those schools identified as potentially breaching the balance thresholds, will be asked to provide further evidence of the planned use of their balances. The information will be reported back to Elected Members, the Schools Forum and the Education Department.
- d. The Education Department will consider this information as part of its school performance and improvement service provision, school challenge and specific reviews.

In determining whether school balances are committed, schools are only permitted to assign as committed, items listed in Annex 6.

School Forum may revisit the balance control (clawback) mechanism and the above control framework from time to time and where they believe significant and excessive balances have accumulated.

4.3 Interest on surplus balances

The following interest rates will be paid on surplus balances:

- | | | |
|-------------------|---|--|
| Primary schools | - | base rate less 0.5% divided by 2 on first £20,000, 0.1% on remainder |
| Secondary schools | - | base rate less 0.5% |

Interest is payable semi-annually and interest earned during the first six months of the year is added to balances to accrue interest during the final half year.

4.4 Obligation to carry forward deficit balances

Schools will carry forward from year to year any over-spending of their budget shares.

4.5 Planning for deficit budgets

Schools may not set a deficit budget or plan to go into deficit without first discussing this with the City Council. Portsmouth City Council will require any maintained school, which has a deficit balance at 31st March to prepare and agree with the Authority, a 3 year deficit recovery plan detailing:

- The background and reasons for the school's deficit
- Budget headings the school are intending to reduce expenditure in to balance the budget and how the expenditure will be reduced
- The impact (educational and otherwise) of reducing spend in those specific area's
- The expected income and expenditure for the next 3 years

The maximum length of time allowed for repayment should not exceed 3 years except where a longer term has already been agreed. The deficit recovery plan must be agreed by the Director of Children's services and the section 151 officer. An example of a deficit recovery plan is available in Appendix 7

This process is regarded as an important management discipline, so as to support the school in managing its own affairs.

4.6 Charging of interest on deficit balances

No interest will be charged (or paid) by Portsmouth City Council in respect of a deficit balance.

4.7 Writing off deficits

The Authority cannot write off the deficit balance of any school. Portsmouth City Council will require any maintained school, which has a deficit balance at 31st March to prepare and agree with the Authority a schedule of repayment for that deficit. Please see Para 4.5

4.8 Balances of closing and replacement schools

The final balance of a closing school reverts to Portsmouth City Council and cannot be transferred to any other 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 and academy conversions (Transfer of school surpluses) regulations 2013.

4.9 Licensed deficits

See paragraph 4.5 above.

4.10 Loan schemes

Following the decision at Schools Forum on 25th September 2013, this scheme has now closed to new applicants.

5. INCOME

5.1 Income from lettings

Schools will retain all income from the letting of school buildings and schools may use income from other lettings to subsidise lettings to community or voluntary groups provided there is no net cost to the schools budget share and 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.

Schools must however take account of directions issued by Portsmouth City Council as to the use of school premises and ensure that the City Council's procedures with regards to insurance are followed. A model hire agreement is attached at Annex 5.

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

5.2 Income from fees and charges

Schools will retain income from fees and charges except where a service is provided by Portsmouth City Council from centrally retained funds. Schools must however take account of Portsmouth City Council's policy on charging for services, which is detailed in Annex 3.

5.3 Income from fund-raising activities

Schools will retain all income from fund raising-activities.

5.4 Income from the sale of assets

School governing bodies have the right to dispose of materials or equipment purchased from their delegated budget and will retain income from the proceeds of such sales. In the case of assets purchased from non-delegated funds Portsmouth City Council will decide whether a school should retain the proceeds of sale.

Schools are reminded that inventory records should be amended to take account of all disposals.

5.5 Purposes for which income may be used

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

6. THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General provision

Portsmouth City Council may de-delegate funding for permitted services, without the express permission of the governing body, provided this has been approved by the appropriate phase representative of the Schools Forum.

Otherwise a schools budget share can only be charged by Portsmouth City Council without the consent of the governing body under the circumstances listed in 6.2. Portsmouth City Council will inform the school of its intention to charge and will also notify the school when it has been done.

Schools are reminded that Portsmouth City Council 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.

Disputes should be directed to the Finance Manager for Education and Children's Services in the first instance, should agreement not be reached schools may escalate the dispute to the Section 151 Officer.

Portsmouth City Council 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 Portsmouth City Council to bear such costs (the amount chargeable being only the excess over any amount agreed by Portsmouth City Council);
- 6.2.2 Other expenditure incurred to secure resignations where the school had not followed Portsmouth City Council advice;
- 6.2.3 Awards by courts and industrial tribunals or out of court settlements against Portsmouth City Council arising from action or inaction by the governing body contrary to Portsmouth City Council's advice;

Awards against the governing body, where the City Council has joined with the governing body in the action and has expenditure as a result of the governing body not taking Portsmouth City Council's advice, the charging of the budget share with the authority expenditure protects the authority's position.

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- 6.2.4 Expenditure by Portsmouth City Council in carrying out health and safety work or capital expenditure for which Portsmouth City Council 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;
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- 6.2.5 Expenditure by Portsmouth City Council incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by Portsmouth City Council or the school has voluntary controlled status;
- 6.2.6 Expenditure incurred by Portsmouth City Council 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 Portsmouth City Council;
- 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, and the result is that monies are owed by the school to Portsmouth City Council;
- 6.2.8 Recoveries of penalties imposed on Portsmouth City Council by the, the Contributions agency, HMRC, Teachers Pensions, the Environment Agency or other regulatory authorities as a result of school negligence;
- 6.2.9 Correction of City Council errors in calculating charges to a budget share;
- 6.2.10 Additional transport costs incurred by Portsmouth City Council arising from decisions by the governing body on the length of the school day, and failure to notify Portsmouth City Council of non-pupil days resulting in unnecessary transport costs;
- 6.2.11 Legal costs which are incurred by Portsmouth City Council because the governing body did not accept the advice of Portsmouth City Council;
- 6.2.12 Costs of necessary health and safety training for staff employed by Portsmouth City Council, where funding for training had been delegated but the 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 using non-Portsmouth City Council payroll contractors, the charge to be

the minimum needed to meet the cost of the Authority's compliance with its statutory obligations;

- 6.2.15 Costs incurred by Portsmouth City Council in securing provision specified in a statement of Special Educational Needs (SEN)/Education Health and Care Plan (EHCP) where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence special educational needs and / or specific funding for a pupil with high needs;
- 6.2.16 Costs incurred by Portsmouth City Council 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 Portsmouth City Council as a result of the governing body being in breach of the terms of a contract;
- 6.2.19 Costs incurred by the Authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.

7. TAXATION

7.1 Value Added Tax

Schools should follow Portsmouth City Council's procedures for accounting for Value Added Tax (VAT) (as detailed in the Financial Rules) to enable the Authority to claim back VAT paid on expenditure relating to non-business activity.

The VAT reclaimed which relates to schools expenditure from their budget shares will be passed back to the school.

School governors should be aware of the requirements relating to VAT registration of unofficial funds and ensure they register if appropriate.

Governors of voluntary aided schools should check their VAT status with the City Council Bank and Tax Accountant when carrying out their statutory responsibilities to maintain the external fabric of the buildings.

Further guidance and advice on matters concerning VAT can be obtained from Portsmouth City Council's Bank and Tax Accountant and the intranet via: <https://www.portsmouth.gov.uk/intranet/finance/accountancy/vat.aspx>

7.2 CIS (Construction Industry Scheme)

Schools are required to abide by procedures issued by Portsmouth City Council in connection with CIS. Further information can be found on the Intranet via <https://www.portsmouth.gov.uk/intranet/documents-internal/fin-sch-cisinformationforschools.pdf>

8. THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1 Provision of services from centrally retained budgets

Portsmouth City Council will determine the basis on which services from centrally retained funds will be provided to schools. In doing so Portsmouth City Council will not discriminate between categories of school except where funding has been delegated to some schools only or such discrimination is justified by differences in statutory duties. (These services include Premature Retirement Compensation [PRC] and redundancy payments but exclude centrally funded premises and liability insurance).

8.2 Provision of services bought back from Portsmouth City Council using delegated budgets

Any arrangement with a school to buy services or facilities from Portsmouth City Council is subject to a maximum term of three years from the date of agreement. Any subsequent agreement relating to the same services is limited to a period of five years. Where a contract is for the supply of catering services, the maximum initial term is five years, with a maximum extension term of seven years.

Services will be priced to generate income, which will at least cover the costs of providing these services.

8.2.1 Packaging

Services for which funding has been delegated and which are offered for buy-back by schools will be offered in a way which does not restrict school's freedom of choice among the services available. The Authority may however package related items where separation is impractical or uneconomic to Portsmouth City Council.

8.3 Service Level Agreements/Traded Services

If services or facilities are provided under a service level agreement or traded service, the terms of that agreement will be reviewed at least every three years.

Schools may buy services for a shorter term than the contract period by giving notice as set out in the terms and conditions of the relevant service's SLA / Traded service documentation. Services may also be bought on an ad-hoc basis, however these may be charged at a higher rate than longer-term contracts.

8.4 Teachers' pensions

In order to ensure the performance of the duty on the Authority to supply Teachers' Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the Authority and governing bodies of all maintained schools covered by this scheme in relation to their budget shares.

The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the Authority to provide payroll services.

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

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

9. PRIVATE FINANCE INITIATIVE [PFI] CLAUSES

The Authority reserves the right to require a school to make such payments from its delegated budget as required under the conditions of a Private Finance Initiative (PFI) / Public Private Partnership (PPP) scheme which has been entered into with the knowledge of the governing body.

Where the PFI / PPP scheme relates to the establishment of a new school and the contracts are signed prior to the formal establishment of the governing body, then the Authority will retain the right to levy charges against the schools delegated budget in respect of that contract.

10. INSURANCE

10.1 Insurance Cover

Specific guidance has been issued on the administration of insurance in a separate handbook available on Portsmouth City Council's Intranet: [Insurance Handbook](#).

Details of the legal protection for governors, both individually and collectively, in carrying out their approved duties are set out below, together with details of other cover in respect of property, employees, voluntary helpers and pupils. For the sake of brevity no mention has been made of the detailed claims procedures to be followed for individual claims under the various categories, it being the responsibility of the school or Portsmouth City Council to process such claims. Details of the claims procedures can be found in the Insurance Fund Management Policy via the intranet: [Insurance Fund Management Policy](#) Terms and conditions for each policy may also apply and schools should check the new one to ensure that they comply.

The City Council's overall insurance programme is focused on the need to insure catastrophic risk exposure through external underwriters and to manage losses, which are predictable and routine through internal funding.

The general principle is that the first £1,500 of each and every claim is borne by the service (in this case the school) and the next £48,500 of each and every claim is internally funded. External insurers will underwrite only claims in excess of £50,000.

The above principles apply with any exceptions set out in the notes below.

10.2 School Governors - Officials Indemnity and Liability Cover

School governors are covered under the following headings in the course of their approved duties.

(a) Breach of professional duty by reason of negligent error

A breach of professional duty by reason of negligent error occurring and committed in good faith would be covered by the City Council's Officials' Indemnity policy, is subject to £50,000 excess for which, the school is responsible for the first £1,500 with the balance of £48,500 being met from the City Council's internal funds

(b) Claims arising out of any dishonest or fraudulent act or omission on the part of a Governor or employee

Claims in respect of any dishonest act of any governor or employee handling City Council monies are covered by the City Council's Fidelity Guarantee Policy in respect of all City funds. The City Council's external insurance cover is subject to £50,000 excess for which the school is responsible for the first £1,500 with the balance of £48,500 being met from the City Council's internal funds. Cover includes a school's share under formula funding and also funds from private funding (e.g. PTA contributions) after they have been paid into the school account. Although Schools would be able to recover monies so misappropriated, the individual(s) concerned would still be responsible for meeting any claims made by the City's insurers under the insurers rights of subrogation i.e. insurers rights to recover amounts paid to the insured.

(c) Liability at Law for Libel and Slander

Such liability is covered by the City Council through external insurers subject to £50,000 excess for which the school is responsible for the first £1,500 with the balance of £48,500 being met from the City Council's internal funds.

(d) Legal Fees

The City Council may pay legal assistance for governors taken to court for any reason connected with their responsibility as governors.

(e) Third Party Claims - Claims for Personal Injury or Loss to/of Property

Governors and staff, including volunteers, are indemnified against any third party claims arising from accidents, involving personal injury on or off the premises, for damage to, or loss of property for which the City Council has a legal liability, providing the governor or member of staff is acting within the scope of their duties, or employment respectively. The City Council will cover this risk by purchasing external insurance with a limit of £50m, which is subject to £50,000 excess for which the school is responsible for the first £1,500 with the balance of £48,500 being met from the City Council's internal funds. Any injured party must prove negligence on behalf of the Authority, its servants or agents (including governors under delegated arrangement) before any damages can be paid.

Claims arising from the use of a private motor vehicle, even though used on the business of the Authority, are not covered and so proper insurance must be held by the owner/user of the vehicle.

All claims arising from (a) to (e) above are dealt with by the Insurance Team and must be forwarded as soon as possible after receipt. Claims should merely be acknowledged and on no account should liability ever be admitted either orally or in writing. Further details of claims procedures are included in the Portsmouth City Council Insurance Handbook, which is available on PCC's Intranet: [Insurance Handbook](#)

10.3 Buildings

All City Council owned education buildings are externally insured by the Council and subject to £100,000 excess for which the school is responsible for the first £1,500 with the balance of £98,500 being met from the City Council's internal funds. Where damage is caused by a third party e.g. motor vehicle, the Insurance & Risk Officer will seek to recover the City Council's costs from the third party concerned. Any damages received will first clear any amount paid by the City Council. If all losses are recovered the excess paid by the school will be repaid.

10.4 Property and Equipment

(a) City Council Owned Contents and Equipment

City Council owned education contents are externally covered subject to £100,000 excess for which the school is responsible for the first £1,500 with the balance being met from the City Council's internal funds and external insurers.

Computers will be covered for accidental damage or loss subject to £1,500 excess to be met from school funds. The City Council's internal funds or external insurers will meet claims in excess of £1,500.

All claims will be settled on a 'new for old' basis.

(b) Equipment Hired or Loaned

Equipment hired or loaned to schools is only covered by the Council arranged insurance if it is included on the school's inventory. Schools should check that hired or loaned equipment not recorded on the inventory has appropriate insurance cover provided by the owners, or failing this, the

school should arrange insurance cover for the equipment concerned (whether it will be used on or off the school premises) through the Insurance Officer.

(c) Equipment Owned by Staff / Pupils

Equipment or property at schools which is owned by staff, pupils and voluntary helpers is not covered by any form of City Council insurance cover for theft, damage or other loss and such persons are advised to consider making their own insurance arrangements to cover this area of risk.

Property belonging to pupils is not covered and claims will only be paid where there has been some negligence on the part of the Council, its servants or agents

10.5 Employees and Others

(a) Personal Accident Cover

The Council operates a scheme of personal accident cover with certain benefits payable to employees (or in the event of death to the dependants of any employee of the City Council) in respect of death or injury sustained by accident or assault whilst on duty and whilst acting within the scope of their employment. The scheme is also extended to apply to all youth trainees, community programme workers, trainees and volunteers carrying out the functions of the Council with the approval of a duly authorised officer. Details of the scheme are held by Portsmouth City Council and on Intranet. No excess will be deducted from the settlement paid to employees but the first £1,500 will be payable by the school.

(b) Indemnity against Acts of Negligence

The City Council indemnifies all employees and voluntary helpers against claims arising from negligent acts carried out whilst acting within the scope of their employment.

(c) Student Teachers - Personal Accident/Indemnity against negligence

The City Council includes student teachers in the personal accident cover scheme for employees and others as detailed in 10.5(a) above. Similarly, student teachers are indemnified against acts of negligence as detailed in paragraph 10.5(b) above.

(d) Home Visits by Teachers

Teachers undertaking home visits to pupils are covered by the City Council's provision for personal accident and indemnity against acts of negligence as detailed in paragraphs 10.5(a) and 10.5(b) above, subject to each visit having been agreed by their senior teacher or head teacher.

10.6 Community Use of School Premises

Users of schools for community purposes, whether using the premises during the day or the evening, are covered by the City Council in relation to any accidents occurring through any defect in the premises or equipment or any negligent act of any employee or approved voluntary helper, acting within the scope of their employment. Activities undertaken as part of a formal letting are generally covered by external insurance, the premium for which is recovered through the overall letting charge. It is important that a lettings form is completed in every case whether or not it is a "free" or subsidised letting.

10.7 Events Involving Hazardous Displays

Where school events are planned involving potentially hazardous displays, such as parachute drops, helicopters, hot air balloons, motorcycle displays etc., the minimum public liability indemnity cover required from any third party giving the display is £5 million in respect of each and every occurrence. Full risk assessment must be carried out. The Insurance Officer can be contacted for advice/assistance.

10.8 School and Unofficial Funds

(a) Official/Unofficial School Funds

Official and unofficial school funds, cash or negotiables are covered subject to £1,500 excess.

10.9 Pupils and Students - Indemnity/Insurance

(a) School Activities

Whilst pupils or students are at school or engaged in approved activities off the premises, they are covered by the Council's public liability

arrangements in respect of any negligent acts committed by employees or volunteers.

(b) Pupils and Students - School Journey Insurance Policy

The City Council maintains a “blanket” insurance policy to cover all members of a school party on visits both abroad and in this country in respect of medical expenses, personal accident benefits, loss of personal property and money and public liability (including member-to-member liability).

(c) Work Experience and Participation

The school is responsible for carrying out a risk assessment and checking that the host employer is suitably insured.

PCC insurance will apply only to liabilities arising from the school's placement on a contingency basis.

Pupils and students are covered against death or injury under the City Council's personal accident cover scheme for employees and others while on work experience (see also paragraph 10.5(a)).

(d) Pupils and Students - Conveyance in Private Cars

(i) By Parents

The Road Traffic Act makes it compulsory for car insurance to include third party liability for any passenger travelling in an insured car on a public road. Any pupil/student involved in an accident would therefore have a valid third party claim against the driver of a vehicle at fault. Parents who provide occasional transport for pupils/students on a voluntary basis (or for petrol costs only) may be covered within their existing overall “social domestic and pleasure” cover, but must inform their insurers of this activity.

(ii) By Teachers

Teachers undertaking the conveyance of pupils/students will generally do so as part of their professional duty. Most insurance cover extends to give “social, domestic and pleasure” cover only. If this activity is undertaken teachers must inform their insurance companies to ensure that they are covered for the transport of pupils/students.

(e) Pupils and Students - Conveyance in Private Hire Coaches

All members of a school party travelling in a private hire coach being used for school or college purposes are automatically covered under the coach operator's passenger liability insurance (motor insurance). Schools are advised to check that any coach operator has a valid passenger liability insurance document.

10.10 School Minibus

The insurance of minibuses is the responsibility of each school. The City Council has arranged a "block" insurance policy as a means of obtaining the lowest possible premium for individual schools. Cover can be arranged through The Insurance Officer.

11. MISCELLANEOUS

11.1 Right of access to information

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

11.2 Liability of governors

The Education Act gives governors legal protection, both individually and collectively, from any personal liability for their decisions and actions undertaken in good faith. It also exempts governors from liability for negligent action directly attributable to the spending of the school's delegated budget, for example if a faulty piece of equipment were purchased resulting in personal injury. The Act does not cover any negligence by the governing body in the exercise of powers when not directly attributable to the spending of the school's delegated budget. However Local Authorities are required to arrange appropriate insurance to protect governing bodies from negligence claims resulting from non-spending decisions. Currently governors are indemnified against all claims for negligence under the City Council's insurance arrangements.

11.3 Governors' expenses

Portsmouth City Council may delegate funds to the governing body of a school yet to receive a delegated budget to meet governor's expenses.

Under section 50(5) of the SSFA Act 1998, only allowances in respect of purposes specified in regulations issued 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.

Schools cannot pay governor's expenses which duplicate those paid by the Secretary of State to additional governors appointed by him for schools under special measures.

11.4 Responsibility for legal costs

Legal costs incurred by the governing body, (although the responsibility of Portsmouth City Council 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 Authority.

Where there is a conflict of interest between Portsmouth City Council and the governing body the school should contact the Section 151 Officer to seek guidance on how best to obtain legal advice.

11.5 Health and Safety

Portsmouth City Council (or in the case of Aided schools, the governing body) will retain the primary responsibility as the employer of staff under the Health and Safety Act 1974. This responsibility extends both to pupils and students and to members of the public visiting schools and colleges.

Governing bodies are required in spending the school's budget share to have due regard to the City Council's Health and Safety Policy. Governing bodies will have direct responsibility for the following functions:

- (a) Formulating, disseminating and keeping under review a site specific health and safety management system in the context of Council policy;
- (b) The purchase and maintenance of equipment (including fire fighting equipment);
- (c) The maintenance and repair of premises where the Scheme indicates these to be the responsibility of the governing body;
- (d) Cleaning, both indoors and outdoors.

In fulfilling their health and safety functions governing bodies should have regard to guidance on health and safety matters from the City Council and should ensure that, if they choose to make use of contractors who are not on the Authority's approved list, those contractors conform to appropriate health and safety standards in the goods and / or services which they provide.

Where a governing body fails to comply with the Council's Health and Safety Policy, the Council will undertake the necessary work and reserves the right to

charge the cost to the School's budget, except in circumstances where any failure to comply is directly attributable to inherited conditions.

11.6 Right of attendance for Section 151 Officer [CFO]

Governing bodies must permit the Section 151 Officer or any officer of the Authority nominated by the Section 151 Officer, to attend meetings of the governing body at which any agenda items are relevant to the exercise of his responsibilities.

11.7 Special Educational Needs

Schools must use their best endeavours in spending the budget share, to secure the special educational needs of their pupils.

11.8 'Whistleblowing'

The procedure to be followed by persons working at a school or school governors who wish to complain about financial management or financial property at the school is set out in Portsmouth City Council "Whistleblowing" policy document circulated to all schools. A copy of the document can be found on the intranet via: [Whistleblowing Policy](#)

11.9 Child Protection

Schools are expected from within their budget share to release staff to attend child protection case conferences and other related events.

11.10 Redundancy and Early Retirement Costs

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. In essence, premature retirement costs are charged to school delegated budget and redundancy costs fall to Portsmouth City Council.

Premature retirement costs may be charged to Portsmouth City Council, but only with the prior agreement of Portsmouth City Council.

Redundancy costs may be charged to the school's delegated budget if there is "good reason" for it not being centrally funded.

Where staff are employed under the community facilities power, costs must be met by the school governing body and can be funded from the school's delegated budget.

12. RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

12.1 Delegated funding

Portsmouth City Council will continue to delegate revenue funding to schools for routine maintenance, servicing and repairs.

In the case of any urgent unforeseen health & safety works (e.g. that could lead to a school closure), primary and special schools will be expected to fund a minimum of the first £5,000 and secondary schools the first £10,000. Any costs above the contribution amount may be funded from the Education Capital Contingency and the schools contribution will be subject to the methodology in place at that time as agreed by Schools Forum.

Any future programme of major capital works should be agreed at the annual Asset Management Plan (AMP) meeting and will be prioritised and put forward for funding through the annual capital bid process.

13. COMMUNITY FACILITIES

13.1 Introduction

Section 27 of the Education Act 2002 extends the power of governing bodies to provide community facilities on school sites for their pupils, families and local people, including the power to enter into arrangements with other providers, spend money and set charges for services such as healthcare, childcare and adult education. Governing bodies that choose to exercise the power conferred by s.27 of the Education Act 2002 to provide community facilities will be subject to a range of statutory controls:

- regulations made under s.27(1) can specify activities which may not be undertaken at all under the main enabling power,
- the governing body is obliged to consult its Local Education Authority (LA) and have regard to advice from the Authority (s.28(4a)),
- the Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that (s.28(5)).

Alongside these, under s.28(1), the main limitations and restrictions on the power are those contained in schools' own instruments of government and in the Portsmouth 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.

Schools should be aware that mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.

13.2 Consultation with the Authority – financial aspects

Section 28(4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult Portsmouth City Council, and have regard to advice given to them by the City Council. Governing bodies seeking to exercise the community facilities power should contact the Head of Education and Strategic Commissioning. Any advice will be provided within a reasonable timescale.

13.3 Funding agreements – Authority powers

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

No such agreement may be entered into by the governing body without due consideration of the comments and advice of Portsmouth City Council.

Where a third party is to be involved in this way, the proposed agreement should be submitted to Portsmouth City Council for comment and advice prior to entering into any agreement. The City Council will provide such comments and advice within 6 weeks of receiving the appropriate information, and the governing body must take the comments into account when deciding whether or not to enter into the agreement.

Should such an agreement be entered into without informing Portsmouth City Council, or against the wishes of Portsmouth City Council, and in which, in the view of the City Council, may be considered prejudicial to the interests of the school or the City Council, this may lead to the suspension of the right to a delegated budget for the school.

13.4 Other prohibitions, restrictions and limitations

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. The following restrictions apply for Portsmouth schools:

- As required by the Education Act 2002, **governing bodies will be responsible for meeting pension, redundancy or other employer-related costs for staff employed in community facilities**. Such costs may include continuous service accrued prior to employment for community purposes.
- Governing Bodies must ensure that they have in place adequate, appropriate and satisfactory arrangements to protect the financial interests of the community facility and Portsmouth City Council, as demonstrated through the establishment of a limited liability company or obtaining indemnity insurance to cover any significant financial risks.

13.5 Supply of financial information

Schools which exercise the community facilities power, and do not use the Portsmouth Oracle finance system, will provide the Authority every three months at times determined by the Authority, a summary statement, in a form determined by the Authority. This statement will show 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.

If the City Council considers there is cause for concern as to the school's financial management or financial consequences arising from the exercise of the community facilities power, these will be notified to the Chair of Governors. In such circumstances, financial statements may be required on a more frequent basis possibly supported by the submission of a recovery plan for the activity in question.

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

Schedule 15 of the Education Act 2002 provides that mismanagement of funds spent or received for community facilities is a basis for suspension of the right to delegation of the budget share.

13.6 Audit

The school will provide access to all records connected with exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure.

Any agreements with other parties must also contain adequate provision for access by the Authority to the records and other property of those persons which relate to the activity in question, in order for the Authority to satisfy itself as to the propriety of expenditure on the facilities in question.

13.7 Treatment of income and surpluses

Except where otherwise agreed with a funding provider, whether that be Portsmouth City Council or some other person, net surpluses can be retained and carried forward.

13.8 Health and safety

The scheme provisions related to Health and Safety [Section 11.5] also relates to any operations undertaken under the community facilities power.

Any costs of securing Disclosure and Barring Service (DBS) clearance for persons involved in community activities taking place during school time will be met by the school, unless such costs can be passed on to a funding partner as part of any financial agreement.

13.9 Insurance

It is the responsibility of the governing body to make adequate arrangements for insurance against risks arising from the exercise of the community facilities power, including financial loss, taking professional advice as necessary. Portsmouth City Council may undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school.

13.10 Taxation

Schools operating community facilities will be responsible for any charges levied by HM Revenue and Customs (HMRC) in respect of those facilities.

Schools should seek appropriate advice from Portsmouth City Council and the Local HMRC Office on any issues relating to the possible imposition of Value Added Tax on expenditure in connection with community facilities.

The school will be held liable for payment of income tax and National Insurance, in line with HMRC rules.

The school is required to follow any advice from the City Council given in relation to the Construction Industry Scheme as it relates to the community facility.

13.11 Banking

The Section 151 Officer is required to approve all banking arrangements and Governors will be required to follow Portsmouth City Council's guidance in establishing any banking services.

If the school bank account is to be used the school should ensure adequate internal accounting controls exist to demonstrate separation of funds.

Schools are reminded that, in accordance with Section 3.6 of the Scheme for Financing Schools, **they must not borrow money** from sources other than Portsmouth City Council without the written consent of the Secretary of State.

14. Annex 1 – SCHEDULE OF PORTSMOUTH SCHOOLS

NURSERY SCHOOLS

DfE no.	Name
1000	The Brambles

PRIMARY SCHOOLS

DfE no.	Name	Special unit type	Places
2005	Arundel Court Primary		
2653	College Park Infant		
2008	Copnor Primary		
3420	Corpus Christi RC Primary		
2689	Cottage Grove Primary		
2677	Court Lane Infant		
2644	Court Lane Junior		
2716	Craneswater Junior		
2665	Cumberland Infant		
2648	Devonshire Infant	Nurture & Assessment	12
2714	Fernhurst Junior		
2637	Goldsmith Infant		
2674	Highbury Primary		
2694	Langstone Infant		
2700	Langstone Junior		
2719	Manor Infant		
2673	Medina Primary		
2654	Meon Infant		
2715	Meon Junior		
2645	Meredith Infant		
2005	Milton Park Primary	Autistic Spectrum Conditions	14
2709	Moorings Way Infant		
2658	Northern Parade Federated	Hearing Impaired	6
2697	Penhale Infant	Hearing Impaired	6
2765	Portsdown Primary	Nurture & Assessment	10
2679	Solent Infant		
2666	Solent Junior		
2680	Southsea Infant	Language Impaired	8
3422	St John's RC Primary		
3212	St Jude's CE Primary		
5207	St Paul's RC Primary		

DfE no.	Name	Special unit type	Places
3423	St Swithun's RC Primary		
2698	Stamshaw Infant		
3214	St George's Beneficial Primary		
2670	Westover Primary		
2699	Wimborne Infant		
2705	Wimborne Junior		

SECONDARY SCHOOLS

DfE no.	Name	special unit type	places
4302	King Richard		
4303	Mayfield		
4301	Springfield		
5413	St Edmund's		

DfE no.	Name	special unit type	places
7472	The Harbour		
7046	Redwood Park		
7750	Willows		

15. Annex 2 – INTEREST CLAWBACK FORMULA

Portsmouth City Council will calculate the interest clawback with reference to the bank of England Base Rate on the Census day immediately preceding the start of the financial year for which the budget share is being determined. For the purposes of interest clawback calculations it is assumed that staff are paid monthly on the last working day of each month and that all other expenditure is spread evenly throughout each month. Therefore the interest lost by Portsmouth City Council in paying budget shares into school bank accounts on the first day of each month is equivalent to the length of the month in days (normally 30 days) for pay costs and an average of the length of month in days (normally 15 days) for all other elements of budget share.

The interest clawback will be calculated according to one of the following formula.

A. For schools using PCC Payroll Services

The interest clawback deduction included in the budget share payment of a school will be equal to -

$$(B-P) \times 15 \text{ DAYS} \times D\%$$

where

B is the total school budget share

P is the estimated total pay cost (the proxy used will be the total actual pay cost of the previous financial year)

D is daily rate of interest (i.e. if the Bank of England Base Rate on January Census day is 6% per annum then the daily interest (D) is 6% divided by 365 = 0.0164%).

For example - based on a 30 day month

If a school's total budget share is £1,000,000 of which £800,000 are actual pay costs for the previous financial year and the Bank of England Base Rate is 5.48%.

The daily interest rate would be 0.015%.

The interest clawback deduction from the school's budget share would be

$$(1,000,000 - 800,000) \times 15 \times 0.00015 = £450$$

B. For schools not using PCC Payroll Services

The interest clawback deduction included in the budget share of a school will be equal to -

$$((B-P) \times 15 \text{ days} \times D\%) + (P \times 30 \text{ days} \times D\%)$$

where

B is the total school budget share

P is the estimated total pay cost (the proxy used will be the total actual pay cost of the previous financial year)

D is daily rate of interest (i.e. if the Bank of England Base Rate on January Census day is 6% per annum then the daily interest (D) is 6% divided by 365 = 0.0164%).

For example - based on a 30 day month

If a school's total budget share is £1,000,000 of which £800,000 are actual pay costs for the previous financial year and the Bank of England Base Rate is 5.48%.

The daily interest rate would be 0.015%.

The interest clawback deduction from the school's budget share would be:

$$((1,000,000 - 800,000) \times 15 \times 0.00015) + (800,000 \times 30 \times 0.00015) \\ = £4,050$$

16. Annex 3 – CHARGES FOR SCHOOL ACTIVITIES

Portsmouth's policy on charging pupils and remission was drawn up in accordance with the requirements of Chapter III of Part VI of the Education Act 1996. Details of the policy are set out below.

1 Instrumental Music Tuition

The Education Act does not permit charging for class music tuition, group musical activities within school hours or for any tuition, whether group or individual, which is part of a syllabus for a prescribed public examination. Charging is permitted for individual instrumental music tuition when not part of the syllabus for a prescribed public examination. Charges shall not be made for either small group or for individual music tuition by LA funded staff on Council premises within normal school hours. Governing bodies should not be allowed to charge for instrumental music tuition unless it is:

- a) Provided in addition to that which Portsmouth City Council has funded and
- b) Given to individual pupils outside normal school hours.

2 Board and Lodging

The Education Act permits charges to be made for board and lodging whether or not the activity takes place in school hours, even where the education activity is provided to fulfil the requirements of a syllabus for a prescribed public examination or for statutory duties relating to the National Curriculum.

Charges should not be made for board and lodging for field study necessary for examination courses, unless sufficient field study experience is provided locally and non-residentially, at the expense of the City Council, i.e. the Council opposes charging for necessary residential activities, but not where they were merely an alternative to freely provided Local activities. Section 457 of 1996 Act makes it clear that the charging and remissions policy adopted by a school governing body may be more or less generous than the policies of the City Council provided they meet the requirements of the Act. Governing bodies are advised therefore only to charge for board and lodging either:

- a) Where the course is not the only way of meeting external examination requirements; or
- b) If the course is the only way of meeting such requirements and the school's budget component for educational visits has already been spent or committed to such courses.

3 Remissions Policy

The Education Act 1996 requires the City Council or governing body to remit any board and lodging charges if the activity is deemed to take place in school hours or is to fulfil the syllabus requirements of a prescribed public examination or of statutory duties relating to the National Curriculum for pupils whose parents are in receipt of Income Support or Family Credit. The City Council would not discourage governing bodies from remitting board and lodging charges for pupils whose parents have low income but are not eligible for Income Support or Family Credit.

4 Public Examinations and Breakage's or Damage to School Premises and Equipment

Governing bodies are allowed to pass fees for prescribed public examinations on to parents when the pupil has not been prepared by the school or where the pupil fails without good reason to complete the examination requirements. Similarly, parents can be asked to pay for the cost of wilful damage to school property or the misuse or loss of books and equipment. However, a civil action to enforce payment would need to establish a contract between the Governing Body and the parents concerned to pay the costs in question. If the matter were to be considered by a Court, the school would have to demonstrate the existence of a valid contract. Head teachers are therefore advised to ensure that a specific statement of policy is included in the school brochure and that parents, for examination entries, should be expected to be given written acceptance of responsibility for the fee before the pupil is entered.

5 Voluntary Contributions

Voluntary contributions from parents should be seen as the normal method of funding activities, including educational visits, which are considered valuable and which the school is unable otherwise to fund.

6 "Third Party" Arrangements

Governing bodies are advised against the third party approach set out in paragraph 18 of Circular 2/89. They would be expected also to deny leave of absence to either pupils or staff to take part in educational visits organised by a third party and should inform parents or staff of the Council's advice against such arrangements and the reasons for that advice. If a governing body with delegated personnel powers uses those powers to approve leave of absence of a member of staff, the governing body should expect to give leave of absence without pay. The third party

will then need to enter into a separate contract with the member of staff and assume liability for any negligence.

17. Annex 4 – INVENTORY SHEET

School:

Page Number:

<i>Item Description</i>	<i>Model and/or Serial No. (if applicable)</i>	<i>Order no. (or other source)</i>	<i>Date Received</i>	<i>Cost (£)</i>	<i>Location held / Person to whom issued</i>	<i>Dates of Physical Stock Checks and Initials</i>	<i>Date of Disposal and Authority</i>

RECORD OF EQUIPMENT ISSUE

School:

Page Number:

<i>Date of Issue</i>	<i>Details of Equipment Including Serial No</i>	<i>Reason for Issue</i>	<i>Signature of Recipient</i>	<i>Issue Approved by (signature)</i>	<i>Period of Issue</i>	<i>Equipment Returned (date)</i>	<i>Equipment Received by (signature)</i>

DISPOSAL OF EQUIPMENT AND FURNITURE

School:

Page Number:

Quantity	Description	Make and Serial Number	Date Supplied (if known)	Approx. Value (if known)	Recommended Method of Disposal	Approved Method of Disposal

Disposal requested by Head teacher (Signature)

Date

Disposal authorised by Chair of Governors (Signature)

Date

18. Annex 5 – HIRE OF SCHOOL FACILITIES

Name and Address of Applicant

.....
.....
.....

Telephone Number

If invoices are to be sent to another person please state the name and address

.....
.....
.....

Name of Club / Organisation

.....

Facilities Required

.....
.....

Purpose of Hire

.....
.....

Age Group of Members

Start Date **End Date**

Start Time **End Time**

Day/s required

Terms and Conditions

1. The use of the building is subject to Portsmouth City Council's public liability insurance. However, the school reserves the right to request proof of additional public liability insurance in respect of the groups activities whilst using school facilities.
2. The school has the right to cancel the hire should the facilities be required for a school function.
3. The school may make additional charges in respect of damage caused to the building/property of the school through negligence or wilful intent.
4. Payment for the letting is required on receipt of the invoice (issued monthly in advance).
5. The charges will be in accordance with those agreed by the governing body.
6. For lettings of sporting facilities VAT will be charged at the standard rate unless the following criteria are fulfilled:-
 - ▶ Single lets for a continuous period of over 24 hours to the same person.
 - ▶ A series of lets that cover 10 or more consecutive sessions.
 - ▶ Each session is for the same sport.
 - ▶ Each session is at the same premises.
 - ▶ Intervals between sessions are at least one day and not more than 14 days.
 - ▶ The series is paid for as a whole.
 - ▶ The let is to a school, club, association etc.
 - ▶ There is exclusive use by the lessee.

Refunds are not given in the event of cancellation by the client.

7. The applicant is over 18 years old.

I/We have read and accept the regulations relating to the hire, and agree to abide by the general terms and conditions communicated to me.

Signed:.....

Name in Full:

For and on behalf of:

Date:.....

Office use only

This section will be returned to you as soon as the booking has been authorised.

Name of applicant:

Address:

.....

.....

Facilities required:

.....

Date/s required:

Time/s required:

Charge to be made (per hour/session):

Authorised by name:

Position held:

Date authorised:

19. Annex 6 – PERMITTED SPECIFIC PURPOSES FOR THE USE OF SURPLUS FUNDS

-
- Valid orders placed through the financial system, but for which the goods have not been received.
 - Funds held on behalf of other schools by fund holder schools (e.g. cluster funding).
 - Balances held for specific community projects e.g. nursery provision, children's' centres, extended services.
 - Contribution towards capital works with the school (where alternative capital resources have been exhausted). A clear statement of intent signed by the Chair of Governors. (subject to clawback if not delivered in stated timescales - maximum 3 years).
 - Providing consistency in staffing levels where numbers on roll are predicted to fluctuate within the next year (note that a reasonable commitment would be £3,000 per pupil and forecast variations in pupil numbers should be given).
 - Unexpected funds received by the school near the year-end which will be utilised for a specific purpose in the following financial year.

20. Annex 7 - A school deficit recovery plan

Background

The deficit recovery plan should include a brief paragraph or two explaining what is causing the school to forecast a budget shortfall and why this is causing the school to move into a deficit position.

Deficit reduction plan

The budget deficit reduction plan should include a description of how the school is proposing to bring the budget back into balance.

This section should list the various budget headings the school are intending to reduce spend in and how you expect to achieve these reductions, or budget headings where the school intend to increase income and how you expect to increase the income.

Impact of reducing costs

By reducing costs in the various areas named above the school will need to assess what the possible impact on the school is of reducing spend and explore them in this section

Certain costs may be one off and have no adverse impact going forward, others could have an adverse impact going forward and those risks should be described.

Forecast budget for 3 years

Below is an example of a summary budget from the schools budgeting system. A deficit recovery plan would normally include a high level summary such as this and a more detailed breakdown.

A school should also consider how they intend to monitor the plan to ensure that the expected deficit reduction is achieved, and any actions the school will take if the monitoring indicates that the planned reductions will not be met.

Annex 7 - A school deficit recovery plan

Summary Report for TEST School

DfE: xxxx

	2015 - 16	2016 - 17	2017 - 18
PLASC Nos			
FTE Teacher	70.55	70.55	70.24

A school - Summary Income and Expenditure Projections

CFR Code	Details	2015 - 16	2016 - 17	2017 - 18
Income				
I01 - I04 / I14	Individual School Budget	(5,010,500)	(5,100,000)	(5,125,000)
I05	Pupil Premium	(400,000)	(376,955)	(380,176)
I06 - I07	Other Grants	(3,000)	0	(5,000)
I08 - I13	Other Income	(58,000)	(60,000)	(62,000)
I15 - I18	Com. Foc. Schools Income	(20,500)	(67,015)	(67,315)
Total Income		(5,492,000)	(5,603,970)	(5,639,491)
Expenditure				
E01 - E02 / E26	Staff Costs - Teaching	3,250,000	3,250,000	3,200,000
E03 - E07	Staff Costs - Support	1,101,100	1,090,000	1,090,000
E08 - E11	Other Employment Costs	55,050	40,000	60,000
E12 - E18	Occupancy Costs	485,688	448,014	440,000
E19 - E21	Learning Resources	375,761	396,761	400,000
E22 - E25 / E27 - E30	Other Costs	384,118	370,048	369,118
E31 - E32	Com. Foc. School Costs	0	0	0
Total Expenditure		5,651,716	5,594,823	5,559,118
In Year (Surplus) / Deficit		159,716	(9,147)	(80,373)
(Surplus) / Deficit Brought Fwd		(50,000)	109,716	100,569
Cumulative (Surplus) / Deficit C/Fwd		109,716	100,569	20,196

DECLARATIONS

This 3 year budget for _____ School was approved by the

Governing Body at their meeting on:

Date:

Head Teacher: _____.

Date:

Chair of Governors: _____.

Date:

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Title of meeting:	Schools Forum
Date of meeting:	21 October 2015
Subject:	Childcare sufficiency
Report from:	Di Smith, Interim Director of Children's Services
Report by:	Catherine Kickham, Early Years Commissioning Manager
Wards affected:	All Wards
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1. This report updates Schools Forum with the local authority progress in meeting the childcare sufficiency duty related to funded 2 year olds

2. Recommendations

- 2.1. It is recommended that Schools Forum :
 - 2.1.1. Notes the progress in expanding the sufficiency of 2 year old places.
 - 2.1.2. Endorses the allocation of £51,000 from the Dedicated Schools Grant 2014-15 carry forward to be used to continue the expansion of the 2 year old provision in the city.

3. Background

- 3.1. In September 2014 the Government extended statutory duties on local authorities to ensure sufficient early education and childcare. The extension substantially increased the provision of free funding for eligible 2 year olds (1200 children in Portsmouth).
- 3.2. Trajectory funding was allocated to Portsmouth to 'grow the market', supporting both extension of places and quality improvement with capital allocated for buildings.
- 3.3. A task and finish 'Childcare Sufficiency Advisory Group' oversaw the allocation of 2 year old trajectory funding to support the development of childcare places.

4. Progress

- 4.1. For the financial year 2014-15 Schools Forum agreed a spending plan for the trajectory funding of £780,000 allocated to sufficiency grant awards, communications and workforce development. At year end £51,000 was carried forward from the initial allocation.

Grant awards

- 4.2. The Early Support Childcare Development Team has successfully worked in partnership with providers in the private, community and maintained sector to extend existing capacity and develop sustainable business proposals. At the end of March 2015 the Council had awarded funding and supported the development of 1019 new childcare places across the City. Achievements include:

- Extended existing high quality provision at 25 sites across the City, details in Appendix A
- Refurbished community venues with new provision at 4 sites
- Advanced plans for new accommodation at Manor Infant School
- Lease of unused PCC leisure building in Southsea to new childcare provision
- New childcare accommodation as part of the Northern Parade School development plan
- Increase in the number of childminders offering free early education places across the City by 40

- 4.3. Details of all new childcare places created between 2012 and 2015, by Children's Centre area, are shown in Appendix A.

Quality improvement

- 4.4. The most recent Ofsted profile data (Dec 2014) shows that the % of childcare providers judged 'good or better' by Ofsted is above national average:

	England	Portsmouth	Difference
All provision	83	85	+2
Childminders	81	82	+1
Non domestic premises	86	88	+2

- 4.5. The Spring Early Years' Census showed that, of those accessing a provision with an Ofsted judgement, 82% of funded 2 year olds and 83% of funded 3 and 4 year olds were accessing a 'good or better' setting.

5. Next steps

- 5.1. Although there is sufficient childcare to meet demand, there are some areas of the City where parents are not always able to access their first choice of childcare. These remain a priority for support with focus on enabling the market to identify and access external funding which can be used to make best use of existing accommodation.

- 5.2. The Spring Childcare Sufficiency Audit identified a 'healthy' number of vacancies for free early education places across the City. Parents are not always able to access their first choice of childcare in such areas as Fratton, Paulsgrove and Somerstown & Portsea which have few vacancies. In both Fratton and Paulsgrove new provision opening in the autumn term 2015 is expected to meet demand.
- 5.3. Full day care places are limited across the City. As the economy continues to grow the local authority will increase its work with the childcare market to respond to the growing need for full day care provision in the areas of most demand.
- 5.4. The Cabinet Member agreed the allocation of £51,000 to address childcare sufficiency on 15 October 2015, Schools Forum is requested to endorse this decision. This allocation will be used to further extend capacity and ensure quality childcare across the city. It will fund a childminder recruitment and retention campaign, support schools to introduce 2 year olds into nursery class provision and workforce development.

Early Education Funding Review

- 5.5. The existing formula for funded 2 year olds was introduced when Portsmouth became a first wave pilot in 2006 and continued with the national introduction of funding in 2011. The statutory 'single funding formula' for 3 and 4 year olds was introduced in 2010. Neither has been reviewed during this period.
- 5.6. The Government has committed to the following early education funding initiatives:
- The introduction of extended free entitlement for some 3 and 4 year olds
 - A review of the current funding allocation to local authorities
 - Establishment of a 'ministerial childcare task force' to drive making appropriate cross government links, chaired by the DWP minister to drive greater parental employment.

With this in mind, it is recognised that funding may need to be reviewed so that Portsmouth is best placed to meet the changing environment Anticipated guidance from the DfE will inform this review.

6. Reasons for recommendations

- 6.1. Current arrangements for planning and funding the extension of early years places have delivered sufficient places, are recognised by external and internal partners as robust and comply with Government direction and Schools Forum guidance. The proposed programme will enable the local authority to meet its duty to secure sufficient places for the long-term.

7. Equality impact assessment (EIA)

- 7.1. This report does not require an Equality impact Assessment as the proposal does not have any impact upon a particular equalities group.

8. Legal implications

- 8.1. The City Council's statutory duty to secure prescribed early years provision free of charge is set out in section 7 of the Childcare Act 2006 and in Regulations made under that section.
- 8.2. There are no legal implications arising from the recommendation in this report.

9. Director of Finance's comments

- 9.1. The report sets out the progress made by the Childcare Development Team in expanding the provision of free 2 year old places within the city using the trajectory and capital funding allocations in previous years.
- 9.2. At the end of 2014-15, there was an underspend on the 2 year old trajectory funding budget which has been brought forward into 2015-16 as part of the £4.585m carry forward. The report proposes that £51,000 is allocated from the carry forward balance to enable the service to continue to expand the provision for 2 year olds in 2015-16.
- 9.3. The DfE will allocate specific revenue funding for the 2 year old places from 1 April 2015 on a participation basis, using data from specific census counts.

.....
Signed by:

Appendices:

A - Childcare places created

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
Signed by:

Appendix A - Childcare places created

Development site	Number of places created	Children's Centre Reach Area
Flying Bull Primary School	24	Buckland
Noah's Ark Nursery	30	Fratton
Bunny Warren	37	Fratton
Little Learners	48	Fratton
Manor Infant School site	24	Fratton
Westover Pre-School	16	Milton, Baffins and Cumberland
Langstone Pre-School	48	Milton, Baffins and Cumberland
Stacey Centre	48	Milton, Baffins and Cumberland
All Aboard Pre-School	24	Northern Parade and Stamshaw
Mountbatten Centre site	48	Northern Parade and Stamshaw
Tops @ Lakeside	61	Paulsgrove
Highslope Community Hall	48	Paulsgrove
Paulsgrove Baptist Church	48	Paulsgrove
Portsdown School	40	Portsdown, Drayton and Farlington
Mulberry Court Pre-school	48	Portsdown, Drayton and Farlington
YMCA - Portsea Day Nursery	50	Somerstown and Portsea
Leapfrog @ Merlin Centre	90	Southsea and Brambles
The Brambles Daycare	48	Southsea and Brambles
Minibugs Pre-school	48	Southsea and Brambles
Dysart - Canoe Lake Nursery	49	Southsea and Brambles
Izzies Nursery	20	Willows and North End
Alphabet Corner	20	Willows and North End
Binsteed Childcare Service	40	Willows and North End
Little Sunbeams Pre-school	30	Willows and North End
St Nicholas Pre-school	32	Willows and North End

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Decision maker:	Schools Forum
Subject:	Dedicated Schools Grant Budget Monitoring Report for the First Quarter 2015/16
Date of decision:	21 October 2015
Report from:	Di Smith, Interim Director of Children's Services
Report by:	Richard Webb, Finance Manager
Wards affected:	All
Key decision:	No
Budget & policy framework decision:	No

1 Purpose of report

- 1.1 To inform Schools Forum of the projected revenue expenditure within the Dedicated Schools Grant (DSG) for the current financial year 2015-16. This report sets out the forecast budget position for the year-end as at the end of June 2015.

2 Background

- 2.1 The DSG is a ring-fenced grant for Education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations.
- 2.2 The original DSG budget for the financial year 2015-16, was approved by the Cabinet Member for Children and Education and endorsed by Schools Forum in February 2015. This report provides Schools Forum with a forecast estimate of the year-end outturn based on the position as at 30 June 2015.

3 Recommendations

- 3.1 It is recommended that Schools Forum notes the forecast year-end budget position as at the end of quarter 1, for the Dedicated Schools Grant, together with the associated explanations, as detailed in section 4 of the report.

4 Dedicated Schools Grant forecast position as at the end of June 2015

- 4.1 Table 1 below sets out the forecast year-end financial position of the DSG budget as at 30 June 2015.

Table 1

DEDICATED SCHOOLS GRANT	<i>Original Estimate 2015/16 £000's</i>	<i>Projected Outturn £'000's</i>	<i>Projected over/ (under) spend £'000's</i>
DSG : Devolved			
Nursery ISB	7,800	7,717	(83)
Nursery Pupil Premium	218	218	0
Primary ISB	47,793	46,021	(1,772)
Secondary ISB	21,144	18,641	(2,503)
High Needs ISB	4,894	4,894	0
Total Devolved DSG	81,849	77,491	(4,358)
DSG : Retained			
De-Delegated Budgets & Growth Fund	927	900	(27)
High Needs	9,458	9,458	0
Other centrally retained	4,067	4,067	0
DSG and other Specific Grants	(96,301)	(91,916)	4,385
DSG Brought Forward	(4,585)	(4,585)	0
DSG Carried Forward	4,585	4,585	0
Total Retained DSG	(81,849)	(77,491)	4,358
TOTAL Dedicated Schools Grant	0	0	0

The figures in the above table are subject to rounding to the nearest £1,000 and may not calculate exactly

- 4.2 At this stage in the financial year, the DSG is currently expected to breakeven. The variances shown in the table above are explained in more detail below.

Academy conversions

- 4.2.1 The Primary and Secondary ISBs, together with the De-delegated budgets are showing a variance due to the conversion of 3 schools to Academy status, following the approval of the budget (Gatcombe Park Primary, Stamshaw Junior School and The City of Portsmouth Boys School). Following conversion to Academy status, the funding for these schools will

be paid directly to them via the Education Funding Agency, rather than via the Council. In July 2015, the Cabinet Member approved the adjustments to the budget to reflect the conversion of these Schools to Academy status, which will be reflected in the quarter two monitoring report.

3 and 4 year old January 2015 census.

4.2.2 The DfE have recovered £83,515 in relation to reduced 3 and 4 year old numbers for the period September 2014 to March 2015. This reflects the change in pupil numbers at the January 2015 census compared to the January 2014 census on which the initial funding for 2014-15 was based. This is expected to be reflected in the expenditure for 3 and 4 year old places in maintained nursery units for 2015-16 as the reduced pupil numbers roll in to the new financial year.

4.3 The High Needs budgets are the most volatile area of the DSG budget, due to a significant proportion of the funding being linked to pupil needs and movements. At this early stage in the financial year, it is not possible to determine accurately the forecast outturn position on the Element 3 top-up funding budgets and therefore the forecast has been reported at budgeted levels. Following receipt of the autumn term class lists in November 2015, it will be possible to more accurately predict the outturn position for the financial year.

5 Equality impact assessment (EIA)

5.1 No impact assessment has been carried out as the proposals do not have any impact upon a particular equalities group.

6 Legal comments

6.1 There are no legal implications arising directly from the recommendations in this report.

7 Director of Finance comments

7.1 Financial comments are contained within the body of the report.

.....
Di Smith, Interim Director for Children's Services

Background list of documents: Section 100D of the Local Government Act 1972

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
DSG Budget Monitoring	Education Finance Team
School & Early Years Finance (England) Regulations 2014	www.legislation.gov.uk

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

.....
 Signed by:

Agenda Item 10

School Term Dates: supplementary note to Schools Forum

Change in legislation

On 15 July 2015 information was provided to Schools Forum about the Government's Deregulation Bill which was given Royal Assent on 25 March 2015. The Bill stated that all schools will be able to set their own term dates when schedule 16 of the Act comes into force, but that the Government would still expect schools to work with each and the local authority to ensure co-ordination is in place for 2016/17. It was recommended to Schools Forum to note the content of the report and to feedback to their representative groups encouraging them to continue with the current process for setting school term times.

Since then the Government has confirmed that schedule 16 of the Deregulation Act 2015 which gives the governing bodies of community, voluntary controlled, community special schools, and maintained nursery schools in England the responsibility for setting their own school term and holiday dates **will not be commenced**. These schools will not therefore be given the power to set their own term dates.

The Government informally consulted with a wide range of stakeholders both before and during the passage of the Deregulation Bill. The responses were mixed with some supporting the move and others expressing reservations. The Government has reflected on the concerns raised and also noted that there does not appear to be a significant clamour from maintained schools which do not have this power to have this freedom. In the light of this the Government has concluded that it would not be appropriate to commence with widening this to those maintained schools but to encourage local authorities to listen sympathetically to arguments for change from these schools.

Voluntary Aided Schools, Foundation Schools and Academies may continue to vary their term dates slightly if they wish to do so.

Arrangements for 2016/17

As reported to Schools Forum the Council has already consulted with all schools and academies in Portsmouth on the 2016/17 term dates. The dates align with those proposed for both Hampshire and Southampton and are as follows:

Autumn Term 2016

5 September - 21 October

31 October - 16 December

Spring Term 2017

3 January - 17 February

27 February - 7 April

Summer Term 2017

24 April - 26 May

5 June - 25 July

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