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# NOTICE OF MEETING

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## SCHOOLS FORUM

WEDNESDAY, 8 JULY 2020 AT 4.30 PM

## VIRTUAL REMOTE MEETING - REMOTE

Telephone enquiries to Lisa Gallacher 023 9283 4056  
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### Membership

#### Schools Members

Two head teacher representatives - primary phase  
One head teacher representative - secondary phase  
One head teacher representative - special phase  
Four academy representatives - primary proprietor  
Five academy representatives - secondary proprietor  
One academy representative - special proprietor  
One governor - primary phase  
One governor - secondary phase

#### Non School Members

Four Councillors (one from each political groups)  
One 16-19 Education Providers representative  
One Early Years Providers representative

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(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](http://www.portsmouth.gov.uk)

### AGENDA

- 1 **Apologies**
- 2 **Declarations of Interest**
- 3 **Membership Changes**
- 4 **Minutes of the meeting held on 12 February 2020 and matters arising (Pages 5 - 10)**

**5 Dedicated Schools Grant Outturn 2019-20 (Pages 11 - 20)**

The purpose of this report is to inform Schools Forum of the year-end outturn position as at the end of March 2020 for the Dedicated Schools Grant (DSG).

**RECOMMENDED that Schools Forum note the year-end outturn budget position for the Dedicated Schools Grant as at the end of March 2020 and the variance explanations contained within this report.**

**6 Schools Balances as at 31 March 2020 (Pages 21 - 34)**

The purpose of this report is to inform Schools Forum of the level of maintained schools' revenue and capital balances as at 31<sup>st</sup> March 2020.

**RECOMMENDED that Schools Forum notes the level of maintained schools' revenue balances and capital balances as at 31<sup>st</sup> March 2020 as shown in Appendices 2 & 3 and the monitoring action taken by the council**

**7 Schools Forum Constitution (Pages 35 - 52)**

The purpose of this report is to seek Schools Forum approval to retain the existing constitution attached at Appendix A. The report seeks to update the Schools Forum on the current composition which continues to provide for appropriate representation between maintained schools and academies within the city.

**RECOMMENDED that Schools Forum retains the current constitution attached at Appendix A, which took effect from 24<sup>th</sup> May 2018**

**8 Scheme for Financing Schools (Pages 53 - 126)**

Purpose.

This report outlines the proposed changes to the Scheme for Financing Schools which reflect the revisions to the scheme as outlined in the guidance issued by the Department for Education (DfE).

**RECOMMENDED that Schools Forum members representing maintained schools approve the revised Scheme for Financing Schools attached at Appendix 1, to come into force on 1 August 2020.**

**9 Any Other Business**

**10 Dates of Future Meetings**

**(all meetings to be held on Wednesdays 4.30pm – 6.30pm)**

**Future meetings:**

**16 September 2020:- Executive Meeting Room. The Guildhall venue tbc**

**Proposed Future meetings:**

**21 October 2020:- Conference Room A, Civic Offices**

**2 December 2020:- Conference Room A, Civic Offices**

**13 January 2021:- To be advised**

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# Agenda Item 4

## SCHOOLS FORUM

MINUTES OF THE MEETING of the Schools Forum held on Wednesday, 12 February 2020 at 4.30 pm at the Guildhall, Portsmouth

### Present

Jackie Collins	Head Teacher	Primary Phase
Dave Jones	Head Teacher	Primary Phase
Share D'all	Governor	Primary Phase
Sean Preston	Academies	Primary Phase
Nys Hardingham	Academies	Secondary Phase
Nathan Waites	Academies	Secondary Phase
Alison Beane	Academies	Special Schools
Mike Gaston	Representative	16 - 19 Education
Kara Jewell	Representative	Early Years
Terry Norton	Councillor	Conservative Party

### 45. Apologies

Apologies for absence were received from David Jeapes (David Jones chaired the meeting), Jason Crouch, Jo Cooper, Steve Labeledz, Natalie Sheppard, Simon Barrable (Mike Gaston was attending as his named substitute). Apologies were also received from Councillors Stagg and Smyth.

### 46. Declarations of Interest

There were no interests declared.

Alison Egerton, Group Accountant informed the forum that there were two outstanding declaration of interests from Nys Hardingham and Councillor Udy. Nys Hardingham advised she had her completed form to hand to Alison at the end of the meeting.

Kara Jewell asked if it would be possible for her to nominate an Early Years deputy for when she was unable to get to meetings. Alison Egerton confirmed she could and asked Mrs Jewell to send her details of the named substitute so she could update the membership list.

### 47. Minutes of the meeting held on 15 January 2020 and matters arising

Update from the previous minutes:

Alison Egerton advised she had sent an email to all secondary headteachers about a briefing on school funding arrangements and was still awaiting a response.

There was one correction needed: Kara Jewell advised that her title was Mrs and not Ms.

**RESOLVED that the minutes of the previous meeting held on 15 January 2020 be confirmed as a correct record subject to the above correction.**

#### **48. Membership Changes**

Alison Egerton gave an update on membership. Since the last meeting she had been able to confirm:

- Jackie Collins' tenure as the primary maintained headteacher representative.
- Jason Crouch's tenure as the secondary maintained governor representative.
- Nys Hardingham's tenure as the secondary academy representative.

Alison also advised that:

- There is one membership vacancy for a secondary academy representative. She had sent an email but had not yet had a response so she would send a reminder shortly.
- There are two tenures that are close to ending. Alison Beane's tenure as special academy representative was due to end on 28 February. Ian Hunkin's tenure was due to end when Harbour School become an academy school. This was expected to be on 1 April. In the new financial year Alison explained she would write to all special academy representatives asking for nominees.

#### **49. Dedicated Schools Grant 2020-21.**

The report was introduced by Angela Mann, Finance Manager. She explained that a revised appendix 3 to the report had been circulated relating to the Element 3 top-up rates.

In response to questions Angela Mann, Alison Egerton and Julie Katherine (Head of Inclusion) clarified the following:

With regard to inclusion centres, the Council did look at a banded funding methodology for all maintained schools and inclusion centres over a year ago and decided to postpone the introduction due to additional funding in 2019-20. It was felt that there were a lot advantages to introducing banded funding but to introduce that across the board needed a lot of lead in time. Officers said that the Council are not proposing to introduce banded funding across all schools in 2020-21 due to the lead-in time required to consult and then move to a new funding methodology. Alison Egerton said it would make sense to combine the banding for mainstream and inclusion centres together with a view to introducing from April 2021 as part of the 2021-22 Budget. Officers would need to look at the financial modelling and then can consult with all

schools in preparation for the 2021-22 budget setting process. There was a discrepancy with one of the inclusion centres, Milton Park that historically had been paid at a higher rate. Milton Park were aware that a banded funding methodology was being considered and that arrangements to support the school through the transfer to a new funding methodology. Forum members agreed that this needed to be looked at across the city to ensure the Council is getting the right funding for children at the right levels at the right time.

With regard to the SEND monitoring and review hub, officers explained that they would be used to review Out of City, special school and mainstream placements to ensure that where any changes in the support required are identified through the annual review process, these are reflected in changes in the resources attached to the EHCP. Currently, any requests for additional funding or changes in placement are prioritised so that no child has been disadvantaged where there is a need for additional support, however the Council have not had the capacity to proactively review placements where there may be a reduction in the support required, due to the increase in EHCP numbers.

The council need to ensure the funding level is accurate according to the child's needs. When an EHCP is originally carried out the funding level is set quite precisely so it is about having the capacity to proactively monitor this.

With regard to bullet point 4 in paragraph 6.36 officers are using the annual review process to make sure that if the child needs to remain in the out of city placement that there is a plan for when they can return to the city.

Officers confirmed that Post 16 is up to the age of 25. Officers have used census data along with the year groups of pupils with EHCPs and track this to predict the number of pupils. The council have pupils going out of the city and the place funding is being paid by those authorities where PCC pay the top up and vice versa. Despite the difficulties of projecting the costs, it was pointed out that the current financial position was only different by 6 students.

At the moment the EHCP mainstream funding is attached to the EHCP plan and so it is not possible to uplift payments by 1.84%. If this went on to a banded system, it would be possible to look at annual uplifts.

In the last two financial years two year olds have overspent as there have been more children coming in than the council had received funding for and the council have used the whole amount of the contingency. Whilst the Council's funding is adjusted in the following financial year based on the January census, this will not always match the funding that is paid to providers. For example last year the council overspent on two year olds by £80,000, having used the contingency. The lagged extra funding received for two year olds for 2018-19 in this financial year was £29,000, leaving a gap between funding received by the Council and that paid to the providers. If the number of pupils reduce then the funding adjustment will be smaller and the size of any contingency will reduce.

The centrally retained rate for early years was outlined in appendix 8. For 3 and 4 year olds and 2 year olds 22p out of the total funding. As a percentage this was 4.6% for 3 and 4 year olds and 4% for 2 year olds.

Alison Beane, of Solent Academies Trust then went on to introduce her section of the report and the recommendations. She explained that the biggest issue for the Academy Trust was pressures in finance over some time alongside complexity of needs of the children, mostly due to increasingly complex medical as well as and behavioural and sensory regulation needs. 80% or more of special schools budgets are spent on staffing. As part of the process they have proactively been through their budgets and calculated the actual costs and they are hugely concerned.

In response to questions Alison Beane and Angela Mann clarified the following:

- There is a push coming from different places including the Regional Schools Commissioner and challenge partners. Local authorities have been writing to the DfE but it is a national issue. Portsmouth does not get funded based on what it pays out. Potentially banding rates for Portsmouth schools could be reviewed.
- The 5.25% on the Element 3 is the gap between funding that the 1.84% was providing on the place and Element 3 Top-up funding and the funding that the Trust needs which is approximately £160,000. This would be an ongoing commitment and pressure on the high needs block. In appendix 1 a 5.25% increase has been built into the overall High Needs budgets, but what it would mean is that there is less capacity to absorb pressures such as banding changes.
- It was the Academies Chief Finance Officer's view that they are getting into a more difficult situation and the deficit would increase. Alison Beane was unsure of the exact details. Angela Mann added that the future year's budget assumed a 5.25% increase would happen so had built this into the calculations. The request from Solent Academies Trust was for an additional £350,000. This was translated into the top up rates so members could see the difference which was £160,000.
- The senior leadership costs were marginally higher.
- Alison Beane added that they do comparative work with other special schools but it is very hard as all special schools are different.

Some members of the Forum had concerns with the figures provided in the report as in the latest published final accounts (2018/19), they state that the reserves were £561,000 at the end of the year. It was clarified that the £561,000 includes the Teaching School Alliance (TSA) which are restricted funds so there is a question as to whether the forum include the TSA in their considerations.

This is a national issue and Portsmouth seems to be in a better position than many other local authorities. Strategies are working very well and there is no quick solution from government. Schools Forum members felt it was important when considering these recommendations not to set a future historical precedent and this needs to be continually reviewed. It was felt going forward it would be useful to have a comparator.



(Alison Beane left the meeting prior to the Schools Forum vote on the recommendation relating to Solent Academies Trust)

**DECISIONS: Members of the Schools Forum**

- a. **Endorsed the initial determination of the Schools Budget for 2020-21 as set out in Appendix 1.**
- b. **Endorsed the 2020-21 Special School, Inclusion Centre and Alternative Provision places as set out in Appendix 2.**
- c. **Endorsed the 2020-21 Element 3 Top-Up rates for The Harbour Special School, Inclusion Centres (including the addition of an Element 3 top-up at Trafalgar Inclusion Centre), and Alternative Provision settings as set out in Appendix 3.**
- d. **Endorsed the Solent Academies Trust proposal to increase the 2020-21 Element 3 top-up rates for Solent Academies Trust to include an increase of 1.84% as set out in Table A in Appendix 7.**
- e. **Endorsed the proposal that any carry forward balances from 2019-20 be used to assist with the continued introduction of the funding reform changes and fund any potential financial pressures arising during 2020-21.**
- f. **Endorsed the local funding arrangements in respect of the 2, 3 and 4 year old early years provision for 2020-21 as set out in section 8 and Appendix 8.**

The meeting concluded at 5.55 pm.

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Chair

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<b>Title of meeting:</b>	Schools Forum
<b>Date of meeting:</b>	8 July 2020
<b>Subject:</b>	2019-20 Dedicated Schools Grant Outturn Report
<b>Report by:</b>	Chris Ward, Director of Finance and Resources and Section 151 Officer
<b>Wards affected:</b>	All Wards
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## 1. Purpose of report

- 1.1 The purpose of this report is to inform Schools Forum of the year-end outturn position as at the end of March 2020 for the Dedicated Schools Grant (DSG).

## 2. Recommendations

- 2.1 It is recommended that Schools Forum:
  - a. Note the year-end outturn budget position for the Dedicated Schools Grant as at the end of March 2020 and the variance explanations contained within this report.

## 3. Background

- 3.1. 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.
- 3.2. The original DSG budget for the financial year 2019-20, was approved by the Cabinet Member for Education and endorsed by Schools Forum in January 2019, with subsequent changes approved throughout the financial year. This report provides Schools Forum with the year-end outturn position as at 31<sup>st</sup> March 2020.
- 3.3. The year-end position for 2019-20 was complicated by the introduction of a National lockdown due to Covid-19 on 23<sup>rd</sup> March 2020. Financially this came across the year-end financial close down at a time when the

Children, Families and Education Finance Team would be meeting with Education Colleagues to clarify placement costs and receiving the final class lists for payment to schools. As the authority's focus switched to business critical functions the remaining financial transactions were made based on the last agreed status or known position. Where estimated payments have been made these are now being followed through to ensure that any adjustments are completed and included in the first quarter of 2020-21.

#### 4. Dedicated Schools Grant

4.1. Table 1 below sets out the DSG final outturn position as at the 31<sup>st</sup> March 2020.

<b>Table 1 - Dedicated Schools Grant</b>				
	<b>Original budget 2019-20 £000's</b>	<b>Revised Budget 2019-20 £000's</b>	<b>Outturn 2019-20 £000's</b>	<b>Over / (under) spend £000's</b>
<b>Income</b>				
DSG Brought forward 2018-19	0	(3,138)	(3,280)	(142)
DSG and other specific grants	<u>(72,309)</u>	<u>(70,263)</u>	<u>(70,212)</u>	51
<b>Total Income</b>	<b>(72,309)</b>	<b>(73,401)</b>	<b>(73,492)</b>	<b>(91)</b>
<b>Expenditure</b>				
Primary ISB	28,753	26,672	26,493	(179)
Secondary ISB	11,680	11,680	11,680	0
Special school place funding	1,578	1,411	1,348	(63)
Inclusion Centre Place funding	302	307	307	0
Alternative provision place funding	<u>1,090</u>	<u>1,090</u>	<u>1,090</u>	<u>0</u>
<b>Total Delegated</b>	<b>43,403</b>	<b>41,159</b>	<b>40,918</b>	<b>(241)</b>
De-delegated and central budgets	1,580	1,746	1,254	(493)
Early Years	14,138	14,176	13,796	(379)
High Needs	13,189	13,652	14,410	758
<b>Total Expenditure</b>	<b>72,309</b>	<b>70,734</b>	<b>70,377</b>	<b>(356)</b>
<b>Net Year end position</b>	<b>0</b>	<b>(2,668)</b>	<b>(3,115)</b>	<b>(447)</b>
<b>DSG Carried forward</b>	<b>0</b>	<b>2,668</b>	<b>3,115</b>	<b>447</b>

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

### **Dedicated School Grant**

- 4.2. The 2019-20 DSG grant income was £51,000 lower than budgeted; this relates to the following factors:
- a. Increase to the import/export following a challenge to the Department for Education relating to number of pupils imported into the City £18,000 increase.
  - b. Decreased funding following recoupment of high needs places for an independent provider £52,000
  - c. Decreased funding following recoupment of additional places following the expansion of Cliffdale Primary Academy due to the closure of Willows centre for Children £35,000
  - d. Decrease from outstanding refund of recoupment funding regarding over recoupment of high needs places for an academy inclusion centre £4,000.
  - e. An increase of £22,000 was made in respect of the 2018-19 financial year, for children accessing early education. The funding is based on the spring 2019 census which is finalised in the following July and therefore adjusted in the following financial year.
- 4.3. The value of the DSG funding received directly by the Council reduced during the financial year, as a consequence of schools converting to Academy status and their funding being paid directly to them from the Education & Skills Funding Agency (ESFA). The final amount allocated to Portsmouth City Council amounted to £70.2m compared to an initial budget estimate of £70.3m.
- 4.4. The net overall position is a decrease to the carry forward of £165,000, a breakdown of which is set out in the report below.

### **Academy conversion - budget adjustments**

- 4.5. There was one academy conversion (Stamshaw Infant School) in 2019-20. The revised budget includes adjustments relating to this academy conversion.
- 4.6. Table 2 below shows the adjustments made to the budgets during the course of the year, to reflect these academy conversions, for the primary and secondary individual School Budgets (ISB) and the de-delegated budget.

	<b>Original Budget as at Jan 2019</b>	<b>FYE of 2018-19 academy conversions</b>	<b>2019-20 Impact of Academy Conversions</b>	<b>Revised Budget</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>(as shown above)</b>
				<b>£000's</b>
Primary ISB	28,753	-1,052	-1,029	26,671
Secondary ISB	11,680	0	0	11,680
De-delegated	754	0	142	896
<b>Total</b>	<b>41,187</b>	<b>-1,052</b>	<b>-887</b>	<b>39,248</b>

- 4.7. The De-delegated adjustment shows the net position of the schools-specific contingency of £141,800 brought forward from 2018-19.
- 4.8. The variances shown in Table 1 are explained in more detail in the following sections.

#### **DSG Devolved - Individual School Budgets**

- 4.9. The underspend on the primary budgets relates to a budget adjustment for rates relief for Diocesan schools, this is in line with the permitted in-year budget adjustments as set out in the Schools and Early Years Finance (England) regulations.
- 4.10. As previously reported, additional special school places were commissioned locally at the beginning of the financial year. At the end of the financial year not all of these places were utilised at Mary Rose (1.6 places) and Cliffdale (7.7 places) Academy special schools. This has led to an underspend of £62,700.
- 4.11. The Inclusion Centre and Alternative Provision place expenditure was on budget for the 2019-20 financial year.

#### **DSG retained**

##### **De-Delegated budgets, growth fund and centrally retained**

- 4.12. The Schools Specific contingency of £141,800 remains unspent at the year end. As agreed by the Cabinet Member and Schools Forum, this will be carried forward to be used for the same purpose in 2020-21.
- 4.13. The remaining element of the underspend is due to one off recoupment adjustments made to the DSG following schools' conversion to academy status (£67,000) and the Growth fund (319,300).

### Early Years

- 4.14. The net underspend of £379,500 on the early years budgets relate to a decrease in the number of eligible two year olds accessing early education and a decrease in the number of three and four year olds taking up the additional 15 hours. This has partially been offset by a small increase in pupil numbers taking the universal hours.
- 4.15. The cost for funding provision for two year olds was less than the budget by £47,900, the two year old growth contingency was not required to offset any growth above budget, which provided a total underspend of £96,000 on two year old funding.
- 4.16. The budget for three and four year old provision includes both the universal 15 hours and the additional 15 hours for working parents, which was introduced in September 2017. There was an increase in pupils accessing the universal hours and a decrease in those accessing the additional 15 hours, which led to a small underspend, with the underspend on the growth contingency, this led to an overall underspend of £154,500.

	<b>Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Universal 15 Hours	7,924	8,051	127
Additional 15 hours for working parents	3,237	3,109	-128
Growth contingency	153	0	-153
<b>Total</b>	<b>11,314</b>	<b>11,160</b>	<b>-155</b>

- 4.17. The growth contingency forms part of the on-going budget provision into 2020-21, with the decision to not increase the hourly value allocated to the two year old contingency and an expected reduction in the number of pupils from the January 2020 census the contingencies for two, three and four years are expected to reduce following the updated DSG allocation in July 2020.
- 4.18. It should be noted that any change in pupil numbers accessing early education at the time of the January 2020 census will result in an adjustment to Early Years funding allocation from the DfE in 2020-21. Current estimates expect this to be a net decrease of approximately £1.5m.
- 4.19. In addition to the place funding variations, there were underspends on the disability access fund (DAF) and centrally retained budgets. The Inclusion Fund for nursery pupils with low level special educational needs and disabilities (SEND) had a small underspend, this reflects the overall reduction in the early years population and potentially the impact of some pupils now being funded from the Early Years complex needs budget in the high needs block.

- 4.20. The nursery pupil premium overspent by £34,800 in 2019-20, as this is funded based on the January 2019 census and updated in the following financial year using the January 2020 census, the authority is expecting to receive additional funding to cover these costs, but this may be offset by the overall reduction in the number of two three and four year olds.

### High Needs

- 4.21. The High Needs budgets are the most volatile area of the DSG budget and very difficult to project accurately, due to a significant proportion of the funding being linked to pupil needs and movements. At the end of 2019-20, the overall High Needs Block was overspent by £694,800, this comprised of an underspend of £62,700 on individual school budgets (as per paragraph 4.10) and an overspend of £757,500 on the other High Needs budgets as explained below.

<b>Table 4 - High needs budget 2019-20</b>			
	<b>Revised Budget</b>	<b>Actual</b>	<b>Variance</b>
	<b>£,000</b>	<b>£,000</b>	<b>£,000</b>
Element 3 Top- up	9,706	10,127	422
Out of City Placements	2,365	2,768	403
SEN support services	1,582	1,514	-67
<b>Total</b>	<b>13,652</b>	<b>14,410</b>	<b>758</b>

### Element 3 Top-up

The element 3 overspend comprises of a number of elements and contributing factors as set out in the paragraphs below.

#### Pupils with SEND in mainstream schools

- 4.22. As previously reported, the increasing number of Education Health and Care Plans (EHCP) has led to an increase in Element 3 funding being paid to mainstream schools to support children with high needs where the cost of additional support exceeds £6,000. The numbers of pupils with an EHCP in mainstream schools has increased from a budget of 465 pupils at an average cost of £3,040 average cost to 529 pupils at an average cost of £3,445 per pupil during 2019-20.
- 4.23. This was reflected in the overspend of £356,500 on this area of the budget.

#### Special Schools

- 4.24. The final outturn position for Element 3 funding for special schools was a £173,600 underspend. The underspend relates to:



- 36 pupils placed in Portsmouth special schools by other local authorities for which Portsmouth is not liable for top-up funding (£471,100)
  - Offset by additional funding required to meet the element 3 due to an increase in the levels of need and complexity of individual pupils (£319,800).
- 4.25. Due to the national lock-down a number of class lists were not received in-time for the closing of the 2019-20 accounts. Schools received payments for the final period of the year based on the pupils and bands as per the previous period's class lists. It is possible that once the final class lists are received that further adjustments to the funding will be required for these schools.
- 4.26. Over the year a total of 553 pupils were placed at Portsmouth Special schools compared to a budget of 560, with an increase in the number of pupils placed by other local authorities (35 compared to a budget of 26).
- 4.27. The underspend on this budget partially offsets the overspend on the mainstream element 3 top-up payments.

#### Inclusion Centres and Alternative Provision units

- 4.28. There was an overspend in respect of the Alternative Provision (£600) and Inclusion Centres (£4,600). The final payment for Spring term 2020 was based on the pupils in the settings as at the end of the Autumn 2019 term as due to the Covid-19 lockdown no class lists were received by the end of the financial year. Further adjustments may be required for these settings following receipt of the class lists.

#### Other Local authority schools

- 4.29. Portsmouth City Council is responsible for the element 3 top-up funding of pupils with SEND placed in other local authority schools. For 2019-20 this budget has underspent by £126,300, the underspend was due to clarification regarding placement of a number of pupils that had moved to Post-16 Education and final clarification of the cost of placements.

#### Post 16 Funding

- 4.30. The 2019-20 Post 16 element 3 Top-up budget included funding for 119 pupils based on the 2018-19 academic year, this assumed the same level of stability of pupil numbers that were seen in both the 2017-18 and 2018-19 academic years. The 2019-20 academic year saw an increase of 57 pupils with SEND attending further education establishments in the City. The increased cost due to the number of pupils has been partially offset by the decrease in the average cost per pupil from a budgeted £8,495 to £7,651 per pupil, has led to an overall overspend of £270,500 on post 16 funding.

### Out of City Placements

- 4.31. The budget for Out of City placements includes pupils based in independent and specialist settings and those placed by Child and Adolescent Mental Health Service (CAMHS). The total overspend on this budget is £403,200 analysed as:
- Independent and specialist provision - Overspend of £360,400
  - CAMHS - overspend of £42,800
- 4.32. Over the course of the final quarter all 2019-20 open orders, commitments, contributions from other services and the remaining 2018-19 accruals were reviewed in detail with the SEND team. These final adjustments are included in the outturn position.
- 4.33. At the end of the financial year there were 46 pupils (budget 36 pupils) placed in independent and specialist out of city settings at a total cost of £2,698,100. Whilst there was an increase of 10 pupils over the course of the year the average cost per pupil reduced from a budgeted cost of £64,900 to £58,700, due to a lower cost for a number of new placements.
- 4.34. There were 10 pupils (budget 7 pupils) placed in CAMHS settings over the course of the year. The combination of 3 additional pupils and an increased average cost of £6,400 from a budget of £3,900 (based on the previous year average), which lead to an overspend of £42,800.

### SEN Support Services

- 4.35. £67,300 relating to permanent exclusion recharges was received in 2019-20 which helped to reduce the overspend on the high needs block to £694,800

### **Carry forward balance**

- 4.36. The carry forward decreased in 2019-20 from £3.280m to £3.115m, representing the sum of all the variances in the overall DSG. As set out at previous meetings a number of decisions were made over the course of the financial year to utilise the 2018-19 carry forward to support the:
- Schools specific contingency (£141,800)
  - High needs block pressures (£22,200)
- 4.37. The underspends across the Schools, Early Years and Central Schools Services Blocks have helped to offset the overspend in the High Needs Block, thus reducing the requirement to use the carry forward to the extent previously reported.

4.38. The final balance brought forward from 2019-20, has placed the authority in a stronger position to manage any fluctuation in expenditure in 2020-21, particularly within the high needs block and the expected adjustments to early years funding.

**5. Reasons for recommendations**

It is recommended that Schools Forum note the contents of the report in respect of the financial outturn for 2019-20.

**6. Equality impact assessment (EIA)**

An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity. .

**7. Legal implications**

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

**8. Finance comments**

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

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Signed by: Chris Ward - Director of Finance and Resources and Section 151 Officer

**Appendices:**

**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:

<b>Title of document</b>	<b>Location</b>
School & Early Years Finance (England) Regulations	<a href="http://www.legislation.gov.uk">www.legislation.gov.uk</a>
DSG Budget Estimates and Monitoring Records	Education Finance

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

.....  
Signed by:

<b>Title of meeting:</b>	Schools Forum
<b>Date of meeting:</b>	8 July 20120
<b>Subject:</b>	Maintained School Balances as at 31 <sup>st</sup> March 2020
<b>Report from:</b>	Alison Jeffery, Director of Children, Families and Education
<b>Report by:</b>	Angela Mann, Finance Manager
<b>Wards affected:</b>	All Wards
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## 1. Purpose of report

- 1.1. The purpose of this report is to inform Schools Forum of the level of maintained schools' revenue and capital balances as at 31<sup>st</sup> March 2020.

## 2. Recommendations

- 2.1. It is recommended that Schools Forum notes the level of maintained schools' revenue balances and capital balances as at 31<sup>st</sup> March 2020 as shown in Appendices 2 & 3 and the monitoring action taken by the council.

## 3. Background

- 3.1. Each year schools are given delegated budgets which are calculated using a locally agreed fair funding formula. These budgets are supplemented by specific government grants (e.g. Pupil Premium) and through the income generated by the school. Delegated revenue budgets are intended to be spent during the year on the existing cohort of pupils, although it is prudent for a school to retain a small surplus to provide for future uncertainties.
- 3.2. Schools do spend the vast majority of funds directly on the education of their pupils. However, there are a number of genuine reasons why schools may accumulate a balance at the year-end; for example, to provide for planned building works or to provide consistency in staffing levels during funding fluctuations relating to predicted changes in numbers on roll.

- 3.3. In some cases, factors outside of the control of the school can cause increases in balances; for example, large capital building schemes may slip from one year into the next.
- 3.4. Whilst devolved formula capital allocations are ring fenced for capital purposes only, schools may use revenue balances to support capital schemes. In 2019-20, schools allocated some £0.771m (£0.683m 2018/19) of revenue funding to capital purposes.
- 3.5. Schools were surveyed during the spring term to ascertain future commitments against estimated closing balances in order to provide data in accordance with Consistent Financial Reporting (CFR) requirements. This data has since been updated to reflect actual, rather than estimated, closing balances.
- 3.6. In 2014 Schools Forum agreed to discontinue the "balance control mechanism" (i.e. a "clawback" system) and to implement proposals to strengthen the monitoring arrangements. An extract from the current Scheme for Financing Schools is shown at Appendix 1 which highlights the 'controls on surplus balances' together with the items that can be deemed to be committed within the year-end balances.

#### 4. Revenue Balances

- 4.1. The following table illustrates the level of schools' revenue balances over the last three years:

Sector	No. of schools as at 31/3/18	Balance as at 01/04/18 £	% of 2017/18 budget allocation	No. of schools as at 31/3/19	Balance as at 01/04/19 £	% of 2018/19 budget allocation	No. of schools as at 31/3/20	Balance as at 01/04/20 £	% of 2019/20 budget allocation
Nursery & Primary schools	24	4,028,254	13.24	21	3,690,390	13.14	20	3,328,266	12.04
Secondary schools	2	379,974	3.57	2	749,157	6.59	2	801,995	6.83
Special schools	2	(892,921)	(17.22)	2	70,285	1.30	1	(25,843)	(0.53)
Total	28	3,515,307	7.60	25	4,509,833	10.06	23	4,104,418	9.16

- 4.2. Since presenting the balances report last year, Stamshaw Infant School has converted to Academy status and their surplus balance has transferred to the new Academy Trust. Also Willows Centre for Children has closed and the balances put back to the Dedicated Schools Grant.
- 4.3. In order to provide a consistent comparison between 2018/19 and 2019/20, the balance for this school has been excluded from the restated 2018/19 figures in the table below.



Sector	Balance as at 01/04/19	% of 2018/19 budget allocation	Balance as at 01/04/20	% of 2019/20 budget allocation
Nursery & Primary schools	3,610,579	12.77	3,328,266	12.04
Secondary schools	749,157	6.59	801,049	6.83
Special schools	49,748	1.13	(25,843)	(0.53)
Total	4,409,484	10.01	4,104,418	9.16

- 4.4. It is important to note that the total schools' balances of £4.1m as at 1 April 2020 include £0.232m (£0.176m 2018/19) of community related balances e.g. Community Improvement Partnerships, community lettings, breakfast and after school clubs etc. leaving £3.9m (£4.3m 2018/19, including schools which have since converted to academy status) of "curriculum" balances relating to core activity. Of this, a further £0.5m (£1.2m 2018/19) has been committed to specific projects or initiatives, leaving a balance of £3.6m, or 8.4% of the 2019/20 budget allocation, as genuinely uncommitted. This exceeds the CIPFA guideline of between 2-3% of budget for uncommitted balances.
- 4.5. Two schools had year-end deficit balances at the end of 2019-20. Of the two schools concerned:
- The Harbour School has a deficit balance as at the closing of the authority's accounts. Over the year end period, the School was unable to finalise the year end accruals due to illness and whilst the authority supported the school to ensure the accruals were completed, a number were missed. If the school had put these accruals through the accounts for the school would have had a small surplus position.
  - Mayfield School has submitted a deficit recovery plan which is currently being reviewed by the Authority.

## 5. Review of Specific School Balances

- 5.1 The school revenue balances as at 31st March 2020 are shown by school at Appendix 2. Whilst the authority has seen a welcome reduction in the number of schools with reducing or low balances since 2018-19, there are still some schools which are causing some concern. Additionally there are some schools that meet the criteria of having excessive balances. The following sections set out the explanations for the level of balances and any action being taken.

### **Reducing or low balances**

- 5.2 During 2016-17 Schools Forum requested that the council contact the Chair of Governors for schools with reducing or low balances as at 31st March 2016. This process now forms part of the annual review of school balances.
- 5.3 At the end of 2018-19 three schools had seen a continued reduction in balances from the previous year. At the end of 2019-20 financial year, two schools, Bramble Infant and Nursery and St Swithuns Catholic Primary have seen an increase in their balances of above 8% of their budget share, which has placed both schools in a financially stronger position. The authority is still working with these schools using the Schools Resources Management Advisor to review their financial position (see Section below). The balance of the remaining school (Corpus Christi) has remained stable, but low and the authority is continuing to offer support to help the school obtain financial stability.
- 5.4 In addition to the three schools above at the end of 2018-19 the authority identified Craneswater Junior School that had stable but low balances (under 8%) for a number of years. At the end of 2019-20 the school's balance has increased and are now sitting at 12.2% of the budget share.
- 5.5 As part of the year-end monitoring process of school balances, a review was undertaken to identify those schools that have shown a continued or significant reduction (defined as 25% or more) in their level of balances and whose balances form less than 8% (primary and special schools) or 5% (secondary schools) of their budget share.
- 5.6 Three schools were identified as meeting the above criteria; Cottage Grove Primary school has contacted the authority and the remaining two Manor Infant and Devonshire Infant have been contacted offering to meet with the schools to understand the reasons for the reduction in balances and the actions they are taking to review their budgets and ensure future financial stability.
- 5.7 In summary, the schools and governing bodies contacted have indicated that they are aware of the financial situation and are taking action to address the financial pressures facing the schools.

### **Schools Resource Management Advisor**

- 5.8 As reported in July 2019 the authority has been working with Department for Education Schools Resource Management Advisors (SRMAs) to review the financial position of two schools in the City and advise on whether there are any previously unidentified opportunities to support the schools to a financially stable position.



5.9 The SRMA met with the Schools in December 2019 and over the course of the intervening months has worked with the schools and authority to review schools the financial position. At the time of writing this report the initial draft report has been received by the authority. This will be reviewed along with the recommendations, before a final meeting to sign off the report. The recommendations in the reports are advisory and it is a governing body decision whether to implement them, following any further advice regarding Educational or Human Resource implications.

### **Excessive balances**

5.10 The Scheme for Financing Schools categorises Primary & Special Schools who have uncommitted balances in excess of 8% of budget share as having excessive balances. For Secondary Schools, the threshold is 5% of budget share.

5.11 Of the 12 Primary and Special schools with uncommitted balances over 8%, six have balances below 10%, five have balances between 10% and 20% and one has uncommitted balances over 20%.

5.12 For Secondary Schools, only one of the two maintained schools had uncommitted balances in excess of 5% of budget share.

5.13 The of the three schools that had balances in in excess of 20% at the end of 2018-19, two (Fernhurst Junior and Portsdown Primary) balances have reduced to under 20% of the budget share an the end of 2019-20. Fernhurst's 2019-20 uncommitted balances total 9.3% of the budget share, using the remaining committed balances to support capital works and children with Education Health and Care plans. Whilst Portsdown 2019-20 uncommitted balances are 17.8% of the budget share. As both schools have uncommitted balances below 20% they have not picked up as part of the excessive balances review, but due to the size of the school balances the authority is in conversation with both schools to understand their financial plans.

5.14 For the remaining school (St John's Catholic Primary School) the uncommitted balance remains in excess of 20% at 31.55% of the budget share. Analysis of the reasons for the high balance are set out below.

#### St John's Catholic Primary

5.15 St John's year-end balances have decreased by £20,969 from £356,537 at the end of March 2019 to £337,901 at the end of March 2020. The school has indicated that all of their balance is uncommitted.

5.16 With regards to the uncommitted balance of £337,901, this equates to 31.55% of the school's budget share.

5.17 The Governing Board are in the process of implementing the plans identified regarding the balance as at the end of 2018-19 financial year

and to date the installation of the CCTV has been completed and the refurbishment of the playground is in progress. Other plans identified at the end of 2018-19 (listed below) are still under consideration and form part of the schools on-going commitment to planning ahead for expected repairs and improvements.

- Continuing with the programme to maintain the fabric of the school roof including replacing roof tiles and flat roof maintenance.
- Replacing pumps in the boiler room
- Refurbishing the toilets.

5.18 The school has identified that they are seeing a reduction in pupil premium funding and an increase in pupils with English as an additional language, which is creating pressure within their budget and have had to resort to the use of their surplus to support the planned expenditure for 2020-21. As balances are one-off funding, the long term continued use of balances to support on-going expenditure is not sustainable and the authority has gone back to the school to understand more about the pressures they are facing

5.19 In addition to the three schools above who had high balances at the end of 2018-19. A further school, Wimborne Junior, had total balances of 21.2% of the budget share and an uncommitted balance of 19.2%. The School is in the process of amalgamating with Wimborne Infant and has retained funding to support the transition to a single primary school and the subsequent loss of a lump sum from the primary budget share in 2021-22.

5.20 As at the end of 2019-20, 60% (12) of the authority's maintained primary schools have uncommitted balances in excess of 8% of their budget share. The authority is in contact with the three primary schools with uncommitted balances of over 15%, to understand the educational and financial context for these balances. The authority is working with the remaining 40% to support the effective financial management of the available financial resources, varying the level of support in accordance to the specific needs of the school. It is hoped that the support and advice will help these schools to achieve long term financial stability.

## **6. Capital Balances**

6.1 Devolved capital allocations are ring fenced and schools are expected to spend them on priority capital needs of school buildings. These allocations will therefore be held as capital balances until they are used and may be supplemented by funding from other sources.

6.2 An analysis of schools' current capital balances is given at Appendix 3 together with proposed spending plans as returned in the school survey. Where spending plans exceed balances there will need to be additional funding proposals.

6.3 The table below illustrates the level of school capital balances for the last three years:

Sector	No. of schools as at 31/3/18	Balance as at 01/04/18 £	No. of schools as at 31/3/19	Balance as at 01/04/19 £	No. of schools as at 31/3/20	Balance as at 01/04/20 £
Nursery & Primary schools	24	573,715	21	742,769	20	572,852
Secondary schools	2	1,276,329	2	1,497,639	2	764,873
Special schools	2	(19,395)	2	14,424	1	10,394
<b>Total</b>	<b>28</b>	<b>1,830,649</b>	<b>25</b>	<b>2,254,887</b>	<b>23</b>	<b>1,348,119</b>

Note: the above totals are the aggregate of surplus and deficit balances.

6.4 As with the revenue balances, in order to provide a consistent year-on-year comparison, the closing balances in respect of those schools who converted to Academy status or that have closed, have been excluded from the restated 2018/19 figures in the table below.

Sector	Balance as at 01/04/19 Restated £	Balance as at 01/04/20 £
Nursery & Primary schools	731,477	572,852
Secondary schools	1,497,693	764,873
Special schools	1,845	10,394
<b>Total</b>	<b>2,231,016</b>	<b>1,348,119</b>

6.5 The reduction in overall balances is mostly due to a large building project undertaken by St Edmund's RC Secondary School.

## 7. Reasons for recommendations

This report is for information only and Schools Forum are asked to note the contents of the report.

## 8. Equality impact assessment (EIA)

An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity. .

## 9. Legal comments

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

**10. Finance comments**

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

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Signed by: Alison Jeffery - Director of Children, Families and Education

**Appendices:**

- Appendix 1: extracts from the current Scheme for Financing Schools
- Appendix 2: schools' revenue balances at 31<sup>st</sup> March 2020
- Appendix 3: schools' capital balances and commitments at 31<sup>st</sup> March 2020

**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:

<b>Title of document</b>	<b>Location</b>
School Balances Files and Spreadsheets	Education Finance
Scheme For Financing Schools	PCC website

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

.....  
Signed by:



**Extracts from the current Scheme For Financing Schools**

**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.

**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.

**APPENDIX 2**  
**SCHOOLS REVENUE BALANCES AS AT 31 MARCH 2020**

DFE No.	Balance as @ 31/03/2019	% of 2018/19 Budget Share Allocation	School Name	2019/20 Budget Share	Analysis of Balance		Balance as @ 31/03/2020	% of 2019/20 Budget Share Allocation	Uncommitted as % of Budget Share Allocation	Committed as % of Budget Share Allocation
					Uncommitted	Committed				
<b>PRIMARY &amp; NURSERY SCHOOLS</b>										
2008	321,035	12.98%	Copnor Primary	2,515,372	244,803	65,655	310,458	12.34%	9.73%	2.61%
3420	47,402	3.89%	Corpus Christi Catholic Primary	1,261,291	47,205		47,205	3.74%	3.74%	
2689	186,955	9.38%	Cottage Grove Primary	2,015,518	37,498	48,687	86,185	4.28%	1.86%	2.42%
2716	89,403	5.59%	Craneswater Junior	1,723,385	207,097		207,097	12.02%	12.02%	
2665	114,313	15.33%	Cumberland Infant	746,037	66,587		66,587	8.93%	8.93%	
2648	91,501	10.46%	Devonshire Infant	892,197		66,586	66,586	7.46%		7.46%
2714	312,639	22.13%	Fernhurst Junior	1,494,603	139,593	106,417	246,010	16.46%	9.34%	7.12%
2637	57,902	7.43%	Bramble Infant & Nursery	753,821	63,809	14,000	77,809	10.32%	8.46%	1.86%
2719	112,426	10.64%	Manor Infant	1,021,753	48,453	-1,061	47,392	4.64%	4.74%	-0.10%
2673	102,168	10.64%	Medina Primary	960,754	86,356		86,356	8.99%	8.99%	
2006	220,693	12.17%	Milton Park Primary	1,834,439	228,401	-26,208	202,193	11.02%	12.45%	-1.43%
2765	523,824	24.64%	Portsmouth Primary	2,178,209	387,969	44,606	432,575	19.86%	17.81%	2.05%
2680	82,256	10.22%	Southsea Infant	806,495	84,015		84,015	10.42%	10.42%	
3214	232,611	14.95%	St Georges Beneficial C of E Primary	1,622,835	74,421	67,500	141,921	8.75%	4.59%	4.16%
3422	356,537	34.94%	St John's Catholic Primary	1,070,937	337,901		337,901	31.55%	31.55%	
3212	162,239	10.25%	St Judes C of E Primary	1,585,911	121,483	46,092	167,575	10.57%	7.66%	2.91%
5207	240,788	14.49%	St Pauls Catholic Primary	1,727,809	150,881	78,802	229,684	13.29%	8.73%	4.56%
3423	55,801	4.88%	St Swithuns Catholic Primary	1,207,494	58,002	39,303	97,306	8.06%	4.80%	3.25%
2698	79,811	7.40%	Stamshaw Infant				<i>now an Academy</i>			
2699	92,020	11.00%	Wimborne Infant	839,550	65,509	23,815	89,324	10.64%	7.80%	2.84%
2705	208,070	15.45%	Wimborne Junior	1,392,233	267,131	36,955	304,086	21.84%	19.19%	2.65%
	<b>3,690,390</b>		<b>Total Primary &amp; Nursery</b>	<b>27,650,642</b>	<b>2,717,117</b>	<b>611,149</b>	<b>3,328,266</b>	<b>12.04%</b>	<b>9.83%</b>	<b>2.21%</b>
<b>SECONDARY SCHOOLS</b>										
4303	31,852	0.51%	Mayfield Secondary	6,298,999	22,400	-134,453	-112,054	-1.78%	0.36%	-2.13%
5413	717,305	14.06%	St Edmunds Catholic Secondary	5,447,004	819,424	94,625	914,049	16.78%	15.04%	1.74%
	<b>749,157</b>		<b>Total Secondary</b>	<b>11,746,004</b>	<b>841,824</b>	<b>-39,829</b>	<b>801,995</b>	<b>6.83%</b>	<b>7.17%</b>	<b>-0.34%</b>
<b>SPECIAL SCHOOLS</b>										
7472	49,748	1.13%	Harbour	4,858,054		-25,843	-25,843	-0.53%		-0.53%
7750	20,537	2.09%	Willows Nursery				Closed			
	<b>70,285</b>		<b>Total Special</b>	<b>4,858,054</b>		<b>-25,843</b>	<b>-25,843</b>	<b>-0.53%</b>		<b>-0.53%</b>

The figures in the table above may not sum exactly due to rounding

**APPENDIX 3**  
**SCHOOLS CAPITAL BALANCES AS AT 31 MARCH 2020**

Balance as @ 31/03/2019	Balance as @ 31/03/2020	Spending Plan	Description of Plan	Projected Balance
<b>PRIMARY &amp; NURSERY SCHOOLS</b>				
31,750		14,577	Payment 3 of 3 Replacement of heating system	
	11,210	14,577		(3,367)
233	233	0		233
7,723		6,129	Lodge Refurb Grant Fenced	
	17,288	6,129		11,159
(24,749)		0		
	(28,375)	0		(28,375)
46,737		0		
	40,197	0		40,197
9,670		2,211	IT hardware project	
	2,211	2,211		0
14,380		11,906	Contribution to LA Capital Works to Gable Ends	
	10,411	11,906		(1,495)
23,178		21,000	To meet capital expenditure plan for 20/21 & 21/22	
	23,341	21,000		2,341
31,272		0		
	37,781	0		37,781
11,681		0		
	3,120	0		3,120
26,657		0		
	764	0		764
64,113		48,000	Estimated contribution to Boiler Condition works	
		10,000	On-going Roof repairs	
		4,000	Additional ICT tables	



Balance as @ 31/03/2019	Balance as @ 31/03/2020	Spending Plan	Description of Plan	Projected Balance
		3,500	Additional ICT Interactive boards	
	<b>59,068</b>	<b>65,500</b>		<b>(6,432)</b>
17,199		0		
	<b>1,222</b>	<b>0</b>		<b>1,222</b>
96,158		50,000	New Modular for FSU	
	<b>53,364</b>	<b>50,000</b>		<b>3,364</b>
296,389		8,478	CCTV - Smart Security System	
		150,000	Playground refurbishment	
		50,000	Roof repairs	
		5,000	Replace Boiler Pumps	
		25,000	Toilet refurbishment	
		5,000	New entry system	
	<b>278,823</b>	<b>243,478</b>		<b>35,345</b>
50,862		15,000	Décor (hall, soundboards, stairwells)	
		8,000	Girls downstairs toilets	
		5,000	Oasis room	
	<b>51,120</b>	<b>28,000</b>		<b>23,120</b>
14,314		4,924	Salix Loan Repayment	
		6,160	Electrical Testing	
		7,206	IT Equipment	
	<b>11,073</b>	<b>18,290</b>		<b>(7,217)</b>
0		0		
	<b>0</b>	<b>0</b>		<b>0</b>
11,292			Academy	
	<b>0</b>	<b>0</b>		<b>0</b>
13,739		0		
	<b>0</b>	<b>0</b>		<b>0</b>
173		30,229	Contribution towards Capital work under school modernisation capital programme	
	<b>0</b>	<b>30,229</b>		<b>(30,229)</b>
<b>742,769</b>	<b>Total Primary</b>	<b>572,852</b>		<b>81,532</b>





Balance as @ 31/03/2019		Balance as @ 31/03/2020	Spending Plan	Description of Plan	Projected Balance
<b>SECONDARY SCHOOLS</b>					
38,287	Mayfield		7,794	Towards the purchase of new minibus	
		<b>3,794</b>	7,794		(4,000)
1,459,407	St Edmunds RC		6,860	Canopies	
			127,838	General/Contingency Capital work	
			362,110	Teaching Block	
			13,740	Wash/Changing Rooms	
			150,000	Art Block Refurbishment	
		<b>761,079</b>	<b>660,548</b>		<b>100,531</b>
<b>1,497,693</b>	<b>Total Secondary</b>	<b>764,873</b>	<b>668,342</b>		<b>96,531</b>

**SPECIAL SCHOOLS**

1,845	The Harbour School				
		<b>10,394</b>	0		10,394
12,579	Willows Nursery			Closed	
		<b>0</b>	0		0
<b>14,424</b>	<b>Total Special</b>	<b>10,394</b>	<b>0</b>		<b>10,394</b>

**SUMMARY**

742,769	Primary Schools	572,852	491,320	81,532
1,497,693	Secondary Schools	764,873	668,342	96,531
14,424	Specials Schools	10,394	0	10,394
<b>2,254,887</b>		<b>1,348,119</b>	<b>1,159,662</b>	<b>188,457</b>

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<b>Title of meeting:</b>	<b>Schools Forum</b>
<b>Date of meeting:</b>	<b>8 July 2019</b>
<b>Subject:</b>	<b>Schools Forum Constitution</b>
<b>Report from:</b>	<b>Alison Jeffery, Director of Children, Families and Education</b>
<b>Report by:</b>	<b>Angela Mann, Finance Manager</b>
<b>Wards affected:</b>	<b>All Wards</b>
<b>Key decision:</b>	<b>No</b>
<b>Full Council decision:</b>	<b>No</b>

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## 1. Purpose of report

1.1 The purpose of this report is to seek Schools Forum approval to retain the existing constitution attached at Appendix A. The report seeks to update the Schools Forum on the current composition which continues to provide for appropriate representation between maintained schools and academies within the city.

## 2. Recommendations

2.1 It is recommended that Schools Forum retains the current constitution attached at Appendix A, which took effect from 24<sup>th</sup> May 2018.

## 3. Background

3.1. The Schools Forums (England) Regulations 2012 (as amended), together with the '*Schools Forum: operational and good practice guide*' published by the Education and Skills Funding Agency<sup>1</sup>, set out how the membership of Schools Forums should be constituted, the requirements relating to the meetings of the Schools Forum and their proceedings, as well as the financial issues on which forums must be consulted.

3.2. Schools Forum approved the current constitution in May 2018 and again in May 2019. Following a review of the current make up, as set out in section 4 of this report, it is proposed to retain the constitution in its current format.

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<sup>1</sup> <https://www.gov.uk/government/publications/schools-forums-operational-and-good-practice-guide-2015>

#### 4. Membership

4.1. The membership structure is required to be reviewed regularly to ensure appropriate representation is maintained; particularly where there is a change in the number of academies in the city.

4.2. Whilst there is no specified maximum or minimum size required for a Schools Forum, it is recommended that the membership should be kept to a reasonable size. The proposals below seek to retain the overall membership at 22.

##### School & Academy Members

4.3. The School and Academy members together must number at least two-thirds of the total membership of the Schools Forum and the balance between maintained primary, maintained secondary and academies must be broadly proportionate to the pupil numbers in each category.

4.4. Since the last constitution was approved by Schools Forum, there have been further Academy conversions within the city so that currently there are 23 maintained schools and 38 academies.

4.5. The table below summarises the pupil numbers across the categories, (based on the October 2019 census) and shows that Academies account for 66% of the pupil population in the city.

Category	NOR maintained schools	%	NOR academies	%	NOR Total	%
Primary	6,690.00	75%	9,552.00	55%	16,242.00	62%
Secondary	1,977.00	22%	7,363.00	42%	9,340.00	36%
Special / AP	200.00	2%	467.00	3%	667.00	3%
<b>TOTAL</b>	8,867.00	100%	17,382.00	100%	26,249.00	100%
%	34%		66%		100%	

4.6. Whilst Academies account for 66% of the total pupil population in the city, this differs by phase as shown below.

Category	% pupils in maintained schools	% pupils in academies	Total
Primary	41%	59%	100%
Secondary	21%	79%	100%
Special / AP	30%	70%	100%

4.7. These proportions have not changed significantly since last year; therefore it is proposed to maintain the structure of the Schools Forum membership in respect of the 'School Members' and 'Academy Members', as shown below.

**School Members:**

Head teacher representative - primary phase	2
Head teacher representative - secondary phase	1
Head teacher representative - special phase	1
Governor representative - primary phase	1
Governor representative - secondary phase	1
<b>Total School Members</b>	<b>6</b>

**Academy Members:**

Primary Academy Proprietor	4
Secondary Academy Proprietor	5
Special Academy Proprietor	1
<b>Total Academy Members</b>	<b>10</b>

<b>Total School &amp; Academy Members</b>	<b>16</b>
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4.8. The summary below shows how the schools will be represented in total by phase (both maintained and Academy).

Primary Members	7
Secondary Members	7
Special Members	2
<b>Total School Members</b>	<b>16</b>

4.9. A maintained school member must stand down from membership of Schools Forum if their school converts to Academy status, as the member will no longer occupy the office by which he or she became eligible for election.

4.10. There are no proposed amendments to the remaining membership which is as follows:

Councillors	4
Post-16 representative	1
Early Years representative	1
<b>Total Other Members</b>	<b>6</b>

**5. Meetings**

5.1. Due to the Coronavirus pandemic the Government has updated the Schools Forum regulations. The Schools Forum (England) (Coronavirus) (Amendment) Regulations 2020 which came into effect on 18 June 2020

provide Schools Forum with the powers to meet remotely while they are unable to meet physically due to the Coronavirus. These powers are in place to end of the current financial year as at 31 March 2021.

5.2. The regulations set out that Schools Forum must be public meetings, which includes meetings that the public can access remotely. This includes but is not limited to telephone conferencing, video conferencing, live webcast and live interactive streaming.

5.3. Consideration has been given regarding the impact on the current constitution of the revision to the legislation. As the constitution does not state that the meeting should be in person, but does state that the meeting should be public it is therefore considered to be compliant with the legislation and it is not proposed to update the constitution for this amendment.

## **6. Reasons for recommendations**

6.1. The proposals within this paper are required to ensure that operation of the Schools Forum in Portsmouth is compliant with the relevant regulations and good practice guidance issued by the Department for Education.

6.2. In particular it is necessary to regularly review the Schools Forum membership to ensure that appropriate representation is made, particularly where there is a change in the number of Academies in the city.

## **7. Equality impact assessment (EIA)**

7.1. An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

## **8. Legal comments**

8.1. The form of constitution attached at Appendix A continues to reflect the requirements of the Schools Forums (England) Regulations 2012 (as amended).

## **9. Finance comments**

9.1. There are no financial implications contained within this report.

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Signed by: Alison Jeffery - Director of Children, Families and Education

**Appendices:**

1. Schools Forum Constitution (*including the powers and responsibilities of the Forum*)

**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 Schools Forums (England) Regulations 2012 (as amended)	<a href="#">The Schools Forums (England) (Coronavirus) (Amendment) Regulations 2020</a>
Schools Forums: operational and good practice guide	<a href="#">Schools forum operational and good practice guide - GOV.UK</a>

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

.....  
Signed by:

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Portsmouth  
CITY COUNCIL

## SCHOOLS FORUM CONSTITUTION with effect from 24<sup>th</sup> May 2018

### 1. Composition

Membership of the Schools Forum should be as follows:

#### Membership:

##### School Members:

Head teacher representative - primary phase	2
Head teacher representative - secondary phase	1
Head teacher representative - special phase	1
Governors - primary phase	1
Governors - secondary phase	1
	<b>6</b>

##### Academy Members:

Academy representative - primary proprietor	4
Academy representative - secondary proprietor	5
Academy representative - special proprietor	1
	<b>10</b>

#### **Total School & Academy Members** **16**

##### Non School Members:

Councillors – a non-executive representative from each political group	4
16-19 Representative	1
Early Years providers (from PVI sector)	1

#### **Total Non School Members** **6**

#### **Total Membership** **22**

Named substitutes may be nominated for each representative in case of unavailability. Substitutes will be named by the appropriate electing body and will have full voting rights.

The membership structure of the schools forum will be reviewed regularly to ensure appropriate representation is maintained; particularly where there is a change in the number of Academies in the city.

### **School & Academy Members:**

Maintained school head teacher representatives should be elected by the appropriate **Phase Conference**.

Maintained school Governor representatives should be elected by Governors. If it is not possible to appoint sufficient numbers of Governor representatives, then additional maintained school head teachers from the relevant phase can be appointed in their place.

Academy Members will be elected by the **Proprietor bodies** of the academies in the area, through their election processes:

- Academies members representing mainstream Academies must be elected to the Schools Forum by the Proprietors of mainstream Academies in the Authorities area by phase.
- Academies members representing Special Academies must be elected to the Schools Forum by the Proprietors of special Academies in the Authorities area.

The Proprietor bodies (or governing bodies) of the Academies must determine the nomination process by which Academy representatives are nominated and elected to the Portsmouth Schools Forum.

Academy members represent the Proprietor bodies of Academies and therefore members are not restricted to Head Teacher or Governors.

If for any reason the Proprietor bodies are unable to select Academy representatives through their election process by the date notified, the Authority will seek representatives via the appropriate phase conferences.

### **Non-Schools Members:**

The local authority will be responsible for seeking nominations from relevant bodies.

The Authority may not appoint any executive member or relevant officer of the authority to their forum as a non-schools member.

“executive member” means— any elected member of the authority appointed to the executive of that authority.

“relevant officer” means—

- (a) the director of children’s services of the authority,

- (b) any officer employed or engaged to work under the management of the director of children's services, other than one who directly provides education to children or who manages such a person, or
- (c) any officer whose work involves management of, or advice on, school funding.

**Observers:**

The following additional members will have observer status, but participate fully in the debates of the Forum:

- Lead Cabinet Member for Children & Education
- Director of Children's Services
- Education Funding Agency representative (EFA)

**2. Term of Membership**

The term of membership for **any** member, the Chair and Vice Chair shall be **two** years, but members may hold office continuously if nominated by their appropriate forum.

A Forum member remains in office until—

- (a) the member's term of office expires;
- (b) the member ceases to hold the office by virtue of which the member became eligible for election, selection or appointment to the forum;
- (c) the member resigns from the forum by giving notice in writing to the authority; or
- (d) in the case of a non-schools member, the member is replaced by the authority, at the request of the body which the member represents, by another person nominated by that body
- (e) whichever comes first.

If a member of the Forum has not attended for three consecutive meetings the clerk shall contact those members. If the reason for non-attendance is deemed inadequate by the Forum, then their appointment will be reconsidered by the phase that they represent.

**3. Powers and Responsibilities**

The powers and responsibilities of the Schools Forum are set out in appendix 1 attached.

#### 4. Sub groups

Two sub groups shall meet as necessary to discuss in detail the key responsibilities of the Schools Forum and to report back:

- (1) Service Level Agreements / contracts
- (2) Revenue funding formula matters

Membership of sub groups will be agreed by Schools Forum and may include non-Schools Forum members.

#### 4. Meetings

The Schools Forum shall meet at least 4 times a year and are quorate if at least 40% of the total membership is present. *(This excludes any observers, and it is 40% of the current membership excluding vacancies).*

If a meeting is inquorate it can proceed but it cannot legally take decisions *(e.g. election of a Chair, or a decision relating to funding conferred by the funding regulations).*

All meetings of the schools forum must be public meetings and all papers considered by the forum and the minutes of their meetings will be published on the Council website.

The Forum shall elect every two years a chair and vice-chair from among their number. The vice-chair has the authority to act on behalf of the chair in their absence. The chair can convene additional meetings as required.

The following persons may speak at meetings of the forum, even though they are not members of the forum-

- (a) the director of children's services at the authority or their representative;
- (b) the chief finance officer at the authority or their representative;
- (c) any elected member of the authority who has primary responsibility for children's services or education in the authority;
- (d) any elected member of the authority who has primary responsibility for the resources of the authority;
- (e) any person who is invited by the forum to attend in order to provide financial or technical advice to the forum;
- (f) an observer appointed by the Secretary of State; and
- (g) any person presenting a paper or other item to the forum that is on the meeting's agenda, but that person's right to speak shall be limited to matters related to the item that the person is presenting.

The Authority will be responsible for preparing agendas, papers and minutes of the Forum's meetings, in consultation with the chair and for their publication of such papers on the Authority's website.

## 5. Voting procedures

All Members are entitled to vote on all matters put to a vote, except that non-schools members, other than those who represent early years providers, must not vote on matters relating to the formulae to be used by the local authority to determine the amounts to be allocated to schools and early years providers in accordance with regulations made under sections 47 and 47ZA of the Schools Standards and Framework Act 1998.

Only the schools members of the schools forum who are representatives of primary schools may vote to decide whether or not to authorise items to be removed from maintained schools budget shares (i.e. items that can be de-delegated) where they relate to primary schools.

Only the schools members of the schools forum who are representatives of secondary schools may vote to decide whether or not to authorise items to be removed from maintained schools budget shares (i.e. items that can be de-delegated) where they relate to secondary schools.

Only the school members of the schools forum who are representatives of primary schools, secondary schools, special schools (including pupil referral units) may vote to decide whether or not to authorise the redetermination of the schools budget shares by removal of the expenditure referred to in Part 7 Schedule 2 (items to be removed from maintained schools budget shares) of The School and Early Years Finance Regulations.

Voting will be based on the majority vote of those present (subject to quorate rules) with the Chair holding the casting vote if voting is equal.

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## Schools forum powers and responsibilities

A summary of the powers and responsibilities of schools forums.

Function	Local authority	Schools forum	DfE role
Formula change (including redistributions)	Proposes and decides	Must be consulted (voting restrictions apply). See schools forum structure document that informs the governing bodies of all consultations	Checks for compliance with regulations
Movement of up to 0.5% from the schools block to other blocks	Proposes	Decides	Adjudicates where schools forum does not agree LA proposal
Contracts (where the LA is entering a contract to be funded from the schools budget)	Proposes at least one month prior to invitation to tender, the terms of any proposed contract	Gives a view and informs the governing bodies of all consultations	None
Financial issues relating to:	Consults annually	Gives a view and informs	None

Function	Local authority	Schools forum	DfE role
<ul style="list-style-type: none"> <li>• arrangements for pupils with special educational needs, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding</li> <li>• arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding</li> <li>• arrangements for early years provision</li> <li>• administration arrangements for the allocation of central government grants</li> </ul>		the governing bodies of all consultations	
Minimum funding guarantee (MFG)	Proposes any exclusions from MFG for application to DfE	Gives a view	Approval to application for exclusions
De-delegation for mainstream maintained schools for: <ul style="list-style-type: none"> <li>• contingencies</li> <li>• administration of free school meals</li> </ul>	Proposes	Maintained primary and secondary school member representatives will decide for their phase. Middle schools are treated according to their deemed	Will adjudicate where schools forum does not agree LA proposal



Function	Local authority	Schools forum	DfE role
<ul style="list-style-type: none"> <li>insurance</li> <li>licences/subscriptions</li> <li>staff costs – supply cover</li> <li>support for minority ethnic</li> <li>pupils/underachieving groups</li> <li>behaviour support services</li> <li>library and museum services</li> <li>School improvement</li> </ul>		status	
<p>General Duties for maintained schools</p> <ul style="list-style-type: none"> <li>Contribution to responsibilities that local authorities hold for maintained schools <b>(please see <a href="#">operational guide</a> for more information)</b></li> </ul>	Proposes	Would be decided by the relevant maintained school members (primary, secondary, special and PRU).	Adjudicates where schools forum does not agree LA proposal
<p>Central spend on and the criteria for allocating funding from:</p> <ul style="list-style-type: none"> <li>funding for significant pre-16 <a href="#">pupil growth</a>, including new schools set up to meet basic need, whether maintained or academy</li> </ul>	Proposes	Decides	Adjudicates where schools forum does not agree LA proposal

Function	Local authority	Schools forum	DfE role
<ul style="list-style-type: none"> <li>• funding for good or outstanding schools with <a href="#">falling rolls</a> where growth in pupil numbers is expected within three years</li> </ul>			
<p>Central spend on:</p> <ul style="list-style-type: none"> <li>• early years block provision</li> <li>• funding to enable all schools to meet the infant class size requirement</li> <li>• back-pay for equal pay claims</li> <li>• remission of boarding fees at maintained schools and academies</li> <li>• places in independent schools for non-SEN pupils</li> <li>• admissions</li> <li>• servicing of schools forum</li> <li>• Contribution to responsibilities that local authorities hold for all schools</li> </ul>	Proposes	Decides	Adjudicates where schools forum does not agree LA proposal
<p>Central spend on:</p> <ul style="list-style-type: none"> <li>• capital expenditure funded from revenue: projects must have been planned and decided on prior to April 2013 so no new projects can</li> </ul>	Proposes up to the value committed in the previous financial year and where expenditure has already been committed.	Decides for each line	Adjudicates where schools forum does not agree LA proposal

Function	Local authority	Schools forum	DfE role
<p>be charged</p> <ul style="list-style-type: none"> <li>contribution to combined budgets: this is where the schools forum agreed prior to April 2013 a contribution from the schools budget to services which would otherwise be funded from other sources</li> <li>existing termination of employment costs (costs for specific individuals must have been approved prior to April 2013 so no new redundancy costs can be charged)</li> <li>prudential borrowing costs – the commitment must have been approved prior to April 2013</li> </ul>	<p>See table four page 31 to 35 for Information on historic commitments. Read <a href="#">establishing local authority DSG baselines</a> for more information.</p>		
<p>Central spend on:</p> <ul style="list-style-type: none"> <li>high needs block provision</li> <li>central licences negotiated by the Secretary of State</li> </ul>	<p>Decides</p>	<p>None, but good practice to inform forum</p>	<p>None</p>
<p>Carry forward a deficit on central expenditure to the next year to be funded from the schools budget</p>	<p>Proposes</p>	<p>Decides</p>	<p>Adjudicates where schools forum does not agree LA proposal</p>
<p>Any brought forward deficit on de-delegated services which is to be met by the overall schools budget.</p>	<p>Proposes</p>	<p>Decides</p>	<p>Adjudicates where schools forum does not agree LA proposal</p>

Function	Local authority	Schools forum	DfE role
Scheme of financial management changes	Proposes and consults the governing body and Head of every school	Approves (schools members only)	Adjudicates where schools forum does not agree LA proposal
Membership: length of office of members	Decides	None (but good practice would suggest that they gave a view)	None
Voting procedures	None	Determine voting procedures	None
Chair of schools forum	Facilitates	Elects (may not be an elected member of the Council or officer)	None

# Agenda Item 8

<b>Title of meeting:</b>	Schools Forum
<b>Date of meeting:</b>	08 July 2020
<b>Subject:</b>	Scheme for Financing Schools
<b>Report from:</b>	Alison Jeffery, Director of Children, Families and Education
<b>Report by:</b>	Angela Mann, Finance Manager
<b>Wards affected:</b>	All Wards
<b>Key decision:</b>	No
<b>Full Council decision:</b>	No

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## 1. Purpose of report

- 1.1. This report outlines the proposed changes to the Scheme for Financing Schools which reflect the revisions to the scheme as outlined in the guidance issued by the Department for Education (DfE).

## 2. Recommendations

- 2.1. **It is recommended that Schools Forum members representing maintained schools approve the revised Scheme for Financing Schools attached at Appendix 1, to come into force on 1 August 2020.**

## 3. Background

- 3.1. The latest statutory guidance for Local Authorities issued by the DfE in respect of the Scheme for Financing Schools reflects the recent changes to legislation as set out in The School and Early Years Finance (England) Regulations. The proposed Portsmouth City Council Scheme for Financing Schools attached at Appendix 1, incorporates the requirements of the statutory guidance issued by the DfE.
- 3.2. There were no directed revisions to the Scheme in the guidance issued by the DfE for 2020 to 2021. The guidance included a number of changes across the whole of the document and these have been reflected in the Scheme for Financing Schools issued by Portsmouth City Council where appropriate. The proposed scheme will become effective on 1<sup>st</sup> August 2020 once approved by Schools Forum.

3.3 Consultation on the changes to the Scheme with Head teachers, Governors and Finance Managers took place between the 9 June 2020 and 19 June 2020. There were no responses received. The final document is attached at Appendix 1.

#### 4. Proposed Revisions

4.1. The proposed Scheme has been revised to ensure consistency of language, the correct use of titles for responsible officers together with updated hyperlinks to further information and any changes to relevant legislation. The main revisions to the scheme are listed below and reflect both the changes to the statutory guidance issued by the DfE, together with the general revisions for changes to Portsmouth City Council policies and procedures.

<b>Paragraph</b>	<b>Update</b>
1.1	This section has been updated in line with the guidance issued by the Department for Education.
1.3	Updated wording to reflect the latest Government guidelines
1.4	Updated to reflect that no directed revisions were required by DfE to the 2020-21 Scheme.
1.5	Extended the wording to make it clear the authority will consult with the governing bodies and the Head teachers of all maintained schools.
1.6	Paragraph includes revised date for upload of schools budget (extended due to Covid-19).
2.1.1	Links updated to the most up to date version of the Financial Rules
2.2	Updated the Basis of Accounting to include separation of duties and consistent financial reporting regulations.
2.3	Updated date for submission of budget plans
2.6	Updated content to distinguish between internal and external audit regime
2.10	Expanded the competence of contractors to include safeguarding practices.
2.14	Added paragraph re capital expenditure not affected by provisions.

<b>Paragraph</b>	<b>Update</b>
4.3	Added paragraph to clarify what happens to interest on surplus balances if base rate is less than 0.5%.
4.8	Amended with updated regulations used for determining balances of closing and replacement schools.
5.5	New paragraph added for administrative procedures for the collection of income.
8.4	Legislation relating to Teachers Pension Regulations updated.
10.1	Claims levels following advice from Council insurance section and added paragraph re Risk Protection Arrangement (RPA).
10.5 (a)	Amendment to personal accident cover, to delete final sentence re excess.
11.5	Updated Health and Safety wording as advised by PCC Corporate Health and Safety Advisor.
13.1	Removal of two bullet points relating to the governing body being obliged to consult with the LA and the Secretary of State issuing guidance to governing bodies.
Annex 1	Removal of school which closed September 19 and updated school names and DfE numbers and inclusion centre names where incorrect.
Annex 1	Special unit places numbers amended to reflect places agreed by Schools Forum and Cabinet member for 2020-21

- 4.3 The revised version of the Scheme for Financing Schools, once approved will be issued to schools (including Head teachers, Governors and Finance Managers) and made available on the intranet and the external website.

## **5. Reasons for recommendations**

- 5.1 Part 4 of The School and Early Years Finance (England) Regulations 2020 sets out the responsibilities in respect of the scheme for Financing Schools, including the required content which the scheme must deal with (Regulation 30) and the requirement for members of Schools Forum who represent schools maintained by the authority to approve revisions to the Scheme (Regulation 31). The recommendations contained within this report, seek approval from the relevant Schools Forum members to the proposed changes to Portsmouth City Council's Scheme for Financing Schools in line with those Regulations.

**6. Equality impact assessment (EIA)**

6.1 An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

**7. Legal comments**

7.1 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 and Part 4 and Schedule 5 of the School and Early Years Finance (England) Regulations 2020).

**8. Finance comments**

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

.....  
Signed by: Alison Jeffery, Director of Children, Families and Education

**Appendices:**

Appendix 1 - Scheme for Financing Schools 2020-21 (Proposed)

**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	<a href="https://www.gov.uk/government/publications/schemes-for-financing-schools">https://www.gov.uk/government/publications/schemes-for-financing-schools</a>

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

.....  
Signed by:





# **Scheme for Financing Schools**

**1<sup>st</sup> August 2020**

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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 to 53 of the School Standards and Framework Act 1998 (SSAF Act 1998) and Schools and Early Years Finance (England) Regulation 2020.

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 their budget shares as they think fit for the purposes of their school. They may

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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)<sup>1</sup>.

Section 50 has been amended to provide the amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (section 50(3A) of the SSAF Act 1998)

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. 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.

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State. A copy of each year's budget and outturn statement will be made accessible to all schools.

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 1<sup>st</sup> August 2020. The scheme 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)

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<sup>1</sup> 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)

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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 where it is accessible to the general public and internal network where it is accessible to all school staff and governors. Any revised version will be published by the date the revisions come into force, together with a statement that the revised scheme comes into force on that date.

### **1.4 Directed Revision 2020**

The Secretary of State may by a direction revise the whole or any part of the scheme as from such date as may be specified in the direction.

There are no directed revisions for 2020.

### **1.5 Revision of the Scheme**

The Authority will consult with the governing bodies and the head teachers of 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. It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of the direction.

### **1.6 Delegation of powers to the 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, by 30 June 2020, which has been approved by the full governing body, by 31<sup>st</sup> May 2020. For schools

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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 Children's Families and Education Financial Services by the due date.

## **1.7 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.

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## 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. The Rules are available on the City Council's website at: , [Financial Rules 1- 4](#), [Financial Rules 5-7](#) and [Contract Procedure Rules](#). A summary of the main points relating to standing orders are 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 and income 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.

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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 and the Consistent Financial Reporting (CFR) Framework.

### 2.1.3 Payment of salaries; payment of bills

See paragraphs 2.1.3.1 – 2.1.3.6

#### 2.1.3.1 Human Resources Management

All Local Authority maintained schools have been issued with a Portsmouth City Council Manual of Personnel Practice, which has been endorsed by the recognised 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 and form parts of the employment contract for staff, 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 given consideration to professional Human Resources advice; 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

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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 staff.

#### 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 the City Council for purchases from store, call-off contracts and general supplies contracts. These contracts enjoy advantageous prices due to the substantial volume of business. Further details can be found on the City Council's website at: [Procurement](#)

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 school's 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.

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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 must adhere to the accounting policies and guidelines approved by the S151 Officer and supply the S151 Officer information in that format

Schools are responsible for ensuring that all income is accounted for properly and in accordance with Portsmouth City Council Financial Rules. Schools must comply with the principle of separation of duties where there is a risk of one person having the power to commit fraud or there is a risk of material error. 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.

Schools are required to adhere to the Consistent Financial Reporting (CFR) regulations. The framework can be found on the DFE Website on the following link: [Consistent financial reporting framework: 2020 to 2021 - Guidance - GOV.UK](https://www.gov.uk/guidance/consistent-financial-reporting-framework-2020-to-2021). The regulations set out the statutory duties of schools and local authorities to submit annual returns in the appropriate CFR format by specified dates.

### 2.3 Submission of budget plans

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Schools are required to submit a budget plan to the Local Authority (or post it on EBS) by 30 June 2020. Schools must take account of estimated balances as at 31<sup>st</sup> March of that year in formulating a budget plan.

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.

In developing their budget plan schools should ensure they have considered :

- 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
- compatibility with the consistent financial reporting (CFR) framework

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 EBS, by 30<sup>th</sup> 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 EBS, the SC01 or SC02 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 30 June 2020, covering each year of a multi-year period. The Authority may use the information provided as evidence to support Portsmouth City Council's assessment of Schools Financial Value Standards and to support long term financial sustainability. 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 School Resource Management

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

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

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

## **2.5 Virement**

Schools are free to vire 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 must ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work. Schools must ensure that auditors are provided with any information and explanations that they seek in the course of their work.

The external audit regime as determined by the City Council's appointed external Auditors under the Local Audit and Accountability Act 2014. All Inspectorates are in place to make sure of public accountability, and that Government standards are being met. Schools must provide external auditors access to all records as required and otherwise co-operate with the appointed auditors within the given specified timeframe.

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

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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. This is to enable the City Council to satisfy itself that public funds are not being misused. 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;

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- 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 professional competence of any contractors in areas such as compliance with health and safety, safeguarding practices etc. taking into account Portsmouth City Council's policies and procedures.

Schools may seek advice on a range of compliant deals via "Buying for Schools:-

<https://www.gov.uk/guidance/buying-for-schools>

## **2.11 Application of contracts to schools**

Schools 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.

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.

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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 role 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.

The provisions are in place to help ensure compliance with the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare)

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Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010 and the Building Regulations 2010

These provisions would not affect expenditure from any capital allocation made available by the authority outside the delegated budget share

## **2.15 Notice of concern**

The Council 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, or both.

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.

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## 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 31<sup>st</sup> March each year.

## 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 in place to prevent them and the consequences of breaching those controls. This information must also be included in induction for new school staff and governors.

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### **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 1<sup>st</sup> 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 school's 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 Budget Share Guidance for Special schools, Inclusion Centres and AP units for the relevant financial year.

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### 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.

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### **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.

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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 1<sup>st</sup> 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.

Budget share funds paid by the authority and held in school accounts remain authority property until spent (s.49(5) of the Act)

## 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)

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Where procurement cards are used, no interest charges should be incurred by the school, and balances should be cleared fully on a monthly basis.

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

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## **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 Children's Families and Education 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 Services 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.

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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%  |

No interest will be paid if base rate is less than 0.5%, other than 0.1% to primary schools on balances in excess of £20,000,

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 31<sup>st</sup> 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

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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 City Council cannot write off the deficit balance of any school. Portsmouth City Council will require any maintained school, which has a deficit balance at 31<sup>st</sup> March to prepare and agree with the Authority a schedule of repayment for that deficit.

The City Council may give assistance towards elimination of a deficit balance, through an allocation from a centrally held budget specified for the purpose of expenditure on Special Schools and Pupil Referral Units in financial difficulty or, in respect of mainstream schools, from a de-delegated contingency budget where this has been agreed by Schools Forum.

#### **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.
- Where a school converts to academy status deficit balances will be treated in accordance with the "Treatment of Surplus and Deficit Balances when a Maintained Schools become Academies" guidance notes issued by the DfE March 2018.
- Where required, in accordance with regulation 27 of the School and Early Years Finance Regulations 2020.

#### **4.9 Licensed deficits**

See paragraph 4.5 above.

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#### **4.10 Loan schemes**

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

The paragraph above is a directed revision. Following the decision at Schools Forum on 25th September 2013, the City Council no longer offers a loan scheme.

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

### **5.2 Income from fees and charges**

Schools 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 including land and buildings 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.

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## **5.5 Administrative procedures for the collection of income**

The administration of income should be in-line with the financial rules (part 5-7 section S1-S20) and VAT should be charged accordingly.

## **5.6 Purposes for which income may be used**

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



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## **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 Children's Families and Education Financial 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;
  - 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 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
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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 an Education Health and Care Plan (EHCP) where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence 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 Portsmouth City Council or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.
- 6.2.20 Costs incurred by Portsmouth City Council in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools are part of their formula allocation.

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## **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 and ensure that VAT is not a burden on the school's budget.

VAT must also be considered when schools receive any income, contributions or fees to ensure that any income that is subject to VAT at the standard (20%) or lower (5%) rates is accounted for correctly and only the net amount is then credited 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> and the

VAT Guidance for Schools at:

<https://www.portsmouth.gov.uk/intranet/documents-internal/finvatguidanceforschools.pdf>

### **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/finance/schools-finance.aspx>

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## **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 or extension relating to the same services is limited to a period of five years. Where a contract is for or associated with 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 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.

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## **8.4 Teachers' pensions**

In order to ensure the performance of the duty on the Portsmouth City Council to supply Teachers' Pensions with information under the Teachers' Pension Scheme Regulations 2014, the following conditions are imposed on the Council 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 Council 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 Council 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 Council which the Council requires to submit its monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Council 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 of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the Council which the Council requires to submit its monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Council 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 Council within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

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## **9. PRIVATE FINANCE INITIATIVE [PFI] CLAUSES**

The Council 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 Council will retain the right to levy charges against the schools delegated budget in respect of that contract.

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## 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 Handbook (<https://www.portsmouth.gov.uk/intranet/documents-internal/fin-rkm-insurancehandbook.pdf>)—Terms and conditions for each policy may also apply and schools should check the new one to ensure that they comply.

Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA. Schools are able to join the RPA after 1st April 2020. They may do this individually when any insurance contract of which they are part expires. All primary and secondary maintained schools are able to join the RPA collectively by agreeing through the Schools Forum to de-delegate funding. The council reviewed this scheme for the 2020 renewal for schools that had interest, due to the Coronavirus this was not taken up but will be reviewed once again for 2021

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 £98,500 of each and every claim is internally funded. External insurers will underwrite only claims in excess of £100,000, which is the PCC policy excess in respect of schools.

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



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## 10.2 School Governors - Officials Indemnity and Liability Cover

School governors are covered under the following headings in the course of their statutory 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 £75,000 excess for which, the school is responsible for the first £1,500 with the balance of £73,500 being met from the City Council's internal funds. Claims payments in excess of £75,000 will be funded by insurers.

**(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 £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. 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 £75,000 excess for which the school is responsible for the first £1,500 with the balance of £73,500 being met from the City Council's internal funds. Claims payments in excess of £75,000 will be funded by insurers.

**(d) Legal Fees**

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

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**(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 £50,000,000, which is subject to £75,000 excess for which the school is responsible for the first £1,500 with the balance of £73,500 being met from the City Council's internal funds. Claims payments in excess of £75,000 will be funded by insurers. 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, (not the property of, or hired, leased or lent to PCC), even though used on the business of the Authority, are not covered and so proper business 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 on the day of 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. Claims payments in excess of £100,000 will be funded by insurers. Where damage is caused by a third party e.g. motor vehicle, the Insurance 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**

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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. Claims payments in excess of the £100,000 will be funded by 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

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officer. Details of the scheme are held by Portsmouth City Council and on Intranet.

**(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.

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## **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

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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 by including business cover use.

**(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 should 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.

Claims are 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 drivers must be MIDAS trained and have the relevant licence to drive the vehicle. Drivers must comply with the Councils Corporate driving for work policy.

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## **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**

Section 50(7) of 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 SSAF 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 schools 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

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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**

Legal responsibility and therefore primary accountability for health and safety lies with the employer as defined in the Health and Safety at Work Act 1974. In the case of community maintained schools or nurseries this is the Local Authority (i.e. Portsmouth City Council).

In Portsmouth Local authority schools Governing bodies are required to have due regard to the Portsmouth City Council corporate health and safety policy. Copies of the policies can be found at [Policies - Health and Safety](https://sites.google.com/a/lea.portsmouth.sch.uk/healthandsafety/corporate-council-health-safety-policies-guides/policies) (<https://sites.google.com/a/lea.portsmouth.sch.uk/healthandsafety/corporate-council-health-safety-policies-guides/policies>)

**Note:** Where the school is foundation, foundation special or voluntary-aided the employer is the Governing Body. In Academies and free schools the employer is the Academy Trust. In independent schools the employer can either be the governing body or the proprietor depending on the schools individual circumstances.

## **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. The Council will give prior notice of such attendance unless this is impracticable.

## **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 propriety at the school is set out in Portsmouth City Council "Whistleblowing" policy document

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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**

Section 37 of the 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. In essence, premature retirement costs are charged to a school's 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 share if the governing body are satisfied that there will be no significant interference with the performance of any duty imposed on them by the education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement.

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## **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.

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## **13. COMMUNITY FACILITIES**

### **13.1 Introduction**

Section 27 (1) 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.28(2) can specify activities which may not be undertaken at all under the main enabling power,

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 Council 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**

Governing bodies seeking to exercise the community facilities power should contact the Head of Sufficiency, Participation and Resources.

### **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

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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 six 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.

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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.

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### 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 as at 1 April 2020

### PRIMARY SCHOOLS

DfE no.	Name	Inclusion Centre Type	Places
2008	Copnor Primary		
3420	Corpus Christi RC Primary		
2689	Cottage Grove Primary		
2716	Craneswater Junior		
2665	Cumberland Infant		
2648	Devonshire Infant	Communication and Interaction	8 (10 from Sep 2020)
2714	Fernhurst Junior		
2637	Bramble Infant & Nursery		
2719	Manor Infant		
2673	Medina Primary		
2006	Milton Park Primary	Communication and Interaction	14 (16 from Sep 2020)
2765	Portsdown Primary	Communication and Interaction	9
2680	Southsea Infant	Communication and Interaction	7 (8 from Sep 2020)
3422	St John's RC Primary		
3212	St Jude's CE Primary		
5207	St Paul's RC Primary		
3423	St Swithun's RC Primary		
3214	St George's Beneficial CE Primary		
2699	Wimborne Infant		
2705	Wimborne Junior		

### SECONDARY SCHOOLS

DfE no.	Name	Inclusion Centre Type	Places
4303	Mayfield		
5413	St Edmunds RC	Sensory Impairment	9

### SPECIAL SCHOOLS

DfE no.	Name	Places
7472	The Harbour School	105 AP 95 SEN

## 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:

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

## 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.



**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>

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**DISPOSAL OF EQUIPMENT AND FURNITURE**

School: .....

Page Number: .....

<i>Item Ref number</i>	<i>Quantity</i>	<i>Description</i>	<i>Make and Serial Number</i>	<i>Date Supplied (if known)</i>	<i>Approx. Value (if known)</i>	<i>Recommended Method of Disposal</i>	<i>Approved Method of Disposal</i>

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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 group's 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.**

2. 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	2018 - 19
PLASC Nos				
FTE Teacher	70.55	70.55	70.24	70.23

### A school - Summary Income and Expenditure Projections

CFR Code	Details	2015 - 16	2016 - 17	2017 - 18	2018 - 19
<b>Income</b>					
I01 - I04 / I14	Individual School Budget	(5,010,500)	(5,100,000)	(5,125,000)	(5,200,000)
I05	Pupil Premium	(400,000)	(376,955)	(380,176)	(376,955)
I06 - I07	Other Grants	(3,000)	0	(5,000)	0
I08 - I13	Other Income	(58,000)	(60,000)	(62,000)	(64,000)
I15 - I18	Com. Foc. Schools Income	(20,500)	(67,015)	(67,315)	(67,615)
<b>Total Income</b>		<b>(5,492,000)</b>	<b>(5,603,970)</b>	<b>(5,639,491)</b>	<b>(5,708,570)</b>

<b>Expenditure</b>					
E01 - E02 / E26	Staff Costs - Teaching	3,250,000	3,250,000	3,200,000	3,200,000
E03 - E07	Staff Costs - Support	1,101,100	1,090,000	1,090,000	1,100,000
E08 - E11	Other Employment Costs	55,050	40,000	60,000	55,050
E12 - E18	Occupancy Costs	485,688	448,014	440,000	452,806
E19 - E21	Learning Resources	375,761	396,761	400,000	416,761
E22 - E25 / E27 - E30	Other Costs	384,118	370,048	369,118	369,118
E31 - E32	Com. Foc. School Costs	0	0	0	0
<b>Total Expenditure</b>		<b>5,651,716</b>	<b>5,594,823</b>	<b>5,559,118</b>	<b>5,593,735</b>

In Year (Surplus) / Deficit	159,716	(9,147)	(80,373)	(114,835)
(Surplus) / Deficit Brought Fwd	(50,000)	109,716	100,569	20,196
Cumulative (Surplus) / Deficit C/Fwd	109,716	100,569	20,196	(94,639)

### DECLARATIONS

This 3 year budget for  
Governing Body at  
their meeting on:

School was approved by the

Date:

\_\_\_\_\_

Head Teacher: \_\_\_\_\_

Date:

\_\_\_\_\_

Chair of Governors:

Date:

\_\_\_\_\_

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