



NOTICE OF MEETING

SCHOOLS FORUM

WEDNESDAY, 7 JULY 2021 AT 4.30 PM

VIRTUAL REMOTE MEETING

Telephone enquiries to Lisa Gallacher 023 9283 4056/Jane Di Dino 023 9283 4060
Email: lisa.gallacher@portsmouthcc.gov.uk/jane.didino@portsmouthcc.gov.uk

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

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

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

AGENDA

- 1 Apologies
- 2 Declarations of Interest
- 3 Membership Changes

4 Minutes of the previous meeting held on 26 May 2021 and matters arising (Pages 3 - 10)

5 Dedicated Schools Grant Out-turn 2020-21 (Pages 11 - 16)

Purpose

The purpose of this report is to inform Schools Forum of the year end outturn position of the Dedicated Schools Grant (DSG) as at the end of March 2021.

RECOMMENDED that Schools Forum notes the year end budget position for the Dedicated Schools Grant as at 31 March 2021, together with the associated explanations contained within this report.

6 Local Authority Maintained School Balances as at 31st March 2021 (Pages 17 - 30)

Purpose of report

The purpose of this report is to inform Schools Forum of the level of Local Authority maintained schools' revenue and capital balances as at 31st March 2021.

RECOMMENDED that Schools Forum notes the level of Local Authority maintained schools' revenue balances and capital balances as at 31st March 2021 as shown in Appendices 2 & 3 and the monitoring action taken by the council.

7 Scheme for Financing Schools 2021-22 (Pages 31 - 106)

Purpose of report

This report outlines the proposed changes to the Scheme for Financing Schools which reflects 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 2021.

Agenda Item 4

SCHOOLS FORUM

MINUTES OF THE MEETING of the Schools Forum held on Wednesday, 26 May 2021 at 4.30 pm as a virtual meeting.

Present

Jackie Collins	Head Teacher (Devonshire Infant)	Primary Phase
Dave Jones	Head Teacher (Craneswater)	Primary Phase
David Jeapes	Head Teacher (Mayfield)	Secondary Phase
Jason Crouch	Governor (Mayfield)	Secondary Phase
Share D'all	Governor (Bramble Infant & Nursery)	Primary Phase
Sharon Burt	Academies (Solent Academies Trust)	Special Schools
Laura Flitton	Academies (University of Chichester Academy Trust)	Primary Phase
Sean Preston	Academies (Hamwic Academy Trust)	Primary Phase
Simon Barrable	Representative (Portsmouth College)	16 - 19 Education
Kara Jewell	Representative	Early Years
Terry Norton	Councillor	Conservative Party
Lynne Stagg	Councillor	Liberal Democrat Party
Claire Udy	Councillor	Progressive Portsmouth People People Group

14. Apologies

Apologies for absence were received from Caroline Corcoran, Nys Hardingham, Debbie Anderson and Alison Jeffery.

David Jeapes wished to thank the Vice Chair Dave Jones for stepping in to Chair the last two meetings when he was ill.

15. Declarations of Interest

Alison Egerton said that there was one outstanding declaration of interest form for Chris Purnell. She has been sent this electronically but due to software issues was not able to access this, so was awaiting a hard copy of the form.

16. Membership Changes

Alison Egerton said that there are two new School Forum members. Laura Flitton who has joined as a primary academy representative from the University of Chichester Academy Trust and Chris Purnell who has joined as a secondary academy representative from the Kemnal Academy Trust.

There were two continuing School Forum members; Nathan Waites as secondary academy representative and Kara Jewell as early years representative.

Caroline Corcoran is joining the Forum from the next meeting from Salterns Academy Trust as a secondary academy representative.

There are two tenures due to cease before the next meeting. David Jones as primary maintained headteacher representative. David has agreed to stand again and Alison would be writing to primary headteachers after this meeting to see if they are happy for him to continue. Also Share D'all as the maintained primary governor representative who has agreed to stand again and following a recent governors briefing, it was confirmed that her representation was supported. Alison would be writing to everyone to confirm after this meeting.

There was one secondary academy vacancy and officers had circulated information to all the secondary academies in the city but were yet to have a response and this would be chased again.

There is currently one academy primary vacancy. There were three volunteers but one had since dropped out. Following the Schools Forum constitution report on the agenda today, there is potential for the number of primary academy representatives to increase to another post. If this is the case Alison would confirm to those two volunteers that they can both become primary academy representatives which would mean this vacancy would be filled.

The Chair welcomed Laura and Chris and gave thanks to those who had extended their tenure on the Forum.

17. Minutes of the previous meeting held on 10 February 2021 and Matters Arising

The Forum noted one error on page 1 of the minutes; Chris Purnell was from Kemnal Academies Trust (not Thinking Schools Academy Trust).

RESOLVED that the minutes of the previous meeting held on 10 February 2021 be confirmed as a correct record subject to the above amendment.

There were no matters arising from the minutes.

18. Early years sufficiency update report

The report was introduced by Mindy Butler, Early Years and Childcare Manager who said that the sector was moving forward with cautious optimism. In January 2021 the number of children in early years settings was around 1,800, on the last data check in May 2021 this has increased to 4,000.

Mindy said she had received a lot of feedback from providers to say how grateful they were for the help and support and also that the Covid-19 discretionary grant for nurseries and childminders had been a great help.

The Quality and Sufficiency Officers had spoken to all providers over the last few months and things were looking positive. Some of the smaller settings were concerned about numbers from September and the Quality and Sufficiency Officers had noted them and will signpost parents that come to the local authority to those settings.

In response to a question regarding if there had been a geographical change of settings with the nurseries that had closed and the ones that re-opened, Mindy said that there was no major gap across the city. There has always been a shortfall in childcare provision in Baffins and one of the providers currently in Baffins is moving elsewhere. Officers are hoping to be able to replace that but on the whole the early years provision is fairly well spaced across the city.

RESOLVED that the report be noted.

19. An evaluation of initiatives to manage the DSG's High Needs Block spending

The report was introduced by Julia Katherine, Head of Inclusion. She gave a brief summary on how the AV 'no isolation robots' worked and said she would be happy to share a link with the Forum to show them in action, which was welcomed by Forum members.

In response to questions the following matters were clarified:

- With regard to the SEND monitoring and review hub, there was a very large backlog of annual reviews that needed to be responded to within

timescales. The team have already worked through the backlog and are proactively getting involved in annual reviews that are currently taking place. It will mean that PCC staff will be able to be actively involved in more annual reviews which will be very positive. Officers will also be able to respond much more quickly when there is a request for a change of funding, which will be very positive.

- There had not been a difference in the needs of EHCPs due to Covid-19 but there had been a continued increase in the EHCP requests and a continued increase in the overall number which is something to monitor.
- With regard to the Turnaround project, PCC's reintegration rates were much lower and causing concern. The aim of alternative provision in KS3 is always to return the child back into a mainstream school, ideally the school that they came from. The reason the authority wanted to focus on this was to free up alternative provision places for other children that need them. The proposal is to fund three workers to enable that work to continue in the city to increase reintegration rates.
- The Turnaround project, alongside other work that officers are doing, will confirm that the authority has the right capacity and ensure that those children who most need that support receive this. There is another piece of work taking place reviewing alternative provision that mainstream secondary schools commission themselves.

The Chair said that the SEND Monitoring and Review Hub was an eminently sensible way to proceed and an excellent initiative. He also said that the AV 'no isolation' robots was a fantastic initiative which Forum members would be interested to see the progress of this project.

With regard to the Turnaround project, Julia said that she was happy to add in the comparative figures when this report comes back to the Schools Forum. The Chair said in terms of the reintegration it was worth looking at where that child was a few terms before compared to after the project.

RESOLVED Schools Forum noted:

- (1) The progress the SEND Monitoring and Review Hub has made and that a full evaluation of the impact of the work after 18 months will be brought to Schools Forum in 2022.**
- (2) Continued funding of 6 AV1 'No Isolation' robots £15k per annum.**

Schools Forum endorsed funding for the Turnaround project circa £100k per annum with a minimum commitment of 3 years. Any future funding would be based on a full evaluation of the project.

20. Schools Forum Constitution 2021-22

The report was introduced by Angela Mann, Finance Manager. She outlined the two proposed changes to the Constitution. The first is the membership of the Forum which is reviewed annually based on the October census. A slight change of the structure was proposed as outlined in paragraph 4.7 of the report based on the fact that there are now more academy schools in the city.

The other change is to make it explicit that Schools Forum can meet virtually following advice from the Education and Skills Funding Agency. The School and Early Years Finance (England) regulations 2021 amended The Schools Forums (England) (Coronavirus) (Amendment) Regulations 2020 to make permanent the provision to enable Schools Forums meetings to be held remotely.

RESOLVED Schools Forum approved the revised constitution attached at Appendix A, to take effect from 26 May 2021

21. Schools Specific Contingency request

The report was introduced by Angela Mann, Finance Manager.

In response to a question Julia Katherine said that this was a consequence of the move to remote working due to the pandemic with all staff working from home. There was an oversight where some of the information that should have been checked was not and this was misplaced virtually. As a result officers have changed their procedures to ensure that this cannot happen again. The change in the census date has meant it had a bigger impact that it would ordinarily have had.

In response to a further question, Julia said that she was not aware of this being a concern for any other schools in the city. Officers have double checked as far as possible and no one had alerted the authority to any other issues.

RESOLVED Schools Forum approved the request from Manor Infant School for financial support to the sum of £17,485 from the schools specific contingency to cover a shortfall in funding as set out in Appendix 1.

22. Quarter 3 Budget Monitoring

The report was introduced by Alison Egerton, Group Accountant. She drew attention to the High Needs area which was forecasting an underspend of £1.7million. The main cause of this was the reduced number of pupils with EHCPs compared to what officers had forecasted within the budget. Officers felt this was mainly due to the two Covid-19 lockdowns and it was expected that these numbers would increase going forward.

In response to a question regarding the underspend Alison explained that there are a couple of unknowns that there was no way of calculating. The first is the Early Years block which is normally adjusted in July, based on the January census data. There are going to be changes in the way that pupil numbers are counted which may impact the funding the authority receives over the 2021-22 financial year for the early years block. There are some concerns about the overall impact on the funding. The second is the high needs block as it was very unusual to have an underspend. Until the full impact of the EHCP numbers is over the course of this financial year is known, there needs to be a level of caution. Alison recognised though that there are potential measures to put in place that might help to smooth any growth in High Needs funding in future years for 2022-23 budget.

The Chair said it would be good, once officers are in a position of more clarity, to explore with the Forum the general principles on how to spend any underspend. Alison said this would be helpful but was conscious that the authority is expecting to receive information about the 2022-23 funding over the next few months. She suggested that this come back to the Forum in the autumn.

RESOLVED School Forum noted the forecast year-end budget position for the Dedicated Schools Grant as at 31 December 2020, together with the associated explanations contained within this report.

23. Future Schools Forum meetings

The Chair explained that Schools Forum are asked to consider whether they wish to proceed with virtual meetings going forward as permitted under the amended Schools and Early Years Finance (England) regulations 2021 or whether they wish to revert to face to face meetings.

The consensus was that virtual meetings worked well and were much more convenient. Officers said that it allows them to be more productive with their time but would be happy for either option. It was noted though that virtual meetings make it more difficult for Forum members to network at the start or end of meetings. A suggestion was made that Forum members could have time at the end of the meeting to network once the livestreaming had ended and this was welcomed. It was also suggested that when officers are aware of any contentious decisions needing to be made, these take place at a face to face meeting.

Alison Egerton said that this approach was fine and officers would give the Forum plenty of notice on if a meeting would be virtual or face to face. The meeting on 7 July would be a virtual meeting as there was nothing contentious coming to that meeting.

RESOLVED that Schools Forum meetings continue as virtual meetings with a virtual social either at the start/end of the meeting and when there is a contentious report that these meetings be held face to face.

The dates of future meetings were noted as follows:

- **7 July 2021**
- **6 October 2021**
- **1 December 2021**
- **19 January 2022**
- **9 February 2022**

All meetings are at 4:30pm

The meeting concluded at 5.30 pm.

David Jeapes
Chair

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Agenda Item 5



Portsmouth
CITY COUNCIL

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(Please note that "Information Only" reports do not require Integrated Impact Assessments, Legal or Finance Comments as no decision is being taken)

Title of meeting:	Schools Forum
Subject:	Dedicated Schools Grant Out-turn 2020-21
Date of meeting:	7 July 2021
Report by:	Chris Ward, Director of Finance and Section 151 Officer
Wards affected:	All

1 Requested by

Schools Forum.

2 Purpose

2.1 The purpose of this report is to inform Schools Forum of the year end outturn position of the Dedicated Schools Grant (DSG) as at the end of March 2021.

3 Recommendations

It is recommended that Schools Forum:

3.1 Notes the year end budget position for the Dedicated Schools Grant as at 31 March 2021, together with the associated explanations contained within this report.

4 Background

4.1 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.

4.2 The original DSG budget for the financial year 2020-21 was set in February 2020, with subsequent revisions endorsed by Schools Forum and approved by the Cabinet Member for Children, Families and Education in September and October 2020. This report provides Schools Forum with the year end outturn position as at 31 March 2021.

5 Dedicated Schools Grant

5.1 Table 1 below sets out the DSG final outturn position as at 31 March 2021.

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Table 1 - Dedicated Schools Grant				
Budget Headings	Original budget 2020-21 £000's	Revised Budget 2020-21 £000's	Outturn 2020-21 £000's	Projected over / (under) spend £000's
Income				
DSG Brought forward 2019-20	(3,115)	(3,115)	(3,115)	(0)
DSG and other specific grants	(73,456)	(74,655)	(74,581)	73
Total Income	(76,571)	(77,769)	(77,696)	73
Expenditure				
Primary ISB	27,302	27,302	27,302	0
Secondary ISB	12,543	12,543	12,543	0
Special school place funding	244	980	885	(95)
Inclusion Centre Place funding	374	374	333	(41)
Alternative provision place funding	40	828	828	0
Total Delegated	40,503	42,026	41,890	(136)
De-delegated and central budgets	2,401	2,401	2,426	24
Early Years	14,416	14,110	13,423	(687)
High Needs	16,278	16,635	14,459	(2,176)
Total Expenditure	73,598	75,173	72,198	(2,975)
Net Outturn position	(2,973)	(2,597)	(5,498)	(2,901)
DSG Carried forward	2,973	2,597	5,498	2,901

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

- 5.2 The final 2020-21 DSG income was £74.58m, £73,000 lower than the revised budget, this relates to the net impact of the increase in funding due to the High Needs block import/export adjustment (£102,000) and the reduction in the Early Years Block relating to 2019-20 (£175,000).
- 5.3 The overall expenditure was less than budgeted, resulting in an underspend of £3.0m, giving an overall net underspend of £2.9m. The breakdown of the expenditure is set out in the report below.

6 DSG Devolved Individual School Budgets

- 6.1 As previously reported, additional special school places were commissioned locally at the beginning of the financial year to start in September 2020. At the end of the

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financial year not all of these places were utilised providing a net 9.7 reduction in the number of places used compared to budget, providing an underspend of £95,000.

- 6.2 The Inclusion Centre budget included nine new places from September 2020, at the end of the financial year five full time equivalent places had been used providing an underspend of £41,000.

De-delegated budgets, growth fund and centrally retained

- 6.3 Following the amalgamation of Wimborne Infant and Wimborne Junior schools to form Wimborne Primary, the Schools Specific contingency had to be utilised to transfer the closing balances of £538,000 from the Infant and Junior school to the Primary school. It should be noted that the final surplus balances from the former schools are returned to the the DSG and form part of the carry forward to 2021/22, thus offsetting the overspend.
- 6.4 The schools specific contingency budget of £142,000 was not spent in 2020/21 and forms an underspend to be carried forward to the next financial year.
- 6.5 As previously reported the Growth Fund includes a planned underspend of £368,000, in December 2020 Schools Forum approved the carry forward of the 2020-21 underspend to 2021-22 to cover the costs of Growth Fund commitments in 2021-22 and future financial years.
- 6.6 The combination of the transfer of the amalgamating schools balances and the underspend on the Growth Fund provided a net overspend of £28,000.

7 Early Years

- 7.1 The net underspend of £688,000 on the Early Years budgets relates to a reduction in the number of funded hours paid to settings across the financial year.
- 7.2 The Early Years team worked with the sector across the financial year to ensure that where settings were delivering funded hours for eligible two, three and four years they were receiving the appropriate funding. In some cases settings weren't able to deliver these hours due to the Covid-19 restrictions and in these cases settings were paid their indicative budget which was the equivalent funding for the number of hours they provided for the relevant term in the 2019-20 financial year.
- 7.3 In addition to the funded hours, Schools Forum endorsed and Cabinet Member approved additional grants to all settings to support and maintain sufficiency over this period. This provided total funding of £555,000.

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- 7.4 As stated in previous reports, the Early Years' population is falling across the city and the DSG is adjusted annually to reflect the pupil numbers as at the January census. In July 2020 the DSG was adjusted to reflect a reduction in pupils eligible for funded Early Years provision and it is expected that the number of pupils would continue to fall in January 2021 in line with the birth rate. Due to the pandemic it is not possible to establish if the underspend is related to a falling Early Years population or a reduction in the number of pupils related to the national lockdowns.
- 7.5 The Early Years funding the authority receives is expected to be adjusted in 2021-22, but due to changes in the data collection methodology it is not possible to estimate the impact. The carry forward from 2020-21 will support any reduction in the 2021-22 funding.

8 High Needs Block

- 8.1 The pandemic has had a considerable impact on the high needs budgets with actual pupil numbers being lower than budgeted, leading to an overall underspend of 2.3m (including the individual school budgets mentioned above). The impact of the lockdowns will become more apparent during 2021/22. The table below sets out the underspends on the high needs budgets (excluding the individual school budgets), with further explanation set out in the paragraphs below.

Table 3 - High needs budget 2020-21			
	Budget	Actuals	Variance
	£'000	£'000	£'000
Element 3 Top- up	11,657	10,228	(1,429)
Out of City Placements	2,977	2,458	(519)
SEN support services	2,001	1,773	(228)
Total	16,635	14,530	(2,176)

Element 3 Top-up

Pupils with SEND in Mainstream Schools

- 8.2 As previously reported the number of pupils with EHCP in mainstream schools was lower than budgeted at 583 (budget 606 pupils) and a lower average cost per pupil of £3,303 (budget £3,974). Leading to a total underspend of £446,000.

Special Schools

- 8.3 The final outturn position was an underspend of £413,000. This relates to the net impact of 38 pupils placed by other local authorities in these schools, for which Portsmouth is not responsible for paying the Element 3 Top-up funding.

Other Local Authority Schools

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8.4 This budget provides element 3 Top-up for Portsmouth pupils placed in other local authority schools. The budget contained funding for 87 pupils at an average cost of £4,941 per pupil. The actual number of pupils were 72 at an average cost of £4,430, providing an underspend of £111,000.

Post 16 funding

8.5 The budget included funding for 142 pupils at an average cost of £7,224 per pupil, but there were slightly less pupils (133) and the courses they took had a lower average cost of £4,724 per pupil, providing an underspend of £398,000.

Out of City Placements

8.6 At the end of the financial year there were 58 pupils (budget 61 pupils) placed in independent and specialist out of city settings at an average cost of £42,400 compared to a budgeted average cost of £48,800.

SEND Support services

8.7 The £228,000 underspend relates to the permanent exclusion recharges and the repayment of part of the SEND Hub funding due to the late recruitment of posts due to the pandemic.

9 Carry forward balance

9.1 As at the 31 March 2021, the carry forward balance is £5.5m, a net increase of £2.4m from 2019-20 financial year. As previously endorsed by Schools Forum and approved by Cabinet Member, the brought forward balance will be used to provide funding for the schools specific contingency (£141,800) and to support the Growth Fund (£368,000). Leaving a balance of £5.0m

9.2 Due to the lag in DSG funding, the carry forward balance will be required to fund the place and Element 3 Top-up for The Wymering Special School. This expected to be in the region of £1.0m.

9.3 The remaining balance will support any reduction in DSG funding in the Early Years and High Needs blocks. Due to the changes in the method of recording pupil numbers within the Early Years Block and the lower than expected high needs pupils in 2020-21, it is not possible to estimate the impact on the adjustments to the DSG allocations in the 2021-22 financial year. Additionally it will also provide support to any increased costs due to additional EHCP budgetary pressures that may materialise due to the long term impact of the pandemic.

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10 Reasons for recommendations

10.1 It is recommended that Schools Forum notes the contents of the report in respect of the financial outturn for 2020-21 as at the end of the March 2021.

.....
Signed by (Director)

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:

The information upon which this report has been based has been drawn from a variety of sources: however much of the information used is held in budget files prepared by the children and Education Finance Team. Please contact Angela Mann, Finance Manager, if required.

Title of document	Location
School & early Years Finance (England) Regulations 2020	The School and Early Years Finance (England) Regulations 2020
DSG Budget estimates and Monitoring Records	Children, Families and Education Finance



Title of meeting:	Schools Forum
Date of meeting:	7 July 2021
Subject:	Local Authority Maintained School Balances as at 31 st March 2021
Report from:	Alison Jeffery, Director of Children, Families and Education
Report by:	Angela Mann, Finance Manager
Wards affected:	All Wards
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1. The purpose of this report is to inform Schools Forum of the level of Local Authority maintained schools' revenue and capital balances as at 31st March 2021.

2. Recommendations

- 2.1. It is recommended that Schools Forum notes the level of Local Authority maintained schools' revenue balances and capital balances as at 31st March 2021 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 the locally agreed national 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 yearend; 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 2020-21, schools allocated some £1.526m (£0.771m 2019/20) 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 that highlights the 'controls on surplus balances' together with the items that can be deemed 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 31/3/19	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	No. of schools as at 31/3/21	Balance as at 01/04/21 £	% of 2020/21 budget allocation
Nursery & Primary schools	21	3,690,390	13.14	20	3,328,266	12.04	19	4,130,191	14.60
Secondary schools	2	749,157	6.59	2	801,995	6.83	2	878,465	6.97
Special schools	2	70,285	1.30	1	(25,843)	(0.53)	0	0	0
Total	25	4,509,833	10.06	23	4,104,418	9.16	21	5,008,656	12.25

- 4.2. Since presenting the balances report last year, The Harbour School (who was in deficit at 31 March 2020) has converted to Academy status with a surplus balance, which has transferred to the new Academy Trust. Also following amalgamation, the accounts of Wimborne Infant and Junior Schools were closed and the balances were passed on to Wimborne Primary School.
- 4.3. In order to provide a consistent comparison between 2019/20 and 2020/21, the balance for The Harbour School has been excluded from the restated 2019/20 figures in the table below.

Sector	Balance as at 01/04/20	% of 2019/20 budget allocation	Balance as at 01/04/21	% of 2020/21 budget allocation
Nursery & Primary schools	3,328,266	11.60	4,130,191	14.60
Secondary schools	801,049	6.83	878,465	6.97
Special schools	0	0	0	0
Total	4,130,261	10.21	5,008,656	12.25

- 4.4. It is important to note that the total schools' balances of £5.0m as at 1 April 2021 include £0.104m (£0.232m 2019/20) of community related balances e.g. Community Improvement Partnerships, community lettings, breakfast and after school clubs etc. leaving £4.9m (£3.9m 2019/20, including schools which have since converted to academy status) of "curriculum" balances relating to core activity. Of this, a further £1.1m (£0.5m 2019/20) has been committed to specific projects or initiatives, leaving a balance of £3.8m, or 9.3% of the 2020/21 budget allocation, as genuinely uncommitted. This exceeds the CIPFA guideline of between 2-3% of budget for uncommitted balances.
- 4.5. Overall 71% (15) of schools saw an increase in their balances when compared to 2019-20, the reasons behind the increase will vary from school to school but a number of schools have reported that planned expenditure on supply costs has been lower than expected due to the national lockdowns.
- 4.6. Of the six schools that saw a decrease in balances, three had balances in excess of 10% of their budget share and are not of concern. Of the remaining three schools, two form part of the reducing balance review as set out in Section 5. The remaining school's reduction in balances are less than the 25% threshold (see paragraph 5.3) and the authority will keep a watching brief on the balances as part of the regular meetings with school.
- 4.7. As at the 31 March 2020, there were two schools in deficit. The Harbour School converted to Academy on 31 December 2020 and left with a surplus balance. Mayfield School submitted a deficit recovery plan and at the 31 March 2021 had a small surplus. One school had a yearend deficit balance at the end of 2020-21, Manor Infant School, the authority is in discussion with the school regarding the deficit balance and the school has produced a recovery plan.

5. Review of Specific School Balances

- 5.1 The school revenue balances as at 31st March 2021 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 2019-20, there are still some schools, which are causing some concern. Additionally some schools 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 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 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.
- 5.4 At the end of 2019-20, three schools were identified as meeting the above criteria; by the end of 2020-21:
- Cottage Grove Primary school has seen a small increase in their year-end balances in 2020-21.
 - Devonshire Infant have seen an increase in their balances to above 8% and;
 - Manor Infant have gone into deficit.
- 5.5 As at 31 March 2020-21 there are two schools that have reducing balances, both schools have been contacted and have responded to the authority;
- Manor Infant has produced a recovery plan which has been agreed by governors and is being reviewed by the authority
 - Bramble Infant and Nursery are working through the recommendations made by the Schools Resource Management Advisor and are planning to take the plan to governors in September 2021.

Schools Resource Management Advisor

- 5.6 As previously reported 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.
- 5.7 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 the financial positions. The final reports were received by the authority in the autumn of 2020 and shared with the schools. Further meetings have been held with the schools to go through the

recommendations and the schools concerned are considering the options with Governors.

Excessive balances

- 5.8 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.
- 5.9 Of the nine Primary schools with uncommitted balances over 8%, seven have balances between 10% and 20% and two have uncommitted balances over 20%.
- 5.10 For Secondary Schools, only one of the two maintained schools had uncommitted balances in excess of 5% of budget share at 14.7% of the budget share.
- 5.11 Of the two primary schools with excessive balances, one had balances in excess of 20% (St John's Catholic Primary) in 2019-20, whilst the balances have reduced in 2021-22 the uncommitted balance remains at over 20% at 30.64% of the budget share. The other school with excessive balances (Wimborne Primary School) is as a result of the amalgamation of the Wimborne Infant and Junior Schools.
- 5.12 Analysis of the reasons for the high balances are set out below.

St John's Catholic Primary

- 5.13 St John's yearend balances have decreased by £6,473 from £337,901 at the end of March 2020 to £331,428 at the end of March 2021. The school has indicated that £696 of their balance is committed, with £330,732 being uncommitted.
- 5.14 With regards to the uncommitted balance of £330,732, this equates to 30.64% of the school's budget share.
- 5.15 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 carried forward to 2019-20 and 2020-21. To date the refurbishment of the playground is still in progress following a delay due to the national lockdowns this is expected to be completed by September 2021. The replacement pumps in the boiler room have been installed. 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.
 - Refurbishing the toilets.

5.16 The school has identified that they are continuing to see 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 and in 2021-22. 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 and offering support.

Wimborne Primary School

5.17 In September 2020 Wimborne Infant and Wimborne Junior Schools amalgamated to form Wimborne Primary School. On amalgamation the balances from the two predecessor schools were passed to Wimborne Primary School.

5.18 At the 31 March 2021 the balance for Wimborne Primary School was £602,444 (25.8% of the budget share) of which £598,836 (25.63% of the budget share) is uncommitted.

5.19 The school has committed to using the balances to support a number of capital projects over the next three years with the following expected to be completed in 2021-22:

- Walkway and ground works
- Pointing of brickwork.

5.20 As at the end of 2020-21, 47% (9) of the authority's maintained primary schools have uncommitted balances in excess of 8% of their budget share. The authority continues to work with the remaining 34% 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 31/3/19	Balance as at 01/04/19 £	No. of schools as at 31/3/20	Balance as at 01/04/20 £	No. of schools as at 31/3/21	Balance as at 01/04/21 £
Nursery & Primary schools	21	742,769	20	572,852	19	532,890
Secondary schools	2	1,497,639	2	764,873	2	1,824,317
Special schools	2	14,424	1	10,394	0	0
Total	25	2,254,887	23	1,348,119	21	2,357,207

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 2019/20 figures in the table below.

Sector	Balance as at 01/04/20 Restated £	Balance as at 01/04/21 £
Nursery & Primary schools	572,852	532,890
Secondary schools	764,873	1,822,164
Special schools	0	0
Total	1,337,724	2,357,207

6.5 Overall there has been an increase in capital balances, mostly relating to St Edmunds RC Secondary School. This mostly relates to a large Capital project that is expected to complete in 2021-22. The small reduction in Primary capital balances is due to works identified at the end of 2019-20 financial year being completed during 2020-21.

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.

.....
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 31st March 2021

Appendix 3: schools' capital balances and commitments at 31st March 2021

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
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 2021

DFE No.	Balance as @ 31/03/2020	% of 2019/20 Budget Share Allocation	School Name	2020/21 Budget Share	Analysis of Balance		Balance as @ 31/03/2021	% of 2020/21 Budget Share Allocation	Uncommitted as % of Budget Share Allocation	Committed as % of Budget Share Allocation
					Uncommitted	Committed				
PRIMARY & NURSERY SCHOOLS										
2008	310,458	12.34%	Copnor Primary	2,643,222	153,253	249,170	402,423	15.22%	5.80%	9.43%
3420	47,205	3.74%	Corpus Christi Catholic Primary	1,274,664	49,848	65,000	114,848	9.01%	3.91%	5.10%
2689	86,185	4.28%	Cottage Grove Primary	2,059,990	33,500	58,005	91,505	4.44%	1.63%	2.82%
2716	207,097	12.02%	Craneswater Junior	1,812,578	283,320	18,000	301,320	16.62%	15.63%	0.99%
2665	66,587	8.93%	Cumberland Infant	766,799	22,518	58,429	80,946	10.56%	2.94%	7.62%
2648	66,586	7.46%	Devonshire Infant	931,288	587	110,000	110,587	11.87%	0.06%	11.81%
2714	246,010	16.46%	Fernhurst Junior	1,518,271	87,055	208,095	295,150	19.44%	5.73%	13.71%
2637	77,809	10.32%	Bramble Infant & Nursery	735,496	43,953	14,000	57,953	7.88%	5.98%	1.90%
2719	47,392	4.64%	Manor Infant	1,062,125	4,162	(7,743)	(3,580)	-0.34%	0.39%	-0.73%
2673	86,356	8.99%	Medina Primary	991,719	105,339		105,339	10.62%	10.62%	
2006	202,193	11.02%	Milton Park Primary	1,854,257	366,441	17,332	383,773	20.70%	19.76%	0.93%
2765	432,575	19.86%	Portsdown Primary	2,151,942	403,819	(9,734)	394,085	18.31%	18.77%	-0.45%
2680	84,015	10.42%	Southsea Infant	863,166	150,496	5,000	155,496	18.01%	17.44%	0.58%
3214	141,921	8.75%	St Georges Beneficial C of E Primary	1,666,136	121,388		121,388	7.29%	7.29%	
3422	337,901	31.55%	St John's Catholic Primary	1,079,241	330,732	696	331,428	30.71%	30.64%	0.06%
3212	167,575	10.57%	St Jude's C of E Primary	1,658,907	73,128	99,801	172,928	10.42%	4.41%	6.02%
5207	229,684	13.29%	St Pauls Catholic Primary	1,638,330	211,218	44,891	256,109	15.63%	12.89%	2.74%
3423	97,306	8.06%	St Swithuns Catholic Primary	1,243,503	157,763	(1,714)	156,049	12.55%	12.69%	-0.14%
2699	89,324	10.64%	Wimborne Infant							
					<i>Amalgamated on 31/08/2020 to form Wimborne Primary</i>					
2705	304,086	21.84%	Wimborne Junior							
					<i>Amalgamated on 31/08/2020 to form Wimborne Primary</i>					
2013			Wimborne Primary	2,336,845	598,836	3,608	602,444	25.78%	25.63%	0.15%
	3,328,266		Total Primary & Nursery	28,288,480	3,197,356	932,835	4,130,191	14.60%	11.30%	3.30%
SECONDARY SCHOOLS										
4303	(112,054)	-1.78%	Mayfield Secondary	6,743,480	27,807	(8,183)	19,624	0.29%	0.41%	(0.12%)
5413	914,049	16.78%	St Edmunds Catholic Secondary	5,858,558	682,382	176,460	858,842	14.66%	11.65%	3.01%
	801,995		Total Secondary	12,602,038	710,189	168,276	878,465	6.97%	5.64%	1.34%
SPECIAL SCHOOLS										
7472	(25,843)	-0.53%	Harbour							
	(25,843)		Total Special							
	3,328,266			28,288,480	3,197,356	932,835	4,130,191	14.60%	11.30%	3.30%
	801,995			12,602,038	710,189	168,276	878,465	6.97%	5.64%	1.34%
	(25,843)									
	4,104,418			40,890,518	3,907,545	1,101,112	5,008,656	12.25%	9.56%	2.69%

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

APPENDIX 3
SCHOOLS CAPITAL BALANCES AS AT 31 MARCH 2021

Balance as @ 31/03/2020		Balance as @ 31/03/2021	Spending Plan	Description of Plan	Projected Balance
PRIMARY & NURSERY SCHOOLS					
11,210	Copnor Primary	8,261	20,000	Car Park gates	(11,739)
233	Corpus Christi RC Primary	233	0		233
17,288	Cottage Grove Primary	20,648	0		20,648
(28,375)	Craneswater Junior	(31,742)	0		(31,742)
40,197	Cumberland Infant	35,111	8,000	Phase 2 Heating Upgrade	
			8,166	Roof Works	
			5,300	Ground works	
			21,466		13,645
2,211	Devonshire Infant	1,719	1,719	IT Computer Project to roll forward to 21/22	(0)
					0
10,411	Fernhurst Junior	6,386	11,906	The third contribution to LA Capital Works to Gable Ends	(5,520)
23,341	Bramble Infant & Nursery	21,120	0		21,120
37,781	Manor Infant	23,427	0		23,427
3,120	Medina Primary	9,427	0		9,427
764	Milton Park Primary	4,630	0		4,630

Balance as @ 31/03/2020		Balance as @ 31/03/2021	Spending Plan	Description of Plan	Projected Balance
59,068	Portsmouth Primary		48,000	Estimated contribution to Boiler Condition works delayed on 21/22	
			2,000	Ongoing Roof repairs	
			20,000	Children's and Staff toilet areas	
			10,000	Staff room and reception area	
		54,018	80,000		(25,982)
1,222	Southsea Infant		0		
		(8,412)	0		(8,412)
53,364	St Georges Beneficial Primary				
		28,717	0		28,717
278,823	St Johns RC Primary		61,387	Playground refurbishment	
			50,000	Roof repairs	
			25,000	Toilet refurbishment	
		250,369	136,387		113,982
51,120	St Jude's CE Primary		8,000	Girls downstairs toilets - ground floor	
			2,000	Accessibility - part H&S improvement	
		40,669	10,000		30,669
11,073	St Paul's RC Primary		4,924	Salix Loan Repayment	
			14,992	IT Equipment	
			27,500	Maintenance project throughout school premises	
			25,000	Dining room furniture	
		37,842	72,416		(34,574)
0	St Swithun's RC Primary		0		
		0	0		0
0	Wimborne Infant		0		
		0	0		0
0	Wimborne Junior		0		
		0	0		0

Balance as @ 31/03/2020		Balance as @ 31/03/2021	Spending Plan	Description of Plan	Projected Balance
0	Wimborne Primary		33,748	PO2965994 Walkway	
			10,486	Groundworks for Walkway	
			20,154	Pointing	
		30,468	64,388		(33,920)
572,852	Total Primary	532,890	418,282		114,608

SECONDARY SCHOOLS

3,794	Mayfield		28,795	Purchase of new minibus	
		30,948	28,795		2,153
761,079	St Edmunds RC		1,011,488	New build - food Tech/Textiles	
			270,696	Capital works General / Contingency	
			388,559	Wright Block	
			77,626	Student Toilet refurb	
			45,000	LLRC Refurb	
		1,793,369	1,793,369		(0)
764,873	Total Secondary	1,824,317	1,822,164		2,153

SPECIAL SCHOOLS

10,394	The Harbour School			Converted to Academy 31/12/2020	
		0	0		0
10,394	Total Special	0	0		0

SUMMARY

572,852	Primary Schools	532,890	418,282		114,608
764,873	Secondary Schools	1,824,317	1,822,164		2,153
10,394	Specials Schools	0	0		0
1,348,118		2,357,207	2,240,446		116,761

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Title of meeting:	Schools Forum
Date of meeting:	7 July 2021
Subject:	Scheme for Financing Schools
Report from:	Alison Jeffery, Director of Children, Families and Education
Report by:	Angela Mann, Finance Manager
Wards affected:	All Wards
Key decision:	No
Full Council decision:	No

1. Purpose of report

- 1.1. This report outlines the proposed changes to the Scheme for Financing Schools which reflects 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 2021.**

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 two directed revisions to the Scheme in the guidance issued by the DfE for 2021 to 2022. 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 August 2021 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 7 June 2021 and 18 June 2021. One response was received in support of the changes. 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.

Paragraph	Update
1.1	This section has been updated in line with the guidance issued by the Department for Education.
1.2	Updated date scheme will come into effect.
1.4	Updated to reflect directed revisions required by DfE to the 2020-21 Scheme. <ul style="list-style-type: none"> • 2.3.1 submission of financial forecasts • 4.5 Planning for deficit budgets Added paragraph to state directed revisions will only be expected to be enforced from the 2021 to 2022 funding year due to Covid 19.
1.6	Reverted date for schools budgets to be approved and uploaded to Oracle Fusion to 31 May each year. (Previous year date extended due to Covid 19). Updated name of finance system to Oracle Fusion.
2.1.2	Updated name of finance system to Oracle Fusion.
2.3	Updated name of finance system to Oracle Fusion Amended the date to submit budget plan and replaced the name of the recommended Governor Report in line with the new Oracle Fusion finance system.
2.3.1	Updated the date for schools to submit 3 year budget forecast and added 2 paragraphs of directed revision re: submission of financial forecasts.

Paragraph	Update
2.16	Updated guidance to show the extended date of the deadline for schools to submit their SFVS return (Due to Covid 19 outbreak) and the extended date for the local authority to submit their assurance statement to the DfE.
3.6	Updated with latest DfE information re the introduction of IFRS 16 being postponed again until April 22.
4.5	Added the paragraph of directed revision re: planning for deficit budgets and also clarified that PCC have set a lower threshold.
10.1	Following advice from Council insurance section amended paragraph re Risk Protection Arrangement (RPA).
11.5	Updated Health and Safety wording as advised by PCC Corporate Health and Safety Advisor.
Annex 1	Updated list of schools as at April 2021.
Annex 1	Special unit places numbers amended to reflect places agreed by Schools Forum and Cabinet member for 2021-22.

- 4.2 Schools were consulted on the proposed changes between the 7 June 2021 and 18 June 2021. One response was received in support of the changes.
- 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 2021 sets out the responsibilities in respect of the scheme for Financing Schools, including the required content which the scheme must deal with (Regulation 32) and the requirement for members of Schools Forum who represent schools maintained by the authority to approve revisions to the Scheme (Regulation 33). 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 The Scheme for Financing Schools sets out the financial relationship, procedural arrangements and the statutory duties between maintained schools and the City Council. There is no direct impact on any particular equalities group and therefore does not require an equities impact assessment.

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 2021).

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 2021-22 (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	https://www.gov.uk/government/publications/schemes-for-financing-schools

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

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 Signed



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Scheme for Financing Schools

1 August 2021

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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 2021.

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

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

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 August 2021. 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)

¹ Section 50 has been amended to provide that amounts spent by the Governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (section 50 (3A) of the SSAF Act)

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

1.3 Publication of the scheme

The Scheme for Financing Schools and any subsequent amendments will be published on the Authority's website 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 2021

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.

The most recent directed revisions can be found at paragraphs:

- 2.3.1 Submission of financial forecasts
- 4.5 Planning for deficit budgets

Following consultation that closed on 30 September 2019, the Secretary of State directs that the in the above paragraphs shall be incorporated into the schemes of all local authorities in England, however due to coronavirus (COVID-19) the directed revision to follow will only be expected to be enforced from the 2021 to 2022 funding year.

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, which has been approved by the full governing body, by 31st May each year. For schools using the corporate Oracle Fusion 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.

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.

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 Fusion.

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

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.

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: 2021 to 2022 - Guidance - GOV.UK](#) 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

Schools are required to submit a budget plan to the Local Authority (or post it on Oracle Fusion) by 31 May 2021. Schools must take account of estimated balances as at 31st 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 30th November each year, after approval by the full governing body.

Budget monitoring reports (including committed expenditure) should be provided to the finance committee of the governing body for review at each meeting. Schools can run the Governors report through OTBI in Oracle Fusion

2.3.1 Submission of financial forecasts

Schools are required to submit a 3 year budget forecast to the Authority by 30 May each year,. The Authority may use the information provided as evidence to support Portsmouth City Council's assessment of Schools Financial Value Standards and to support 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.

The DfE directed revision states that Local authorities should consider the extent to which such forecasts may be used for more than just confirming schools are undertaking effective financial planning or not. For instance, they could be used as evidence to support the local authority's assessment of schools financial value standards or used in support of the authority's balance control mechanism.

The DfE directed revision also states that Local authorities must inform schools of the purposes for which they intend to use these 3-year budget forecasts: such a forecast may be used in conjunction with an authority's balance control mechanism.

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.

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 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;
- 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.

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) 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.

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.**

Due to the coronavirus (COVID-19) outbreak, the Department for Education (DfE) has decided that the SFVS return should be delayed this year. This is to take account of the current pressures schools and local authorities are facing.

For the financial year 2020 to 2021, schools should submit their SFVS to their local authority by no later than 28 May 2021.

Local authorities should submit their assurance statement to DfE within 6 weeks, by no later than 9 July 2021.

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.

3. INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

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

3.1 Frequency of instalments

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

Schools have the right to opt for instalments of their total budget share to be paid into their own local bank account. Any requests to pay the budget share in to a 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.

3.2 Proportion of budget share payable at each instalment

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

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

3.3 Interest clawback

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

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

3.3.1 Interest on late budget share payments

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

3.4 Budget shares for closing schools

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

3.5 Bank and building society accounts

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

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

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

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

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

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

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

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

Schools are not permitted to overdraw their bank accounts.

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

3.5.1 Restrictions on accounts

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

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

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)

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.

The introduction of IFRS 16 was postponed in relation to 2020 to 2021. It has been postponed again, until April 2022. Schools will be contacted by the City Council closer to the time to clarify the requirements.

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.

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

The DfE directed revision states that schools must submit a recovery plan to the local authority when their revenue deficit rises above 5% at 31 March of any year. Local authorities may set a lower threshold than 5% for the submission of a recovery plan if they wish. The 5% deficit threshold will apply when deficits are measured as at 31 March 2021.

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

- The background and reasons for the school's deficit

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

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

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

4.6 Charging of interest on deficit balances

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

4.7 Writing off deficits

The 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 31st 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
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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.

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.

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.

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.

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.

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: [VAT - Intranet](#) and the

VAT Guidance for Schools at:

<https://intranet.portsmouth.gov.uk/wp-content/uploads/2020/06/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://intranet.portsmouth.gov.uk/wp-content/uploads/2020/06/fin-sch-cisinformationforschools.pdf>

8. THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1 Provision of services from centrally retained budgets

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

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

Any arrangement with a school to buy services or facilities from Portsmouth City Council is subject to a maximum term of three years from the date of agreement. Any subsequent agreement 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.

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.

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.

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 ([Insurance Handbook](#))-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 2021 renewal however our insurer saw it as a breach of the long term agreement expiring in 2022. We therefore were not able to put schools that confirmed interest on the RPA scheme at this time but take forward the response in how we undertake our insurance tender for 2022.

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.

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.

(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

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 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.

10.8 School and Unofficial Funds

(a) Official/Unofficial School Funds

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

10.9 Pupils and Students - Indemnity/Insurance

(a) School Activities

Whilst pupils or students are at school or engaged in approved activities off the premises, they are covered by the Council's public liability arrangements in respect of any negligent acts committed by employees or volunteers.

(b) Pupils and Students - School Journey Insurance Policy

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

(c) Work Experience and Participation

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

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

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

(d) Pupils and Students - Conveyance in Private Cars

(i) By Parents

The Road Traffic Act makes it compulsory for car insurance to include third party liability for any passenger travelling in an insured car on a public road. Any pupil/student involved in an accident would therefore have a valid third party claim against the driver of a vehicle

at fault. Parents who provide occasional transport for pupils/students on a voluntary basis (or for petrol costs only) may be covered within their existing overall “social domestic and pleasure” cover, but must inform their insurers of this activity.

(ii) By Teachers

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

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

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 and voluntary controlled schools 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 policies. 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

circulated to all schools. A copy of the document can be found on the intranet via: [Fraud and whistleblowing - Intranet](#)

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.

12. RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

12.1 Delegated funding

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

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

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

13. COMMUNITY FACILITIES

13.1 Introduction

Section 27 (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

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.

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

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

13.6 Audit

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

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

13.7 Treatment of income and surpluses

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

13.8 Health and safety

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

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

13.9 Insurance

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

13.10 Taxation

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

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

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

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

13.11 Banking

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

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

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

14. Annex 1 – SCHEDULE OF PORTSMOUTH SCHOOLS as at 1 April 2021

PRIMARY SCHOOLS

DfE no.	Name	Inclusion Centre Type	Places
2008	Copnor Primary		
2689	Cottage Grove Primary		
2716	Craneswater Junior		
2665	Cumberland Infant		
2648	Devonshire Infant	Communication and Interaction	10
2714	Fernhurst Junior		
2637	Bramble Infant & Nursery		
2719	Manor Infant		
2673	Medina Primary		
2006	Milton Park Primary	Communication and Interaction	16
2765	Portsdown Primary	Communication and Interaction	9
2680	Southsea Infant	Communication and Interaction	8
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		
2013	Wimborne Primary		

SECONDARY SCHOOLS

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

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:

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

16. Annex 3 – CHARGES FOR SCHOOL ACTIVITIES

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

1 Instrumental Music Tuition

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

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

2 Board and Lodging

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

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

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

3 Remissions Policy

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

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

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

5 Voluntary Contributions

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

6 "Third Party" Arrangements

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

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

17. Annex 4 – INVENTORY SHEET

School:

Page Number:

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

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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:

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<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>

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. [..\..\..\Schools Forum\2021\4. July 2021\Item - Scheme for Financing Schools DRAFT.doc](#) **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
Income					
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)
Total Income		(5,492,000)	(5,603,970)	(5,639,491)	(5,708,570)

Expenditure					
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
Total Expenditure		5,651,716	5,594,823	5,559,118	5,593,735

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:
