



THE LONDON BOROUGH
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To: Members of the
SCHOOLS' FORUM

Andrew Downes (Chairman)	Secondary Academy Governor
David Bridger (Vice-Chairman)	Non-School Representative (Church of England)
Colin Ashford	Primary Academy Governor
Anna Boshier	Non-School Representative (Catholic Church)
Geoff Boyd	Primary Maintained Governor
Nick Cross	Secondary Academy Head Teacher
Patrick Foley	Primary Maintained School Head Teacher
Sam Parrett	Non-School Representative (14-19 Partnership)
Neil Proudfoot	Non-School Representative (Joint Teacher Liaison Committee)
Karen Raven	Secondary Academy Head Teacher
Alison Register	Non-School Representative (Early Years)
Keith Seed	Special Head Teacher/Governor
1 x vacancy	Primary Maintained School Head Teacher
1 x vacancy	Pupil Referral Unit Head Teacher/Governor
David Wilcox	Secondary Academy Governor
Aydin Önaç	Secondary Maintained Head Teacher

A meeting of the Schools' Forum will be held at the Bromley College of Further and Higher Education, Rookery Lane, Bromley, BR2 8HE on **THURSDAY 23 JANUARY 2014 AT 4.00 PM** *

*** PLEASE NOTE STARTING TIME AND VENUE**

MARK BOWEN
Director of Corporate Services

A G E N D A

- 1 APOLOGIES FOR ABSENCE**
- 2 DECLARATIONS OF INTEREST**
- 3 MINUTES OF THE MEETING HELD ON 26TH SEPTEMBER 2013 (Pages 3 - 8)**
- 4 SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2012/13 (Pages 9 - 30)**

- 5 **2013 REVISIONS TO SCHEME FOR FINANCING SCHOOLS** (Pages 31 - 74)
- 6 **SCHOOLS FORUM: POWERS AND RESPONSIBILITIES 2014-15** (Pages 75 - 82)
- 7 **2014-15 DEDICATED SCHOOLS GRANT** (Pages 83 - 96)
- 8 **ANY OTHER BUSINESS**
- 9 **DATE OF NEXT MEETING**
 - Thursday 13th February 2014
 - Thursday 20th March 2014

Venue to be confirmed.

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Agenda Item 3

SCHOOLS' FORUM

Minutes of the meeting held at 4.30 pm on 26 September 2013

Present:

Andrew Downes (Chairman)	Secondary Academy Governor
David Bridger (Vice-Chairman)	Non-School Representative (Church of England)
Colin Ashford	Primary Academy Governor
Geoff Boyd	Primary Maintained Governor
Angela Chapman	Primary Maintained Governor
Patrick Foley	Primary Maintained School Head Teacher
John Hunt	Non-School Representative (14-19 Partnership)
Neil Proudfoot	Non-School Representative (Joint Teacher Liaison Committee)
Karen Raven	Secondary Academy Head Teacher
Alison Regester	Non-School Representative (Early Years)
Keith Seed	Special Head Teacher/Governor
Aydin Önaç	Secondary Maintained Head Teacher

Also Present:

David Bradshaw	Head of Education and Care Services Finance
Amanda Russell	Head of Schools Finance Support
Kerry Nicholls	Democratic Services Officer

1 APPOINTMENT OF CHAIRMAN AND VICE-CHAIRMAN

Andrew Downes was nominated as Chairman. This was seconded and the nomination was agreed.

David Bridger was nominated as Vice-Chairman. This was seconded and the nomination was agreed.

RESOLVED that Andrew Downes be appointed Chairman and David Bridger be appointed Vice-Chairman for the 2013/14 academic year.

2 APOLOGIES FOR ABSENCE

Apologies were received from Anna Boshier (Non-School Representative – Catholic Church), Nick Cross (Secondary Academy Head Teacher), Matt Rampton (Primary Academy Head Teacher) and Councillor Stephen Wells (Portfolio Holder for Education).

Apologies were also received from Sam Parrett (Non-School Representative – 14-19 Partnership) and John Hunt attended as her substitute.

3 DECLARATIONS OF INTEREST

There were no declarations of interest.

4 MINUTES OF THE MEETING HELD ON 18TH JULY 2013

In considering the minutes of the previous meeting, Colin Ashford noted that he had sent his apologies for the meeting and requested that this be reflected in the minutes.

The Head of Schools Finance Support confirmed that the parent who had contacted the Chairman of the Schools' Forum with concerns about the current primary Age Weighted Pupil Unit level compared to the secondary level had been advised to submit a formal Freedom of Information request.

RESOLVED that, subject to the correction set out above, the minutes of the meeting held on 18th July 2013 be agreed and matters arising be noted.

5 DSG USEAGE FOR EXPANSION OF GLEBE SCHOOL

Report ED13098

Members of the Forum considered a report outlining the progress of the planned expansion of Glebe school.

The number of children diagnosed with Autistic Spectrum Disorder (ASD) in the Borough was growing, and it had been identified that there would be a projected shortfall of 120 specialist ASD places for young people aged 11-16 years and 36 places for young people aged 16+ years by 2021.

On 25th July 2012, the Council's Executive gave 'in principle' approval to the expansion of Glebe School by 2 forms of entry (16 pupils) from September 2014, with 12 additional pupil places in Years 12 and 13. This would be subject to statutory consultation and would provide a total of 104 additional places at the school which could be used to provide places to both new pupils and existing Bromley pupils who currently received schooling out of the Borough. At the meeting, the Council's Executive requested that the outcome of the consultation be reported back and, subject to a satisfactory outcome, that the Executive approve a loan from the Council's reserves of £4.8m to complete the necessary building works to be repaid by the Dedicated Schools Grant over 6 years and the procurement of the consultancy relating to the building.

The consultation for the proposed permanent expansion of the school had run from 11th January to 15th February 2013, and produced 36 responses which were largely supportive of the proposals. The Governing Body also supported the proposed changes to school organisation, as did the School Council, which accepted the reasons for expansion and the subsequent increased student numbers but expressed a number of concerns that would be addressed by the school on an ongoing basis. In consideration of this, the Portfolio Holder for Education had resolved to proceed with formal statutory proposals to implement the permanent expansion of the Glebe Foundation School from September 2014.

On 12th June 2013 a statutory notice was published in the News Shopper, inviting comments or objections to the proposal to enlarge the school by 16 places per year from September 2014. This was displayed as required on the school gates, in local libraries and circulated to all interested parties, as well as published on the Bromley Council website, for a six week period ending 24th July 2013. No objections to the proposals had been received, and this was reported to the meeting of the Education Portfolio Holder on 21st August 2013. Following consideration, the Education Portfolio had resolved that the expansion of the Glebe Foundation School with effect from 1st September 2014 be approved as set out in the statutory notice.

In considering funding of the expansion of Glebe School, it had been identified that there was an underspend of £5.4m of the Dedicated Schools Grant for 2012/13, which would be carried forward into future years until required and would negate the requirement for the loan from reserves. The expansion would therefore be funded from an £800k contribution to capital in the Dedicated Schools Grant budget for 2013/14, supplemented by the Dedicated Schools Grant carry forward as and when required.

RESOLVED that the report to the meeting of the Council's Executive on 11th September 2013 be noted.

6 2013/14 DEDICATED SCHOOLS GRANT FINAL ALLOCATION

Report ED13099

Members of the Forum considered a report outlining the final Dedicated Schools Grant allocation for 2013/14. Following the deduction of the academy and high needs recoupment, Bromley's final allocation had been confirmed as £129,123,000. The Local Authority expenditure was unchanged with the exception of academy and high needs expenditure which was now showing as recoupment and was therefore offset against the income.

A surplus of income over expenditure had been identified which totalled £1,085,452. This was mainly due to the increase in the number of pupils used to calculate the Early Years Funding, which was likely to be offset by an increase in in-year expenditure on these pupils, and a decrease in the amount of funding that had been recouped from the Local Authority for academies, relating specifically to the adjustment for Special Educational Needs funding for the period April to August 2013.

In considering the surplus of income of expenditure for 2013/14, the Head of Schools Finance Support confirmed that this funding could only be utilised in the Early Years or High Needs funding blocks for the 2013/14 year, however this restriction would not apply if the funding was carried forward as a surplus to 2014/15.

Alison Regester highlighted the importance of ensuring the Special Needs supplement, which provided support for children in Early Years settings who had been identified as having additional needs, continued to be funded. The Vice-

Chairman confirmed that any proposal to reduce or discontinue this supplement would be provided to the Schools' Forum for its consideration, at which time alternate funding options could be explored.

In discussion, Members of the Forum noted that surplus of income of expenditure for 2013/14 might be utilised in part or in full by the increase in the number of pupils used to calculate the Early Years Funding, and that no alternate funding options should be considered for the 2013/14 financial year. Any remaining surplus should be carried forward to 2014/15, when the use of these funds could be considered across all three funding blocks.

RESOLVED that:

- 1) The final Dedicated Schools Grant allocation for 2013/14 be noted; and,**
- 2) The surplus of income of expenditure not utilised in-year to fund the increase in Early Years pupils be carried forward to 2014/15.**

7 OUTCOME OF CONSULTATION ON 2014/15 FUNDING REVIEW

Report ED13100

Members of the Forum considered a report providing an update on the proposed changes to the Local Authority Funding Formula based on the outcome of consultation undertaken with schools.

The Department for Education had recently issued further guidance to assist local authorities and Schools' Forums in planning the local implementation of the reformed funding system for 2014/15. Changes included a reduction in the upper limit of the lump sum to £175,000, the potential use of a different lump sum for primary and secondary schools, and the attainment measure for secondary schools changing to target pupils achieving Level 3 or below in either English or Maths rather than in both.

The way that these changes to the funding system would impact Bromley had been considered by the Schools' Forum at its meeting on 18th July 2013. It had been agreed that the lump sum provided to secondary and primary schools would be adjusted to £175,000, but that there would be no other changes for primary schools. For secondary schools the changes would be more significant as the number of pupils eligible for funding under the new attainment measure had increased from 1249 to 3441 pupils. As a result of this, and following consultation with the Schools' Forum Working Group, it had been proposed that the per pupil sum for attainment be adjusted to reflect the increased demand with the allocation of £2,500 for pupils not attaining in English and Maths in 2013/14 reduced to £1,250 in 2014/15 for any pupil not attaining in English or Maths. It had been thought that pupils who were not attaining in both subjects would receive £2,500, which was equivalent to the 2013/14 funding allocation, however recent guidance from the Department for Education advised that the same amount of funding

would be allocated to each pupil, whether they were achieving Level 3 or below in English, Maths or in both. Additional funding in excess of £1m would be required to support the proposal to allocate £1,250 as the per pupil attainment measure, and the Schools' Forum Working Group had considered whether this funding could be taken from the Age Weighted Pupil Unit or from the lump sum.

In considering how to fund the change to the attainment measure for secondary schools, seven consultation responses had been received from schools in the Borough. One response from a primary school supported funding the change through the Age Weighted Pupil Unit and noted that primary schools could not afford a further reduction in budgets. A late response to the consultation had also supported this option. Two responses from secondary schools supported the use of a zero lump sum. The remaining four responses highlighted that Bromley Head Teachers did not support either of the proposed funding mechanisms and requested that the Schools' Forum consider the issue in more detail. Mrs Karen Raven had subsequently circulated an alternative solution to secondary schools which proposed that the secondary lump sum be retained by schools and that the existing £250,000 fund attributed to the attainment measure would be reallocated over the increased number of students, providing a reduced allocation of £907 per pupil with the minimum funding guarantee applied as appropriate. A total of 12 Secondary Schools had indicated their support for this proposal to either Karen Raven or Aydin Önaç.

The Chairman advised members of the Forum that he had received a letter from the Head Teachers of Langley Park Boys and Girls Schools voicing concern around how the proposed models developed in response to the changes to the funding system would impact their school budgets.

In considering the outcome of the consultation on the 2014/15 funding review, the Chairman noted that there were two issues to consider. These comprised the level at which funding should be set for the attainment measure and whether the secondary lump sum should be retained for 2014/15.

The Head of Schools Finance Support advised members of the Forum that to support the identification of an appropriate level of supplement for pupils who were achieving Level 3 or below in English, Maths or in both for 2014/15, the 2013/14 eligible pupil figures would be used. This agreed per pupil amount would then be allocated to those pupils that qualified in 2014/15, which could total more than the £250,000 fund agreed by the Schools' Forum to be set aside for the attainment measure if there were more pupils eligible for the additional funding than in 2013/14.

A spreadsheet was provided to members of the Forum that demonstrated the difference in funding for all Bromley secondary schools using the proposed attainment measure figures of £1,250 and £907, both with and without the £175k lump sum, against the 2013/14 budget. In considering this financial data, it was confirmed that the Minimum Funding Guarantee moderated the impact of any changes to a School's budget to no more than a 1.5% change in overall budget in any one year. Those schools with a higher proportion of students eligible under the new attainment measure would benefit most from the change, although it was

noted that schools with a large number of students who had previously received funding at the higher level would likely see a reduction in funding.

In discussion, the Chairman highlighted the potential to reduce the value of secondary Age Weighted Pupil Unit to offset any increased costs incurred through the level of attainment measure set for 2014/15, but noted that this would cause other issues. Karen Raven underlined that it was more important to work within the funds already identified for the measure of attainment than access additional funds through other measures which might be destabilising for the overall budget. Aydin Önaç supported the need to work within existing funds and noted that pupils of all abilities should receive a fair share of the funding available to support their education.

As the decision was in relation to the funding formula, all schools representatives and the Early Years Provider were entitled to vote. Following a vote, it was unanimously agreed to set the measure of attainment for secondary pupils at £907 for 2014/15. Following a further vote it was unanimously agreed to retain the £175,000 lump sum for secondary schools. Members also noted the outcome of the consultation on the 2014/15 Funding Review, which had been undertaken both for the initial proposals to fund measure of attainment and informally with secondary schools for the alternate option developed by Karen Raven.

RESOLVED that:

- 1) The measure of attainment for secondary pupils be set at £907 for 2014/15;**
- 2) The £175,000 Lump Sum be retained for secondary schools; and,**
- 3) That the outcome of the consultation with schools on the 2014/15 Funding Review be noted.**

8 ANY OTHER BUSINESS

There was no other business.

9 DATE OF NEXT MEETING

The venue for future meetings will be confirmed prior the meeting.

4.30pm, Thursday 21st November 2013

4.30pm, Thursday 23rd January 2014

4.30pm, Thursday 13th February 2014

4.30pm, Thursday 20th March 2014

The Meeting ended at 5.35 pm

Chairman

Agenda Item 4

Report No.
ED14001

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **SCHOOLS' FORUM**

Date: **Thursday 23 January 2014**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **SPENDING BY PRIMARY, SECONDARY AND SPECIAL
MAINTAINED SCHOOLS IN 2012/13**

Contact Officer: Amanda Russell, Head of Schools Finance Support
Tel: 020 8313 4806 E-mail: Amanda.Russell@bromley.gov.uk

Chief Officer: Executive Director of Education, Care & Health Services

Ward: (All Wards);

1. Reason for report

This report provides details of spending by all maintained schools in 2012/13 as reported to the Education Budget Sub Committee on 2nd October 2013.

2. **RECOMMENDATION(S)**

This report is provided for information only.

3. COMMENTARY

Attached is a copy of the report presented to the Education Budget Sub-Committee in October. The Schools Forum are invited to discuss this report.

Decision Maker: **Education Budget Sub-Committee**

Date: **2nd October 2013**

Decision Maker: **Schools' Forum**

Date: **21st November 2013**

Decision Type: Non-Urgent Non-Executive Non-Key

TITLE: SPENDING BY PRIMARY, SECONDARY AND SPECIAL MAINTAINED SCHOOLS IN 2012/13

Contact Officer: Mandy Russell, Head of Schools' Finance Team
Tel: 020 8313 4806 E-mail: amanda.russell@bromley.gov.uk

Chief Officer: Tessa Moore, Assistant Director (Education)

Ward: Boroughwide

1. Reason for report

- 1.1 This report provides information on all revenue and capital balances held by Primary, Secondary and Special Maintained Schools as at 31 March 2013, and also provides a comparison to the balances held at the same time in the previous year.

2. **RECOMMENDATION(S)**

- 2.1 **The Committee is invited to consider the financial position of Primary, Secondary and Special Maintained Schools at the end of the 2012/13 financial year and to identify any matters for specific comment and referral to the Portfolio Holder.**
- 2.2 **The Schools' Forum is asked to note the balances for information.**

Corporate Policy

1. Policy Status: N/A
 2. BBB Priority: Children and Young People
-

Financial

1. Cost of proposal: N/A
 2. Ongoing costs: N/A
 3. Budget head/performance centre: Dedicated Schools Grant 2013/14
 4. Total current budget for this head: £129.123m
 5. Source of funding: Dedicated Schools Grant
-

Staff

1. Number of staff (current and additional) – N/A
 2. If from existing staff resources, number of staff hours – N/A
-

Legal

1. Legal Requirement: Non-statutory - Government guidance:
 2. Call in: Applicable
-

Customer Impact

1. Estimated number of users/beneficiaries (current and projected) - N/A
-

Ward Councillor Views

1. Have Ward Councillors been asked for comments? No
2. Summary of Ward Councillors comments:

3. COMMENTARY

3.1 This report highlights the financial position of Primary, Secondary and Special Maintained Schools as at 31 March 2013 the end of the 2012/13 financial year.

3.2 Balances are reported in accordance with the DfE Consistent Financial Reporting (CFR) Regulations. This is a framework for reporting income and expenditure and balances. It provides schools with a benchmarking facility for comparison between similar schools to promote self-management and value for money. A CFR return is produced for all schools maintained by the Local Authority as at 31 March 2013.

3.3 The CFR framework consists of six balances, which provide an overall picture of a school's resources available from one year to the next, and gives information on balances carried forward. The balances are categorised as follows:

BO1 Committed Revenue Balances

BO2 Uncommitted Revenue Balances

BO3 Devolved Formula Capital Balances

BO5 Other Capital Balances

BO6 Community Focused Extended Schools Balances

Nb BO4 Other Standard Fund Capital Balances has been deleted as standards funds no longer exist.

3.4 The average level of revenue balances (BO1 and BO2) both committed and uncommitted for Maintained Primary School stands at 6.06% of School Budget Shares compared to 5.44% at the end of 2011/12, which is an increase of 0.62%. Secondary school balances are 13% compared to 10% at the end of 2011/12; an increase of 3%. Special School balances have decreased to 6.65% compared to 7.28% the previous year; a decrease of 0.63%.

3.5 A comparison of the levels of school balances as at 31 March 2013 to the previous year is shown in the table below.

	Primary Schools £000	Secondary Schools £000	Special Schools £000
Revenue balances only as at: 31.03.13			
Committed Revenue Balances (BO1)	901 (1.33%)	45 (1%)	90 (0.88%)
Uncommitted Revenue Balances (BO2)	3,212 (4.73%)	519 (12%)	591 (5.78%)
	4,113 (6.06%)	564 (13%)	681 (6.65%)
Revenue balances only as at: 31.03.12			
Committed Revenue Balances (BO1)	530 (0.81%)	45 (1%)	72 (0.81%)
Uncommitted Revenue Balances (BO2)	3,031 (4.63%)	239 (9%)	573 (6.47%)
	3,561 (5.44%)	284 (10%)	645 (7.28%)

3.6 Full details of schools balances can be seen at **Appendix 1**

- 3.7 In accordance with DfE guidelines the Bromley Scheme for Financing Schools was updated in 2011 to remove the balance control mechanism. Previously this allowed local authorities to deduct any balances in BO2 (uncommitted revenue balances) in excess of 5% for secondary schools and 8% for primary and special schools from the following year's school budget share. All schools with balances in excess of 8% have been asked to complete a proforma detailing the reason for holding a high balance and their plans for reducing the balance in year.
- 3.7 Following publication of the 2011-12 s251 Outturn data on 24 January, the DfE are now following up on the further analysis that has been undertaken in relation to this data. The Department forewarned all LAs at the time of issuing the 2011-12 DSG CFO Outturn statements that upon receipt of the LA's section 251 Outturn statement that we would be writing to specific LAs to request information on how they are proposing to address the issue if an:
- A:** LA has overspent its Dedicated Schools Grant by 2% or more (ie it is 2% or more in deficit)
- B:** LA has underspent its Dedicated Schools Grant by 5% or more (ie it is 5% or more in surplus)
- C:** LA has 2.5% of its schools that have been in deficit of 2.5% or more for the last 4 years and their individual deficit must have been at least £10,000 each year. We will only ask LAs for more information where at least three schools in the LA meet the criteria. Schools that meet these criteria are highlighted in green in Appendix 2.
- D:** LA has 5% of schools that have had a surplus of 15% or more for the last 5 years and their individual surplus must have been at least £10,000 each year. We will only ask LAs for more information where at least three schools in the LA meet the criteria. Schools that meet these criteria are highlighted in orange in Appendix 2.
- 3.8 This report also provides information on those schools with deficit revenue balance. As at 31 March 2013, 6 primary schools have a deficit balance. Two of these schools have signed Academy Orders to become sponsored academies from September 2013, at which point their deficits will revert to the LA. The Schools' Finance Support Team (SFST) will work with these schools to ensure that their deficits are maintained at a reasonable level up to the point of closure. The other four primary schools have agreed deficit recovery plans in place and the Schools Finance Support Team will work closely with these schools to ensure that the recovery plans are achieved.
- 3.9 In accordance with DfE requirements the SFST will also work with schools with schools with high balances to ensure that balances are being used effectively. Schools have been advised that revenue funding is allocated on an annual basis to support the cost of education for the current pupils and therefore it is not acceptable for schools to retain high levels of revenue funding to protect against possible funding reductions in future years.
- 3.10 **Appendix 3** shows a statement from each of the schools in deficit and those with large surplus balances outlining the reasons for this and the management action to be taken to either recover the deficit or to reduce the balances to a reasonable level.

4. FINANCIAL IMPLICATIONS

- 4.1 Schools converting to Academy under sponsored academy status, any deficit reverts to the Local Authority. This liability will be covered off as part of the budget arrangements of the Authority with the Dedicated Schools Grant.

Non-Applicable Sections:	Policy, Legal and Personnel Implications
Background Documents:	

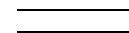
	2011-12				2012-13				School Budget Share 2013-14	BO3 Devolved Formula Cap Balances	BO5 Other Capital Balances	BO6 Community Focussed Ext Schools	Balance C/fwd as at 31-Mar-13
	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/12	BO2 Rev Bal as % of 2012/13 SBS	BO1 & BO2 Rev Bal as % of 2012/13 SBS	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/13	BO2 Rev Bal as % of 2013/14 SBS	BO1 & BO2 Rev Bal as % of 2013/14 SBS					
Primary Schools													
Alexandra Infants	35,500	34,136	4%	8%	0	38,046	4%	4%	950347	14,934	0	0	52,980
Alexandra Junior	0	21,287	3%	3%	0	31,435	4%	4%	845968	12,176	0	0	43,611
Bickley Primary	11,176	76,624	7%	8%	11671	106,538	9%	10%	1215922	9,834	10,094	0	138,138
Blenheim Primary	0	-28,659	-3%	-3%	0	-27,664	-3%	-3%	943514	5,146	0	0	-22,519
Bromley Road Infants	0	93,202	11%	11%	5330	89,632	9%	10%	946480	26,846	0	0	121,807
Burnt Ash Primary	44,760	92,462	5%	7%	37300	161,038	8%	10%	1946783	0	0	0	198,338
Castlecombe Primary	3,385	47,474	5%	5%	904	33,994	3%	3%	1011719	17,364	7,410	0	59,673
Chelsfield Primary	0	102,904	20%	20%	20200	119,421	24%	28%	506610	0.00	0	0	139,621
Chislehurst C.E. Primary	0	63,520	9%	9%	0	54,048	8%	8%	713257	15,843	0	0	69,891
Churchfields Primary	12,751	68,256	5%	6%	38150	83,302	6%	8%	1489301	8,632	0	0	130,085
Clare House Primary	0	-126,722	-16%	-16%	0	-117,043	-13%	-13%	873515	11,791	0	0	-105,252
Cudham CE	4,082	34,405	7%	8%	0	52,387	10%	10%	518471	9,518	0	0	61,905
Darrick Wood Junior	20,653	-2,184	0%	1%	30653	12,984	1%	4%	1214002	37,457	0	0	81,094
Dorset Road Primary	4,691	10,088	3%	4%	8825	9,054	2%	4%	420562	30,894	11,940.50	99	60,813
Downe Primary	0	27,541	7%	7%	0	39,013	9%	9%	426409	3,328	4,001	0	46,342
Edgebury Primary	3,600	59,842	7%	8%	24720	59,248	7%	10%	801443	16,156	0	0	100,125
Farnborough Primary	8,110	66,965	9%	10%	762	48,612	6%	6%	787057	0	0	0	49,373
Grays Farm Primary	4,990	56,434	4%	4%	4667	37,825	2%	3%	1588833	0	0	0	42,492
Hawes Down Infants	7,369	64,417	8%	9%	15900	97,977	11%	13%	897777	3,220	0	0	117,097
Hawes Down Juniors	0	-19,069	-2%	-2%	0	-14,252	-1%	-1%	986928	11,969	0	0	-2,284
Highfield Infants	22,409	51,455	6%	9%	0	50,099	6%	6%	839103	6,427	0	0	56,527
Highfield Junior	16,492	87,897	8%	9%	18792	112,263	10%	12%	1119305	15,000	54,662	0	200,717
Holy Innocents RC Primary	22,000	936	0%	3%	10000	5,228	1%	2%	763556	0	1,291	0	16,519
James Dixon Primary	9,154	25,931	2%	2%	13160	96,728	5%	6%	1830649	120	0	0	110,008
Keston CE	0	48,022	6%	6%	6470	59,108	7%	7%	890629	25,302	0	0	90,879
Leesons Primary	5,186	-5,873	-1%	0%	43468	27,738	3%	7%	1065876	2,228	0	0	73,434
Malcolm Primary	9,500	9,743	1%	2%	0	-19,223	-1%	-1%	1393376	0	0	0	-19,223
Manor Oak Primary	3,395	179,329	16%	17%	60737	119,509	12%	17%	1038323	54,916	0	13,365	248,527
Marian Vian Primary	19,425	114,285	6%	7%	29081	111,394	6%	7%	1971550	24,247	0	7,857	172,578
Mead Road Infant	0	27,576	7%	7%	5874	15,867	4%	5%	428502	3,256	4,415	0	29,413
Midfield Primary	33,448	81,216	6%	9%	0	91,537	6%	6%	1488126	0	0	0	91,537
Mottingham Primary	2,115	66,735	6%	6%	48975	47,880	4%	7%	1307380	4,641	0	3,611	105,107
Oak Lodge Primary	0	43,778	2%	2%	0	45,769	2%	2%	2024964	6,505	7,676	0	59,950
Oakland Primary	0	95,641	7%	7%	0	48,844	3%	3%	1559067	1,227	0	0	50,071
Parish C.E. Primary	9,487	59,911	4%	4%	20041	63,180	4%	5%	1705413	4,548	0	0	87,770
Perry Hall Primary	47,098	72,824	5%	9%	54099	88,531	6%	10%	1415065	8,669	1,310	0	152,609
Poverest Primary	8,596	130,273	12%	13%	23464	92,851	8%	10%	1163514	8,618	0	20,145	145,077
Pratts Bottom Primary	26,225	67,653	16%	22%	32388	41,307	10%	17%	431822	29,484	0	0	103,180
Princes Plain Primary	33,860	87,333	4%	6%	41752	17,643	1%	3%	2353693	0	0	0	59,395
Raglan Primary	0	55,074	3%	3%	68593	54,804	3%	7%	1720086	0	17,793	0	141,190
Red Hill Primary	0	176,388	8%	8%	100560	195,091	8%	12%	2411436	29,145	2,463	0	327,259
Royston Primary	0	85,063	5%	5%	0	-29,718	-2%	-2%	1839342	0.51	0	0	-29,717
Scotts Park Primary	12,702	99,274	7%	8%	19761	88,928	6%	7%	1473652	0.56	0	0	108,690
Southborough Primary	7,058	111,885	7%	8%	40827	214,639	13%	15%	1688368	7,561	0	0	263,026
St Anthony's RC Primary	0.00	61,472	8%	8%	0	84,603	11%	11%	781231	0.00	15,184.94	0	99,788
St George's CE (Bickley) Primary	3,182	-51,356	-5%	-5%	0	7,759	1%	1%	1182244	2,185	0	0	9,944
St John's CE Primary	0	137,255	12%	12%	0	108,628	9%	9%	1160432	0	18,844	0	127,472
St Josephs Primary	8,550	21,983	3%	4%	19738	19,051	3%	5%	725431	8,793	0	0	47,581
St Mark's CE Primary	13,685	49,517	4%	5%	490	84,718	6%	6%	1461524	40,395	0	0	125,603
St Mary Cray Primary	0	-19,883	-3%	-3%	8000	6,592	1%	2%	873011	10,475	0	0	25,067
St. Mary's RC (Beckenham)	6,347	57,538	4%	5%	0	54,626	4%	4%	1327532	20,486	18,315	0	93,427
St Pauls Cray Primary	1,618	66,937	6%	6%	737	81,982	8%	8%	1038532	0	0	0	82,720
St Philomena's RC Primary	9,500	5,479	1%	2%	2307	1,117	0%	0%	739724	21,850.13	0.00	0	25,274
St Vincent's RC Primary	32,533	56,998	8%	12%	3300	54,411	7%	8%	739927	0.00	0.00	0	57,711
St Peter and St Pauls Primary	4,044.38	-32,333	-4%	-4%	10000	-22,215	-3%	-2%	771351	0.00	9,341.23	0	-2,874
The Highway Primary	1,299	-2,325	0%	0%	11348	27,355	4%	5%	767027	7,944	0	0	46,647
Unicorn	0	79,437	8%	8%	0	69,221	6%	6%	1144858	13,212	0	0	82,433
Wickham Common Primary	0	9,275	1%	1%	8326	43,771	3%	4%	1391401	0	0	0	52,097
Worsley Bridge Junior	0	75,908	11%	11%	0	34,382	5%	5%	732123	17,081	0	0	51,463
Sub-total	529,976	3,031,176	4.63%	5.44%	901,371	3,211,592	4.73%	6.06%	67,844,044	609,426	184,739	45,077	4,952,205
	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/12	BO2 Rev Bal as % of 2012/13 SBS	BO1 & BO2 Rev Bal as % of 2012/13 SBS	BO1 Committed Revenue Balances	BO2 Uncommitted Revenue Bal 31/03/13	BO2 Rev Bal as % of 2013/14 SBS	BO1 & BO2 Rev Bal as % of 2013/14 SBS	School Budget Share 2013-14	BO3 Devolved Formula Cap Balances	BO5 Other Capital Balances	BO6 Community Focussed Ext Schools	Balance C/fwd as at 31-Mar-13
Secondary Schools													
St. Olaves	44,692	238,951	9%	10%	45,000	518,678	12%	13%	4406241	15,901	26,517	0	606,097
Sub-total	44,692	238,951	9%	10%	45,000	518,678	12%	13%	4,406,241	15,901	26,517	0	606,097
Special Schools													
Burwood School	14,492	84,949	8%	9%	7,526	73,199	6%	7%	1131600	40,923	3,000	3,917	128,565
Glebe	0	173,893	7%	7%	32,513	145,005	6%	7%	2427508	44,190	0	101,132	322,840
Marjorie McClure	57,221	60,477	3%	6%	49,713	40,993	2%	5%	1920654	0	0	0	90,706
Riverside	0	253,999	8%	8%	0	331,569	7%	7%	4748161	0	0	0	331,569
Sub-total	71,713	573,318	6.47%	7.28%	89,752	590,767	5.78%	6.65%	10,227,923	85,113	3,000	105,048	873,680
TOTAL	646,381	3,843,445	5%	5.8%	1,036,123	4,321,038	5%	6.5%	82,478,208	710,440	214,256	150,125	6,431,981

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Primary Schools	2012-13		2011-12		2010-11		2009-10		2008-09	
	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2013/14 SBS	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2012/13 SBS	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2011/12 SBS	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2011/12 SBS	BO1 & B02 Combined Rev Bal	BO1 & B02 Rev Bal as % of 2011/12 SBS
Alexandra Infants	£38,046	4%	£69,636	8%	£67,715	8%	£95,824	13%	£104,168	14%
Alexandra Junior	£31,435	4%	£21,287	3%	£-10,913	-1%	£14,649	2%	£18,354	3%
Bickley Primary	£118,210	10%	£87,800	8%	£41,030	4%	£-4,302	-1%	£9,686	1%
Blenheim Primary	£-27,664	-3%	£-28,659	-3%	£40,611	5%	£91,580	14%	£72,952	11%
Bromley Road Infants	£94,962	10%	£93,202	11%	£79,525	9%	£62,379	8%	£34,691	5%
Burnt Ash Primary	£198,338	10%	£137,222	7%	£161,319	9%	£144,578	9%	£138,362	8%
Castlecumbe Primary	£34,898	3%	£50,859	5%	£47,860	5%	£44,982	5%	£86,859	12%
Chelsfield Primary	£139,621	28%	£102,904	20%	£51,755	10%	£16,559	4%	£11,518	4%
Chislehurst C.E. Primary	£54,048	8%	£63,520	9%	£55,267	8%	£30,711	4%	£31,001	5%
Churchfields Primary	£121,452	8%	£81,007	6%	£109,166	8%	£90,418	8%	£34,495	3%
Clare House Primary	£-117,043	-13%	£-126,722	-16%	£-78,309	-11%	£-65,158	-10%	£-119,486	-19%
Cudham CE	£52,387	10%	£38,487	8%	£23,604	5%	£3,606	1%	£-2,695	-1%
Darrick Wood Junior	£43,637	4%	£18,469	1%	£26,660	8%	£4,029	0%	£28,087	2%
Dorset Road Primary	£17,879	4%	£14,779	4%	£39,672	11%	£36,506	11%	£17,995	6%
Downe Primary	£39,013	9%	£27,541	7%	£647	0%	£93	0%	£1,186	0%
Edgebury Primary	£83,968	10%	£63,442	8%	£86,650	11%	£97,388	14%	£74,524	11%
Farnborough Primary	£49,373	6%	£75,075	10%	£38,203	5%	£-13,493	-2%	£-2,404	0%
Grays Farm Primary	£42,492	3%	£61,424	4%	£-24,919	-2%	£12,067	1%	£56,246	4%
Hawes Down Infants	£113,877	13%	£17,786	9%	£46,418	6%	£19,588	3%	£4,821	1%
Hawes Down Juniors	£-14,252	-1%	£-19,069	-2%	£-5,033	-1%	£29,090	3%	£40,780	5%
Highfield Infants	£50,099	6%	£73,864	9%	£68,573	8%	£66,162	9%	£53,974	8%
Highfield Junior	£131,055	12%	£104,389	9%	£107,573	10%	£101,027	10%	£99,945	11%
Holy Innocents RC Primary	£15,228	2%	£22,936	3%	£27,231	4%	£45,605	7%	£57,815	9%
James Dixon Primary	£109,888	6%	£35,085	2%	£38,007	2%	£16,522	1%	£-6,698	-1%
Keston CE	£65,578	7%	£48,022	6%	£28,670	4%	£27,043	4%	£51,260	8%
Leasons Primary	£71,206	7%	£-687	0%	£-13,126	-1%	£-28,201	-4%	£65,925	11%
Malcolm Primary	£-19,223	-1%	£19,243	2%	£-15,813	-1%	£29,261	3%	£73,819	9%
Manor Oak Primary	£180,246	17%	£182,724	17%	£252,894	23%	£214,105	25%	£115,587	16%
Marian Vian Primary	£140,475	7%	£133,710	7%	£90,442	5%	£110,434	6%	£133,503	8%
Mead Road Infant	£21,741	5%	£27,576	7%	£29,328	8%	£22,121	6%	£45,906	15%
Midfield Primary	£91,537	6%	£114,664	9%	£90,757	7%	£136,643	13%	£157,774	16%
Mottingham Primary	£96,855	7%	£68,849	6%	£114,600	10%	£213,620	22%	£261,228	25%
Oak Lodge Primary	£45,769	2%	£43,778	2%	£44,436	2%	£3,959	0%	£53,604	3%
Oakland Primary	£48,844	3%	£95,641	7%	£52,362	4%	£61,790	6%	£51,591	5%
Parish C.E. Primary	£83,222	5%	£69,399	4%	£59,920	4%	£10,644	0%	£54,417	4%
Perry Hall Primary	£142,630	10%	£119,922	9%	£79,051	6%	£94,329	8%	£58,862	5%
Poverest Primary	£116,315	10%	£138,870	13%	£188,209	18%	£176,072	18%	£164,283	16%
Pratts Bottom Primary	£73,695	17%	£93,878	22%	£102,934	25%	£75,014	21%	£64,222	20%
Princes Plain Primary	£59,395	3%	£121,194	6%	£85,090	4%	£142,344	10%	£59,097	4%
Raglan Primary	£123,397	7%	£55,074	3%	£94,863	6%	£91,618	6%	£74,622	5%
Red Hill Primary	£295,651	12%	£176,388	8%	£156,182	8%	£165,430	9%	£164,522	10%
Royston Primary	£-29,718	-2%	£85,063	5%	£35,597	2%	£82,574	6%	£56,698	5%
Scotts Park Primary	£108,689	7%	£111,976	8%	£97,464	8%	£81,119	7%	£97,897	9%
Southborough Primary	£255,465	15%	£118,943	8%	£86,590	6%	£73,467	6%	£98,778	8%
St Anthony's RC Primary	£84,603	11%	£61,472	8%	£1,913	0%	£15,899	2%	£42,498	6%
St George's CE (Bickley) Primar	£7,759	1%	£-48,174	-5%	£-31,637	-3%	£-34,380	-4%	£-59,861	-7%
St John's CE Primary	£108,628	9%	£137,255	12%	£138,678	12%	£129,376	14%	£92,640	11%
St Josephs Primary	£38,789	5%	£30,533	4%	£41,515	6%	£50,416	8%	£34,602	6%
St Mark's CE Primary	£85,208	6%	£63,202	5%	£50,396	4%	£38,992	3%	£22,886	2%
St Mary Cray Primary	£14,592	2%	£-19,883	-3%	£16,337	3%	£57,520	11%	£95,763	17%
St. Mary's RC (Beckenham)	£54,626	4%	£63,885	5%	£102,065	8%	£73,922	6%	£31,449	3%
St Pauls Cray Primary	£82,720	8%	£68,555	6%	£68,555	5%	£81,679	10%	£59,798	8%
St Philomena's RC Primary	£3,424	0%	£14,979	2%	£26,834	4%	£18,404	3%	£6,010	1%
St Vincent's RC Primary	£57,711	8%	£89,531	12%	£75,593	11%	£57,897	9%	£38,835	6%
St Peter and St Pauls Primary	£-12,215	-2%	£-28,288	-4%	£-75,299	-10%	£-121,980	-19%	£-70,611	-12%

The Highway Primary	£38,703	5%	-£1,025	0%	£1,037	0%	£2,349	0%	£24,114	4%
Unicorn	£69,221	6%	£79,437	8%	£63,271	6%	£53,988	7%	£50,070	7%
Wickham Common Primary	£52,097	4%	£9,275	1%	£72,256	5%	£64,290	5%	£87,138	7%
Worsley Bridge Junior	£34,382	5%	£75,908	11%	£97,457	14%	£139,617	21%	£109,717	16%
Secondary Schools										
St. Olaves	£563,678	13%	£283,643	10%	£128,777	5%	£88,914	2%	£148,165	3%
Special Schools										
Burwood School	£80,725	7%	£99,441	9%	£131,234	12%	£131,234	17%	£185,026	18%
Glebe	£177,518	7%	£173,893	7%	£22,678	1%	£22,678	15%	£483,548	24%
Marjorie McClure	£90,706	5%	£117,698	6%	£90,177	5%	£90,177	4%	£179,871	11%
Riverside	£331,569	7%	£253,999	8%	£118,463	3%	£118,463	4%	£258,841	8%

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REVENUE/CAPITAL DEFICITS

PRIMARY SCHOOLS

Blenheim Primary **Revenue Deficit £27,664** **-3%**

Reason for Deficit

- Low pupil numbers in Key Stage 2
- Long term teaching absence.

Management Action to achieve Recovery Plan as agreed by School and LA

- Increase pupil numbers
- Careful staff management.
- Working closely with LA to achieve a recovery plan
- Contracts to be reviewed for best value.
- Staff financial awareness training

LA Comment

The school has signed up to the highest level of Service Level Agreement so will receive full support from the Schools' Finance Team to help achieve the recovery. The agreed recovery plan showed an anticipated deficit of around £46k at the end of 2012/13, which the school has obviously reduced significantly. It is anticipated that this will be reflected in the revised recovery plan to be agreed in 2013/14.

Clare House Primary **Deficit £117,043** **-13%**

Reason for Deficit

- Historic deficit due to income accounted for incorrectly (doubled counted) and incorrect data entries.
- School layout makes it difficult to have additional pupils in Key Stage 2.
- Incorrect data resulted in underpayments to teachers which were paid in 2011/12.
- Failure to submit claim on insurance policy for long term sickness.
- High supply teacher costs.
- Settlement paid to previous caretaker and additional cost of relief caretaker.

Management Action to achieve Recovery Plan as agreed by School and LA

- To continue to work closely with the local Authority to find ways to recover deficit.

- Increasing the Reception pupil number with the view of looking to increase size of school.
- Reviewing existing Service Level Agreements.
- Restructuring and hiring new less expensive staff (NQT).
- Continue minimising cost on all possible aspects.

LA Comment

The school has worked very closely with the LA this year to agree a deficit recovery plan. It was agreed by the Assistant Director for Education that the school should aim to achieve a break even in year budget in 2012/13. The school has however managed to reduce the deficit by around £9,000. The school is currently expanding to two forms of entry which will help it to become more financially viable and it is anticipated that this will be reflected in the recovery plan to be agreed in 2013/14. It is important that this is recognised as this is one of the schools that will be under additional scrutiny from DfE having had a deficit in excess of 2.5% for the past four years.

Hawes Down Junior

Deficit £14,252

-1%

Reasons for Deficit

- Ofsted recovery plan initiated early in Spring Term 2013 resulted in additional unplanned expenditure.

Management Action to achieve Recovery Plan as agreed by School and LA

- New budget to be planned at start of Summer term
- Increased funding in 2013/14
- Small cohort in year 6 to be replaced by full cohort in year 3 in September improving financial situation going forward.
- Bulge classes feeding through from Infant school.

LA Comment

The school is buying into the highest level of financial support and is aiming to significantly reduce the deficit in 2013/14. However, further Ofsted assessment is due imminently. Depending on the outcome, additional expenditure could be required to maintain/continue improvement.

Malcolm Primary

-1%

Deficit £19,223

Reasons for Deficit

- As a result of the Ofsted inspection in October 2012 the school was placed in Special Measures. This has placed considerable pressures on the finances of the school.

Management Action to achieve Recovery Plan as agreed by School and LA

- The school will become part of the Harris Federation on the 1st September. The school is confident that this deficit will be recovered from the five month budget that will be set between April and September.

LA Comment

As a sponsored academy, any deficit at the point of conversion will revert to the LA. In view of this the LA will work closely with the school between April and September to keep any resulting deficit to a minimum.

Royston Primary
-2%

Deficit £29,718

Reasons for Deficit

- As a result of the previous Ofsted inspection the school is in Special Measures. This has resulted in additional expenditure in resources and support area to try to raise standards.
- Staffing and supply issues, resulting in high costs, partly due to private long term sickness insurance not covering all claims.
- Building costs incurred through the LA have emerged but were not previously accounted for.
- Nursery funding recoupment at year end not anticipated.
- Photocopier lease – school not aware of excess useage charges billed in arrears.

Management Action to achieve Recovery Plan as agreed by School and LA

- Rigorous weekly monitoring of expenditure by Finance Committee and acting Head.
- Careful use of resources to minimise further expenditure.
- Staff structure and costing under constant review.
- The school will become part of the Harris Federation on the 1st September

- LA Comment

As a sponsored academy, any deficit at the point of conversion will revert to the LA. In view of this the LA will work closely with the school between April and September to keep any resulting deficit to a minimum.

St Peter and St Paul's Primary**Deficit £22,215****-3%**Reasons for Deficit

- This was accumulated over time and exacerbated by buy-out of photocopier lease in 2009/10.

Management Action to achieve Recovery Plan as agreed by School and LA

- Ensure pupil numbers are maximised.
- Careful monitoring of spend.
- Staffing costs carefully allocated and rationalised.
- Maximise use of capital and transferred standards fund grants.

LA Comment

The school is buying into the Gold Service Level Agreement for finance and has reduced it's deficit in line with the Deficit Recovery Plan. The school is currently consulting on Academy conversion, however as a converter academy any deficit at the point of conversion would transfer to the academy. The school may be subject to additional scrutiny from DfE having had a deficit in excess of 2.5% for the past four years.

Schools with Uncommitted Revenue Balances of 8% or More

Primary Schools

Bickley Primary School	Uncommitted Revenue Surplus
£106,538	9%

Management Action to reduce balances with detailed costings

With the school still expanding to 2 forms of entry items are needed to accommodate the additional pupils

- | | |
|------------------------------------|---------|
| • Laptop trolley with 32 laptops | £20,000 |
| • Chairs and desks for extra class | £3,000 |
| • New lunch benches | £5,000 |

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 6%.

Bromley Road Infant School	Uncommitted Revenue Surplus
£89,632	9%

Management Action to reduce balances with detailed costings

- | | |
|---|---------|
| • Additional teacher required for 9 th classroom September 2013 | £20,689 |
| • Rolling programme of redecoration of school corridors and classroom doors | £7,200 |
| • Remedial works following water hygiene survey | £3,000 |
| • Further additions to school building security entry system | £1,000 |
| • Installation of screen/projector in dining hall | £5,000 |
| • Classroom furniture year 3 pupils as part of move towards primary status | £4,000 |

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 5%.

Chelsfield Primary School	Uncommitted Revenue Surplus
£119,421	24%

Management Action to reduce balances with detailed costings

Purchase of I pads for various year groups	£7,000
Pixl learning programme for years 5/6	£3,000
Forest school training equipment for outside area	£5,000

Increase in trimtrail and infant play train	£10,000
Cycle store	£4,000
New front door and entry system	£3,000
Development of Head teacher's office	£5,000
Rebuild of walkway across playground	£2,000
Resurface of large playground	£12,000
New telephone system	£3,000
Emergency lighting throughout the school	£30,000

LA Comments

Planned expenditure will only reduce uncommitted revenue balances to around 11% so the school will be challenged by the LA to look at reducing balances further.

Cudham Primary School
£52,387

Uncommitted Revenue Surplus
10%

Management Action to reduce balances with detailed costings

Replacement of ICT equipment including server	£11,881
Forest schools equipment	£500
Replacement of Hall window	£1,400
Purchase of shed for PE equipment	£1,500
Additional curriculum coaches	£3,700
SENCO assistance Sept 13 – March 14	£8,994

LA Comments

Planned expenditure will reduce uncommitted revenue balances to 5%.

Downe Primary School
£39,013

Uncommitted Revenue Surplus
9%

Management Action to reduce balances with detailed costings

- Building works to create outside area attached to Reception classroom as identified as part of Ofsted action plan £30,000
- IT upgrades to server and office computers £3,300
- ICT developments eg laptops/trolley £15,000

LA Comments

The school is planning to use revenue reserves to match fund against Seed Challenge funding of £15,000. Planned expenditure will reduce uncommitted revenue balances to around 1%.

Hawes Down Infant School
£97,977

Uncommitted Revenue Surplus
11%

Management Action to reduce balances with detailed costings

- PPA teacher for one year £11,123
- Work to ICT suite £8,874
- School crossing patrol £1,050
- Purchase of I Pads £1,076
- Car park work and tree removal £1,250
- Office refurbishment £2,000
- Kitchen refurbishment £2,000

LA Comments

Planned expenditure will reduce uncommitted revenue balances to 8%.

Highfield Junior School
£112,263

Uncommitted Revenue Surplus
10%

Management Action to reduce balances with detailed costings

- Phase 2 of building programme to provide a larger hall and/or outside covered learning area £15,000
- Installation of wireless network and related laptops and tablets £20,000

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 7%.

Manor Oak Primary School
£119,509

Uncommitted Revenue Surplus
12%

Management Action to reduce balances with detailed costings

- School wireless system £4,925
- Laptops and charging trolleys for classrooms £16,150
- ICT software £1,875
- Classroom upgrade £10,500
- Upgrade telephone system £5,000

- Cabling to connect main building to new nursery £8,000
- Develop play area – new nursery £15,000

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 6%. It is important that the school is encouraged to achieve this expenditure as it is one of the schools likely to be subject to further scrutiny from DfE having held high balances for a number of years.

Pratts Bottom Primary School **Uncommitted Revenue Surplus** **£41,307** **10%**

Management Action to reduce balances with detailed costings

Redesigning website	£1,500
Purchase of media equipment for hall	£2,000
Purchase of clothing for forest school	£2,000
Learning support teacher – 1 day per week	£8,000
Portable smartboard and laptop for Reception	£1,000
NQT cover and training	£9,000

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 4%. It is important that the school is encouraged to achieve this expenditure as it is one of the schools likely to be subject to further scrutiny from DfE having held high balances for a number of years.

Southborough Primary School **Uncommitted Revenue Surplus** **£214,639** **13%**

Management Action to reduce balances with detailed costings

- Wireless system, purchase of laptops and I pads for classrooms £45,000
- Building work to include new storage, projector, lighting and staging for hall/changing ICT suite to nurture room/removal of cupboards in classrooms to expand learning space £53,000
- Furniture, carpets and blinds for classrooms £40,000
- Staffing – reorganisation/increased hours for support staff to ensure adequate support in all classes. Intervention/support for individual pupils £30,000

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 3%. School should ensure that any increased staffing costs are sustainable in the long term.

St Anthony's Primary School **Uncommitted Revenue Surplus**
£84,603 **11%**

Management Action to reduce balances with detailed costings

Review of staffing structure – look at small numbers at top of school to support vulnerable pupils. £44,000

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 5%

St John's CE Primary School **Uncommitted Revenue Surplus**
£106,628 **9%**

Management Action to reduce balances with detailed costings

- Appointment of School Business Manager from September 2013 £30,000
- Appointment of Inclusion Manager £31,000
- Upgrade of IT in school £9,400
- Refurbishment and decoration of building £10,500

LA Comments

Planned expenditure will reduce uncommitted revenue balances to around 2% - as much of the planned expenditure relates to staffing the school needs to be sure that this is sustainable in the longer term.

Secondary School

St Olaves Grammar School **Uncommitted Revenue Surplus**
£518,678 **12%**

Management Action to reduce balances with detailed costings

Repairs to roof of Art and Design Block	£20,000
Repairs to roof above Sports Hall/Sixth Form	£15,000
Library/Language Office	
Upgrade of main IT servers	£30,000
Conversion of demonstration Science laboratory	£16,000
Furniture and camera for overhead projection	£4,000
Groundsman's equipment	£13,500

Repairs to main boiler	£18,000
Replacement of telephone system	£20,000

LA Comments

The school also has plans for a significant build /expansion of their existing Science facilities. Whilst there are no definite costs for this at this stage, it is likely to be around £500,000-£700,000 and any surplus balances will be used to support this.

Agenda Item 5

Report No.
ED 14002

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **SCHOOLS' FORUM**

Date: **Thursday 23 January 2014**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **2013 REVISIONS TO SCHEME FOR FINANCING SCHOOLS**

Contact Officer: Amanda Russell, Head of Schools Finance Support
Tel: 020 8313 4806 E-mail: Amanda.Russell@bromley.gov.uk

Chief Officer: Executive Director of Education, Care & Health Services

Ward: (All Wards);

1. Reason for report

This report provides details of the 2013 Scheme for Financing Schools which has been updated in line with DfE regulations.

2. **RECOMMENDATION(S)**

The Schools Forum are asked to approve the revised document.

3. COMMENTARY

3.1 The DfE has issued a guidance note which outlines and explains the changes to the DfE guidance on local authority schemes for financing schools, effective from 1 April 2013. A copy of this guidance note is attached at appendix 1.

3.2 The Bromley Scheme has been revised in accordance with the guidance – the changes are highlighted on the document for ease of reference.

3.3 The Schools Forum is asked to approve the proposed changes.

SUMMARY OF SCHEME CHANGES

This note outlines and explains the changes to the DfE guidance on local authority schemes for financing schools, effective from 1 April 2013. Updated detailed guidance is now available on the DfE website at:

[Finance Regulations and legal framework - The Department for Education](#)

Changes from the previous version, published in December 2010, are underlined within the detailed guidance. In making any changes to their schemes, local authorities must consult all schools in their area and receive the approval of the members of their schools forum representing maintained schools.

The changes are set out below. References are to the section number in the previous guidance. There are also some minor amendments to the wording intended to provide additional clarity.

Directed revisions already announced:

- 2.4 Remove requirement for schools to submit a statement of Best value with their budget plan and replace with directed text relating to efficiency and value for money
- 2.16 Remove requirement for Financial Management Standard in Schools (FMSiS) and replace with directed text for Schools Financial Value Standard (SFVS)
- 2.17 New section regarding fraud
- 6.3 Remove requirement for payments to General Teaching Council (GTC- abolished from 1st April 2012)
- Annex B Amended and additional text relating to redundancy and early retirement costs of community facilities staff

Revisions in respect of new funding arrangements from 1st April 2013

- Introduction Updated reference to regulations
- 1.2.1 Confirmation that legislation has already been amended to put maintained Pupil Referral Units (PRUs) in coverage
- 1.4 Only schools forum members representing maintained schools should now approve scheme changes
- 2.13 Updated references to legislation
- Section 3 Clarification that place-led funding is included in arrangements for payments by instalment
- 3.1 Clarification that top up payments should be made monthly unless otherwise agreed
- 4.7 Funding to support schools in financial difficulty can only come from a de-delegated contingency for mainstream schools, or a central budget for special schools and PRUs.
- 5.5 Clarification around bought in meals service, not centrally retained
- Section 6 Clarification that schools forum can agree dedelegation

- 6.2.15 Amended wording in relation to charging the school budget share if appropriate support has not been made for a HN pupil
- 8.1 Restriction to existing commitments for redundancy / PRC payments and removal of reference to non-provision of LA services where funding has been provided to some schools only
- 11.7 Deletion of references to optional delegated funding
- 12.4 Removal of provision for LAs to retain centrally money for R&M of school kitchens where funding for school meals has not been delegated
- Annex A Clarification that school detail budgets are no longer included in S251 collection
- Annex B Restriction of termination of employment costs funded from central schools budget to value of previous year and existing commitments; clarity that contingency for schools in financial difficulty will need to be de-delegated



London Borough of Bromley
Children and Young People Department

Scheme for Financing Schools

Section 48
Schools' Standards and Framework Act 1998

December 2013

THE BROMLEY SCHEME FOR FINANCING SCHOOLS: SECTION 48 OF THE SCHOOLS STANDARDS AND FRAMEWORK ACT 1998

1. INTRODUCTION

- 1.1 The funding framework
- 1.2 The role of the scheme
- 1.2.1 Application of the scheme to the Authority and maintained schools
- 1.3 Publication of the scheme
- 1.4 Revision of the scheme
- 1.5 Delegation of powers to the Head Teacher
- 1.6 Maintenance of schools

2. FINANCIAL CONTROLS

- 2.1.1 Application of financial controls to schools
- 2.1.2 Provision of financial information and reports
- 2.1.3 Payment of salaries; payment of bills
- 2.1.4 Control of assets
- 2.1.5 Accounting policies (including year-end procedures)
- 2.1.6 Writing off of debts
- 2.2 Basis of accounting
- 2.3 Submission of budget plans
- 2.3.1 Submission of Financial Forecasts
- 2.4 Best value
- 2.5 Virement
- 2.6 Audit: General
- 2.7 Separate external audits
- 2.8 Audit of voluntary and private funds
- 2.9 Register of business interests
- 2.10 Purchasing, tendering and contracting requirements
- 2.11 Application of contracts to schools
- 2.12 Central funds and earmarking
- 2.13 Spending for the purposes of the school
- 2.14 Capital spending from budget shares
- 2.15 Notice of concern

3. INSTALMENTS OF BUDGET SHARE; BANKING ARRANGEMENTS

- 3.1 Frequency of instalments
- 3.2 Proportion of budget share payable at each instalment
- 3.3 Interest clawback
- 3.3.1 Interest on late budget share payments
- 3.4 Budget shares for closing schools
- 3.5 Bank and building society accounts
- 3.5.1 Restrictions on accounts
- 3.6 Borrowing by schools
- 3.7 Other provisions

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

- 4.1 Right to carry forward surplus balances
- 4.2 Controls on surplus balances
- 4.3 Interest on surplus balances
- 4.4 Obligation to carry forward deficit balances
- 4.5 Planning for deficit balances
- 4.6 Charging of interest on deficit balances
- 4.7 Writing off deficits
- 4.8 Balances of closing and amalgamating schools
- 4.9 Licensed deficits
- 4.10 Loan schemes
- 4.10.1 Credit union approach

5. INCOME

- 5.1 Income from lettings
- 5.2 Income from fees and charges
- 5.3 Income from fund raising activities
- 5.4 Income from the sale of assets
- 5.5 Administrative procedures for the collection of income
- 5.6 Purposes for which income may be used

6. THE CHARGING OF SCHOOL BUDGET SHARES

- 6.1 General provision
- 6.1.2 Charging of salaries at actual cost
- 6.2 Circumstances in which charges may be made
- 6.3 GTC

7. TAXATION

- 7.1 Value Added Tax
- 7.2 CITS

8. THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

- 8.1 Provision of services from centrally retained budgets
- 8.2 Timescales for the provision of services bought back from the Local Authority using delegated budgets
- 8.2.1 Packaging
- 8.3 Service level agreements
- 8.4 Teachers Pensions

9. PFI CLAUSES

10. INSURANCE

10.1 Insurance cover

11. MISCELLANEOUS

11.1 Right of access to information
11.2 Liability of Governors
11.3 Governors expenses
11.4 Responsibility for legal costs
11.5 Health and Safety
11.6 Right of attendance for Chief Finance Officer
11.7 Optional delegated funding
11.8 Special Educational Needs
11.9 Interest on late payments
11.10 'Whistleblowing'
11.11 Child protection
11.12 School meals

12. RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

13. COMMUNITY FACILITIES

13.1-3 Introduction
13.4-6 Consultation with the LA
13.7-8 Funding agreements
13.9-14.10 Other prohibitions, etc
13.11-14.12 Supply of financial information
13.13-14 Audit
13.15-17 Treatment of income
13.18-19 Health and safety
13.20-21 Insurance
13.22-24 Taxation
13.25-27 Banking

ANNEX A

The Funding Framework – main features

ANNEX B

Responsibility for redundancy and early retirement costs

ANNEX C

Community Facilities

ANNEX D

Register of business interests

1. INTRODUCTION

1.1 The Funding Framework

The Funding Framework: Main Features

The funding framework which replaces Local Management of Schools is based on the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998.

Under this legislation, local authorities determine for themselves the size of their Schools Budget and Local Authority Budget – although at a minimum a Local Authority (LA) 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, but included within the two, 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 concerned, subject to any limits or conditions (including gaining the approval of their School 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 Local Authority 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 Local Authority in accordance with s.48 of the Act and approved by the Secretary of State. All revisions to the scheme must also be approved by the Secretary of State, who has power to modify schemes or impose one.

Subject to provisions of the scheme, Governing Bodies of schools may spend budget shares for the purposes of their school. They may also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under s.50.

A Local Authority may suspend a school's right to a delegated budget if the provisions of the school financing scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. There is a right of appeal to the Secretary of State. A school's right to a delegated budget share may also be suspended for other reasons (s.17 of the SSAF Act 1998) but in that case there is no right of appeal.

Each authority is obliged to publish each year a statement setting out details of its planned Schools Budget and Local Authority Budget, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares, and the detailed calculation for each school. After each financial year the authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

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

1.2 The role of the scheme

This scheme sets out the financial relationship between London Borough of Bromley as the Local Authority and the schools which it funds. This scheme contains requirements relating to financial management and associated issues which are binding on both the Authority and on the individual schools.

1.2.1 Application of the scheme to the Authority and maintained schools

This scheme applies in respect of all community, voluntary, foundation, community special schools and PRUs maintained by the authority. It contains requirements relating to financial management and associated issues, binding on both the Authority and schools.

1.3 Publication of the scheme

A copy of this scheme will be supplied to the Head Teacher and to the Governing Body of each school covered by the scheme, it and any approved revisions will be notified to each such school and placed on the Bromley website.

1.4 Revision of the scheme

Any proposed revisions to the scheme will be the subject of consultation with schools and will require approval by members of the Schools Forum representing maintained schools. Where the Schools Forum does not approve them, or approves them subject to modifications which are not acceptable to the Authority, the Local Authority may apply to the Secretary of State for approval.

1.5 Delegation of powers to the Head Teacher

Governing Bodies must consider the extent to which it wishes to delegate its financial powers to the Head Teacher, and should record its decision, and any revisions, in the minutes of the Governing Body.

The scheme should state the responsibilities of the Head Teacher and Governing body in respect of the annual budget plan.

The first formal budget plan of each financial year must be approved by the Governing Body. The Governing body is ultimately responsible for the annual budget and must approve and submit this to the Local Authority each year.

1.6 Maintenance of schools

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

2. FINANCIAL REQUIREMENTS; AUDIT

2.1.1 Application of financial controls to schools

In managing their delegated budgets, schools are required to abide by the Authority's requirements on financial controls and monitoring.

Certain of these are directly referred to in this scheme while others are included in the Financial Regulations for Schools and Colleges (2010).

2.1.2 Provision of financial information and reports

Schools are required to provide the authority with details of anticipated and actual expenditure and income in a format, and at times determined by the Authority. The Local Authority may not require such details more than once every three months except for those connected with tax or banking reconciliation, unless the Local Authority has notified the school in writing that in its view the school's financial position requires more frequent submission, or the school is in its first year of operation. For the purposes of this scheme, all operating schools are required to submit financial monitoring returns to the authority. Returns will be submitted in the format specified at and in accordance with the timetable set by the LA. Schools are also required to submit a covering written note with their Returns to explain any significant variations on position to date and the year end forecast.

The Local Authority may require financial returns more frequently than the timetable set out in the above document if the school is in deficit. Notification of this requirement will be made to the relevant school in writing.

2.1.3 Payment of salaries; payment of bills

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

The procedures, which apply to schools, are documented as follows:

For schools with stand alone bank accounts:

- The Agreement between the School and the Authority.
- Financial Regulations for Schools and Colleges (2010)

2.1.4 Control of assets

Schools are required to maintain an inventory of their moveable non-capital assets. The format of the required inventory and the basis authorisation procedures for disposal of assets are set out in the Authority's Financial Regulations for Schools and Colleges (2010). However, schools are free to determine their own arrangements for keeping a register of assets worth less than £1,000. Schools must keep a register in some form.

2.1.5 Accounting Policies (including year-end procedures)

Schools are required to abide by the procedures issued by the Authority in respect of accounting policies and the year end procedures.

The procedures are set out in the Financial Regulations for Schools and Colleges (2010) and any guidance that is issued on an annual basis.

2.1.6 Writing off of debts

Governing Bodies are authorised under the terms of this scheme to write off debts for amounts not exceeding £1000. Thereafter, permission must be sought by the Director of Resources and proof must be provided that reasonable steps have been taken to collect the debt.

2.2 Basis of accounting

Reports and accounts furnished to the authority must be on an accruals basis. The provision of financial information will be in the format prescribed by the Director of Resources.

2.3 Submission of budget plans

The Local Authority is required to provide Schools with details of their budgets by no later than 31 March. Schools are required to submit formal budget plans to the Authority by no later than 30 June.

The budget plan must show the school's intentions for expenditure in the current financial year and the assumptions underpinning the budget plan. The format of the budget plan is determined by the Authority and should be consistent with the format of financial returns to the LA. All schools should take account of estimated deficits/surpluses at the previous 31 March in their budget plan.

2.3.1 Submission of Financial Forecasts

The Local Authority will require schools to submit a financial forecast covering each year of a multi-year period for which schools have been notified of budget shares beyond the current year. These may be used to support the balance control mechanism, as detailed in Para 4.2.

2.4 Best Value

Given the very high proportion of Local Authority spending which flows through delegated budgets, the government considers it desirable that schools should demonstrate that they are following best value principles in their expenditure.

2.5 Virement

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

2.6 Audit: General

Schools will be subject to internal audit on a regular basis by the Authority or his appointed representatives. Accounts will need to be available for inspection by external auditors as and when required. The external auditors may also wish to undertake such reviews of financial and other operations of schools as they deem necessary for the discharge of their statutory functions. Schools requirements under the terms of this scheme are also detailed in the Financial Regulations for Schools and Colleges 2010

In relation to external audit all schools come within the Local Authority external audit regime as determined by the Audit Commission.

2.7 Separate external audits

Governing Bodies may, if they so wish, spend funds from the budget share to obtain external audit certification of its accounts, separate from any Local Authority internal or external process.

2.8 Audit of voluntary and private funds

Schools are required to provide audit certificates in respect of voluntary and private funds held by schools and of the accounts of any trading organisations controlled by the school in accordance with the Financial Regulations for Schools and Colleges (2010) and Guidance notes for Local Authority School Voluntary Funds.

2.9 Register of business interests

Governing bodies are required to establish, (if it does not already have one) 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; to keep the register up to date with notification of changes and through annual review of entries, and to make the register available for inspection by Governors, staff, parents and the authority's auditors.

More detailed guidance in the maintenance of such a register is detailed at Annex D.

2.10 Purchasing, tendering and contracting requirements

Schools are required to abide by the Authority's Financial Regulations for Schools and Colleges (2010) in purchasing, tendering and contracting matters, and are strongly advised to apply the provisions of the Council's contract code or in the case of the purchase of goods the Corporate Order policy. This should include a requirement to assess in advance, where relevant, the health and safety competence of contractors, taking account of the LA's policies and procedures.

However, schools are disapplied from following any regulations which would require schools:

- (a) to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive;
- (b) to seek Local Authority officer countersignature for any contract for goods or services for a value below £60,000 in any one year;
- (c) to select suppliers only from an approved list.

Or, would permit schools to seek fewer than three tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year.

The authority's approved List of Contractors is available to schools and Governing Bodies who may wish to use this option when selecting suppliers in order to safeguard the interests of the school.

Schools are also invited to nominate suppliers for inclusion on the Approved List of Contractors.

2.11 Application of contracts to schools

Schools have the right to opt out of Local Authority arranged contracts except where the scheme provides otherwise.

Governing bodies are empowered under paragraph 3 of schedule 10 to the School Standards and Framework Act 1998 to enter into contracts. In most cases Governing Bodies enter into contracts on behalf of the Local Authority as maintainer of the school and the owner of the funds in the budget share. However the Governing Body will have clear statutory obligations in some areas for example contracts made by aided or foundation schools for the employment of staff.

2.12 Central funds and earmarking

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

This scheme requires that such earmarked funding from centrally retained funds is spent only for the purposes for which it was given, or on other budget heads for which earmarked funding is given, and is not vired into the budget share.

The Local Authority will not make any deduction, in respect of interest costs charged to the LA, from payments to schools of devolved specific or special grant.

Schools must be able to demonstrate through their financial monitoring returns that these requirements have been complied with.

2.13 **Spending for the purposes of the school**

Governing bodies may spend budget shares for the purposes of the school, subject to any provisions in this scheme. 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 s.50(3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. **He has done so in 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(SI 2010/444190).** These allow schools to spend their budgets on pupils who are on the roll of other maintained schools.*

2.14 **Capital spending from budget shares**

Governing bodies may use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the Governing Body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the SSAF Act 1998. However, if the expected capital expenditure from the budget share exceeds £15,000 in any one year, the Governing Body must notify the Local Authority and take into account any advice from the Director of Education, Care and Health Services as to the merits of the proposed expenditure. If the premises are owned by the LA, or the school has voluntary controlled status, then the Governing Body should seek the consent of the Local Authority to the proposed works, such consent may only be withheld on health and safety grounds.

2.15 **Notice of Concern**

The Local Authority may issue a notice of concern to the Governing Body of any school it maintains where, in the opinion of the Chief Finance Officer and the Director of Education, Care and Health Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the Local Authority or the school.

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

These may include:

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- insisting that an appropriately trained/qualified person chairs the finance committee of the Governing Body;
- placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the

provision of monthly accounts to the LA;

- insisting on regular financial monitoring meetings at the school attended by Local Authority officers;
- requiring a Governing Body to buy into a LA's financial management systems; and
- imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

- 2.17 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 these controls. This information must also be included in the induction for new school staff and governors.

3. INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

3.1 Frequency of instalments

- 3.1.1 If schools no longer require the use of the LA's centralised systems and wish to opt to make their own payments from school accounts they may opt to have their budget share paid to them monthly. Any budget share would be subject to deduction of any items which may continue to be met centrally, ie payroll. This cash deduction profile should reflect the current spending profile of the school. Top up payments for pupils with high needs will be made on a monthly basis unless alternative arrangements have been agreed with the provider.

3.2 Proportion of the budget share payable at each instalment

The proportion of the budget share made available to schools shall be one twelfth of the School Budget Share paid monthly in advance.

3.3 Interest clawback

The Local Authority will make no deduction from individual budget share instalments to cover the estimated interest lost by the Local Authority in making available the budget share in advance.

3.3.1 Interest on late budget share payments

The Local Authority will add interest to late payments of budget share instalments, where such late payments are the result of Local Authority error. The interest calculation used is identified below:

1. Estimated Average Bank Balance

Determined by the amount of the advance divided by two.

2. **Rate of Interest**

This is the base rate applying at the time of each advance.

3. **Period of Interest**

This will be for a month calculated on the number of days in the month divided by 365.

Example Calculation

Advance of £50,000 on: 1 April.

Base Rate: 7%.

Calculation			
Advance	Interest Rate	Period	Interest Charge
£50,000/2	7%	30/365	143.84

3.4 Budget share for closing schools

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

In order to minimise the LA's liabilities, the authority may wish to take the appropriate action to prevent schools entering into contractual arrangements or committed expenditure beyond the school closure date. Any monies incurred in this way may become the responsibility of the Governing Body.

3.5 Bank and building society accounts

All schools may have bank accounts into which their budget share instalment is paid. Where schools have such accounts they shall be allowed to retain all interest payable on the account.

If a school opens an external bank account the Local Authority must, if the school desires, transfer immediately to the account an amount agreed by both school and Local Authority as the estimated surplus balance held by the Local Authority in respect of the school's budget share, on the basis that there is then a subsequent correction when accounts for the relevant year are closed.

New banking arrangements may only be made with effect from the beginning of each financial year.

3.5.1 Restriction on accounts

The banks and building societies which may be used for the purpose of receiving budget share payments are specified below:

- Royal Bank of Scotland Group (includes Nat West).
- HSBC.
- Barclays.
- Lloyds TSB Group (includes Bank of Scotland).
- Santander (includes Abbey National and Alliance & Leicester).
- Nationwide.

The accounts for budget share purposes will be in the name of the school.

Accounts may be opened in the name of the school rather than the LA. However the mandate should provide that the Local Authority is the owner of the funds in the accounts, 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 the LA. Advice on bank signatories can be found in section 12 of the Financial Regulations for Schools and Colleges (2010).

3.6 Borrowing by schools

Governing bodies may borrow money only with the written permission of the Secretary of State. Schools are not permitted to use credit cards as a form of borrowing. However, schools are encouraged to use procurement cards, as these can provide a useful means of facilitating electronic purchase.

3.7 Other provisions

The Local Authority has separate detailed rules and guidance in respect of other aspects of banking arrangements. These are set out in the Scheme for School Bank Accounts.

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

4.1 The right to carry forward surplus balances

Schools may carry forward from one year to the next, any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.

A school's surplus balance at 1 April should be equal to that at 31 March.

4.2 Controls on surplus balances

It will no longer be a requirement for schemes to have a balance control mechanism. However, the Local Authority will continue to monitor school's balances at the end of the financial year and will report to Members on all revenue balances in excess of 5% for Secondary schools and 8% for Primary and Special Schools

4.3 Interest on surplus balances

Balances held by the authority on behalf of schools will not attract interest.

4.4 Obligation to carry forward deficit balances

Deficit balances will be carried forward and deducted from the following year's budget share. A school's deficit balance as at 1 April must be equal to that at 31 March for which special provisions apply.

By prior agreement with the LA, it may be possible to reschedule any repayment of deficit balances over a larger period of time, although this should not exceed 5 years.

4.5 Planning for budget deficits

This scheme precludes the planning for any budget deficits.

4.6 Charging of interest on deficit balances

Deficit balances held by the Authority will attract interest until such a time as the deficit is cleared. As this is a variable factor each school will be advised prior to the commencement of each financial year the amount of charge, if any, and the basis for calculation.

4.7 Writing off deficits

The authority cannot under any circumstances write off the deficit balance of any school.

If an authority wishes to give assistance towards elimination of a deficit balance this should be through the allocation of a cash sum, from the authority's schools budget (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 maintained schools, from a de-delegated contingency budget where this has been agreed by the Schools Forum.

4.8 Balances of closing and replacement schools

If a school closes any balance (whether surplus or deficit) reverts to the LA; it cannot be transferred as a balance to any other school, even when the school is a successor to the closing school, except that a surplus transfers to an Academy where a school converts to Academy Status under section 4 (1) (a) of the Academies Act 2010.

4.9 Licensed deficits

This scheme does not permit a school to plan for a deficit budget.

Where in EXCEPTIONAL circumstances deficits cannot be avoided, then such deficits NEED to operate under licence. This requires the school to agree a recovery plan with the LA.

The plan should establish:

- (a) the maximum length over which the school will repay the deficit (ie reach at least a zero balance). The maximum length of the repayment should be no more than five years;
- (b) the purpose for which the deficit arrangement has been agreed;
- (c) the maximum agreed deficit will be no more than 7.5% of the school's budget share for the year in question;
- (d) no more than 15% of collective schools balances will be used to pay back the deficit;
- (e) arrangements for individual schools in terms of the above will be agreed by the Director of Education, Care and Health Services and the Chief Finance Officer.

4.10 Loan schemes

The authority will not operate any loan schemes. The Governing Body has the power to borrow such sums as it considers necessary, but only with the permission of the Secretary of State. However, loans may not be secured against core assets of the school. Governing bodies are strongly advised to seek a professional opinion (legal and/or financial) prior to entering into any arrangements.

4.10.1 Credit union approach

Schools may wish to group together to utilise externally held balances for a credit union approach to loans. The LA, however, will not act as the administrator for any such arrangements. Where this occurs, therefore, schools are required to produce the appropriate audit certification on an annual basis detailing all financial activity.

5. INCOME

5.1 Income from lettings

The responsibility for lettings of school premises will rest with Governing Bodies, which will administer the lettings and set charges. Income from lettings will be retained in full and credited to schools' delegated budgets, subject to any alternative provisions arising from any joint use or PFI agreements.

Although Governing Bodies will decide their own priorities for lettings, schools are permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share.

Schools are, nevertheless required to have regards to directions issued by the Local Authority as to the use of school premises as permitted under the School Standards and Framework Act 1998 for various categories of schools. In particular, the LA's policy on community use. *Income from lettings of school premises should not normally be payable into voluntary or private funds held by the school.*

5.2 Income from fees and charges

Schools may retain income from fees and charges except where a service is provided by the Local Authority from centrally retained funds. However, the provisions of the Financial Regulations for Schools and Colleges (2010) shall apply. Schools should seek at all times to maximise their income and to recover all costs.

5.3 Income from fund-raising activities

Schools may retain income generated from fund-raising activities.

5.4 Income from the sale of assets

Schools may retain the proceeds of the sale of assets, except in cases where the asset was purchased with non-delegated funds or the asset concerned is land or buildings forming part of the school premises and is owned by the LA. In these cases, it will be a matter for the Local Authority to determine whether the school should keep the proceeds. Schools should consider the provisions of the Financial Regulations for Schools and Colleges (2010) when dealing with the sale of assets.

5.5 Administrative procedures for the collection of income

The provisions set out in the Financial Regulations for Schools and Colleges (2010) shall apply in the collection, recording and accountability for income.

The treatment of VAT is identified in the Guidance notes on the administration of VAT. However, more specific advice on VAT should be sought on specific issues, particularly with regard to the VAT implications of fund raising activities, the sale of assets and the letting of premises.

5.6 Purposes for which income may be used

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

6. THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General Provision

6.1.1 The budget share of a school may be charged by the Local Authority without the consent of the Governing Body in the circumstances detailed below at paragraph 6.2 of this scheme. In any such event, the authority will consult schools as to the intention to charge and notify schools accordingly when the charges have been made. Schools will have the right to dispute any such charges and Governing Bodies should place any grievances in writing to the Director of Children and Young People. Any disputes will be carefully reviewed and, where necessary, passed to the City Solicitor for arbitration. The outcome of all reviews will be placed in writing and forwarded to the Governing Body. For the avoidance of doubt, local authorities may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools Forum.

6.1.2 This scheme requires the authority to charge the salaries of school-based staff to school budget shares at actual cost.

6.2 Circumstances in which charges may be made

6.2.1 Where premature retirements costs have been incurred without the prior written agreement of the Local Authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA).

6.2.2 Other expenditure incurred to secure resignations where the school had not followed Local Authority advice.

6.2.3 Awards by courts and industrial tribunals against the Local Authority or out of court settlements arising from action or inaction by the Governing Body contrary to the LA's advice.

6.2.4 Expenditure by the Local Authority in carrying out health and safety work or capital expenditure for which the Local Authority is liable where funds have been delegated to the Governing Body for such work but the Governing Body has failed to carry out the required work.

6.2.5 Expenditure by the Local Authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the Local Authority or a school that has voluntary controlled status.

6.2.6 Expenditure incurred by the Local Authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the LA. See also Section 10.1.

6.2.7 Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement, and the result is that monies are owed by the school to the LA.

6.2.8 Recovery of penalties imposed on the Local Authority by the Board of Inland Revenue, the Contributions Agency or HM Customs and Excise, Teachers Pensions, the Environment Agency or regulatory authorities as a result of school negligence.

6.2.9 Correction of Local Authority errors in calculating charges to a budget share (eg pension deductions).

6.2.10 Additional transport costs incurred by the Local Authority arising from decisions by the Governing Body on the length of the school day, and failure to notify the Local Authority of non-pupil days resulting in unnecessary transport costs.

6.2.11 Legal costs which are incurred by the Local Authority because the Governing Body did not accept the advice of the Local Authority (see also section 11).

- 6.2.12 Costs of necessary health and safety training for staff employed by the LA, where funding for training had been delegated but the necessary training not carried out.
- 6.2.13 Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.
- 6.2.14
- 6.2.14 Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge to be the minimum needed to meet the cost of the authority's compliance with its statutory obligations.
- 6.2.15 Costs incurred by the authority in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with High Needs.
- 6.2.16 Costs incurred by the Local Authority in securing provisions specified in a statement of SEN where the Governing Body of a school fails to secure such provision despite the delegation of funds in respect of that statement.
- 6.2.16 Costs incurred by the Local Authority due to submission by the school of incorrect data.
- 6.2.17 Recovery of amounts spent from specific grants on ineligible purposes.
- 6.2.18 Costs incurred by the Local Authority as a result of the Governing Body being in breach of the terms of a contract.
- 6.2.19 Costs incurred by the Authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.

7. TAXATION

7.1 Value Added Tax

The Council has established procedures that ensure it is able to reclaim all VAT on expenditure. These are set out in the Financial Regulations for Schools and Colleges (2006) and the Guidance notes for bank account schools on VAT administration.

7.2 CIS (Construction Industry Scheme)

Schools are required to follow the guidance detailed in the Contracts Code (Appendix V) in respect of CIS.

8. THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1 Provision of services from centrally retained budgets

The Local Authority will determine on what basis services from centrally retained funds will be provided to schools. Governing bodies will have no input to this process.

In determining these services the Authority may not discriminate in its provision of services on the basis of categories of schools except where (a) funding has been delegated to some schools only or (b) such discrimination is justified by differences in statutory duties.

For the purposes of this scheme, existing PRC and redundancy payments are included as services.

8.2 Timescales for the provision of services brought back from the Local Authority using delegated budgets

Any arrangement with a school starting on or after 1 April 2002 to buy services or facilities from the Local Authority will be limited to a maximum of three years from the inception of the scheme or the date of the agreement, whichever is the later. Any subsequent agreement relating to the same services will be limited to a period not exceeding five years.

When a service is provided for which expenditure is not retainable centrally by the Local Authority under Regulations made under section 46 of the Act, it must be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools are charged differently.

The scheme excludes centrally funded premises and liability insurance from these requirements as to service supply, as the limitations envisaged may be impracticable for insurance purposes.

8.2.1 Packaging

Any service which the Local Authority is providing on a buyback basis must be offered in a way which does not unreasonably restrict schools' freedom of choice among the services available, and where practicable, this will include provision on a service-by-service basis as well as in packages of services.

8.3 Service level agreements

8.3.1 If services or facilities are provided under a service level agreement, whether free or on a buyback service, the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every three years.

8.3.2 If services are offered at all by the Local Authority they will be available to schools on a basis which is not related to an extended agreement as well as on the basis of such agreements. Where any services are provided on an ad-hoc basis they may be charged for at a different rate than if provided on the basis of an extended agreement.

8.3.3 Service level agreements must be in place, as a minimum, one month prior to the commencement of the financial year.

8.4 Teachers Pensions

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

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

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

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

9. PFI/PPP

- 9.1 The Local Authority shall have the power to issue regulations from time to time relating to PFI/PPP projects. Amongst other issues these may deal with the reaching of agreements with the Governing Bodies of schools as to the basis of charges relating to such schemes; and the treatment of monies withheld from contractors due to poor performance.
- 9.2 The Local Authority is empowered to charge to the school's budget share, amounts agreed under a PFI/PPP agreement entered into by the Governing Body of a school. See Section 6.2.15.
- 9.3 In the absence of an agreement on charging the school for PFI service provision, the Local Authority may, at its discretion, charge the school's delegated budget to reflect changes to service provision under a PFI arrangement.

10. INSURANCE

10.1 Insurance cover

If funds for insurance are delegated to a school, the Local Authority will require that school to demonstrate that cover relevant to the LA's insurable interests, under a policy arranged by the Governing Body, is at least as good as the relevant minimum cover arranged by the LA, either paid for from central funds or from contributions from schools' delegated budgets.

The Local Authority will have regard to the actual risks which might reasonably be expected to arise at individual schools when brokering insurance cover.

Details of the Authority's insurance are available in the document Insurance for Schools.

11. MISCELLANEOUS

11.1 Right of access to information

Governing Bodies are required to supply all financial and other information which might reasonably be required to enable the Authority to satisfy itself as to a school's management of its delegated budget share, or the use made of any central expenditure by the Authority (eg earmarked funds) on the school. The type and frequency of information will be at the discretion of the Director of Children and Young People and the Authority's auditors.

11.2 Liability of Governors

As the Governing Body is a corporate body, and because of the terms of s.50(7) of the SSAF Act, Governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

11.3 Governors' expenses

The Local Authority can delegate funds to meet Governors' expenses to a Governing Body of a school yet to receive a delegated budget. Under schedule 11 of the School Standards and Framework (SSAF) Act 1998, only allowances in respect of purposes specified in regulations may be paid to Governors from a school's delegated budget share. The payment of any other allowances is forbidden. This includes the payment of expenses duplicating those paid by the Secretary of State to additional Governors appointed by him to schools under special measures.

11.4 Responsibility for legal costs

Legal costs incurred by Governing Bodies, although the responsibility of the Local Authority as part of the costs of maintaining the school (unless they relate to the statutory responsibility of aided school Governors for buildings) may be charged to the school's delegated budget share unless the Governing Body acts in accordance with the advice of the Authority.

Where a conflict of interest arises between the Local Authority and the Governing Body, the prior agreement of the Local Authority must be sought before seeking any legal advice. Where the Local Authority agrees to meet the costs of legal advice sought, the Governing Body must seek to minimise costs by obtaining estimates in advance based on fixed daily rates and fixed total days.

11.5 Health and Safety

In expending the school's budget share, Governing Bodies should have due regard to duties placed on the Local Authority in relation to health and safety, and the Authority's policy on health and safety matters in the management of the budget share.

11.6 Right of attendance for Chief Finance Officer

Governing Bodies should permit the attendance of the Chief Finance Officer of the authority, or any officer of the authority nominated by the Chief Finance Officer to attend meetings of the Governing Body at which any agenda items are relevant to the exercise of his responsibilities.

Attendance shall normally be limited to items which relate to issues of probity or overall financial management and shall not be regarded as routine.

117 **Special Educational Needs (SEN)**

The Local Authority has a statutory responsibility for supporting the needs of pupils as outlined in their SEN statements. This scheme requires that schools will use their best endeavours in spending their budget share to meet the SEN of their pupils. Failure to meet the SEN of their pupils may result in the Local Authority recharging a school delegated budget with additional costs incurred in discharging its statutory responsibility.

11.10 **“Whistleblowing”**

The Local Authority has produced a policy contained in the Financial Regulations for Schools and Colleges (2006) in relation to complaints about financial management or financial propriety, and how such complaints will be dealt with. Governing bodies should have due regard to this document and ensure school staff are fully aware of its existence.

11.11 **Child Protection**

The Local Authority recognises the paramount importance for the need to release school staff to attend child protection case conferences and other related events. Costs in this regard are met from school delegated budgets.

11.12 **Redundancy/Early Retirement Costs**

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. If the Authority proposes to depart from this, then the scheme should contain a provision setting out the circumstances in which exceptions will be made.

12. **RESPONSIBILITY FOR REPAIRS AND MAINTENANCE**

12.1 The Local Authority will must delegate all funding for repairs and maintenance to schools. Only capital expenditure will be retained by the LA. For these purposes expenditure may be treated as capital only if it fits the definition of capital used by the Authority for financial accounting purposes in line with the CIPFA Code of Practice on Local Authority accounting.

12.2 Details of capital and revenue in line with the CIPFA Code of Practice are shown at Annex D. Voluntary Aided Governor responsibilities are also illustrated. VA Governors will continue to be eligible for grant from the DfES in respect of their statutory responsibilities and in addition they will have responsibility for other repair and maintenance items on the same basis as Community schools.

12.3 VA Governors will continue to be eligible for grant from the DfES in respect of their statutory responsibilities and in addition they will have responsibility for other repair and maintenance items on the same basis as Community and Foundation schools.

- 12.5 The de minimis level of £2,000 shall be applied by the Local Authority for the definition of capital and revenue in the final accounts.

13. COMMUNITY FACILITIES

13.1 The Application of the Scheme for Financing Schools to the Community Facilities powers

Schools which choose to exercise the power conferred by s.27(1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. First, regulations made under s.28(2), if made, can specify activities which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult its Local Authority and have regard to advice from the authority. Thirdly, the Secretary of State issues guidance to Governing Bodies about a range of issues connected with exercise of the power, and a school must have regard to that.

However, under s.28(1), the main limitations and restrictions on the power will be:

- (a) those contained in schools' own instruments of government if any; and
- (b) in the maintaining LA's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of Governing Bodies to provide community facilities.

Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools.

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

For the avoidance of doubt, this chapter covers the provision of childcare and other "community focused" activities, in children's centres, where run directly by the school's Governing Body acting in that capacity. It also covers similar activities run by the school through a network or confederation, where the risks of those activities ultimately lie with the school or with the Local Authority (ie the school enters into contracts or employs staff).

- 13.2 In exercising their community facilities power, schools may not use their budget share to fund community facilities - either start-up costs or ongoing expenditure - or to meet deficits arising from such activities.
- 13.3 Schools should be aware that mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.
- 13.4 Consultation with the Local Authority: financial aspects**
- 13.4.1 Section 28(4) of the Education Act 2002 requires that before exercising the community facilities power, Governing Bodies must consult the Local Authority, and have regard to advice given to them by their authority.

13.5 The Local Authority is required to provide advice to schools within six weeks of being consulted, but will aim to respond sooner depending on the complexity of the arrangements consulted upon.

13.5.1 Any legal costs arising from community facilities projects are not covered by existing buyback arrangements.

13.6 **Funding agreements: Local authority powers**

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

13.7 Any such proposed agreement should be submitted to the authority for its comments and should allow the authority six weeks notice.

The authority has no power of veto over such agreements, either directly or through requiring a right to countersign the agreement.

If the third party requires the authority's consent to the agreement for it to proceed, such a requirement and the method by which the authority's consent is to be signified is a matter for that third party, not for the scheme.

13.8 Schools are reminded that if an agreement has been or is to be concluded against the wishes of the authority, or has been concluded without informing the authority, which in the view of the authority is seriously prejudicial to the interests of the school or the Authority, that may constitute grounds for suspension of the right to a delegated budget.

Other Prohibitions, Restrictions and Limitations

13.9 In considering proposals put forward by schools, the authority will form a view of the risks associated with the project in question. Where the risks are considered to be significant, the Governing Body will be required to make arrangements to protect the financial interests of the Authority. This will be achieved by either carrying-out the activity concerned through the vehicle of a limited company formed for that purpose, or by obtaining indemnity insurance for risks associated with the project in question, as specified by the authority.

Supply of Financial Information

13.10 Schools which exercise the community facilities power should provide the Authority every six months with a summary statement, in a form determined by the Authority, showing the income and expenditure for the school arising from the facilities in question for the previous six months and on an estimated basis, for the next six months.

13.11 If the Authority believes there to be cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power, it will require on giving notice to the school such financial statements to be supplied every three months and, if necessary require the submission of a recovery plan for the activity in question. Where a school is running a Children's Centre, financial monitoring statements for that centre will routinely be required at intervals more frequent than every six months, as determined by the authority from time to time.

Audit

- 13.12 Schools are required to co-operate with any internal and external audit inspection and provide access to the school's records connected with the exercise of the community facilities power.
- 13.13 Schools are required, in concluding funding agreements with other persons pursuant to the exercise of the community facilities power, to ensure that such agreements contain adequate provision for access by the Authority to the records and other property of those persons held on the school premises, or held elsewhere insofar as they 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.

Treatment of income and surpluses

- 13.14 Schools shall retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the Local Authority or any other person.
- 13.15 Any retained net income may be carried forward from one financial year to the next as a separate community facilities surplus, or, subject to the agreement of the Authority at the end of each financial year, the school may transfer all or part of it to the budget share balance.
- 13.16 If the Local Authority ceases to maintain any community or community special school, any accumulated retained income obtained from exercise of the community facilities power reverts to the Authority unless otherwise agreed by the funding provider.

Health and Safety Matters

- 13.17 Health & Safety responsibilities detailed in section 11.5 of the main scheme text applies equally to activities carried out under the community facilities power.
- 13.18 The Governing Body is responsible for the cost of securing Criminal Records Bureau clearance for all adults involved in community activities taking place during the school day. Governing bodies are free to pass on such costs to a funding partner as part of an agreement with that partner.

Insurance

- 13.19 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, taking professional advice as necessary. Such insurance should not be funded from the school budget share. Schools should seek the Authority's advice before finalising any insurance arrangements for community facilities. (In principle, the insurance issues arising from the use of community facilities power are the same as those which already arise from non-school use of school premises.)
- 13.20 The Authority may undertake its own assessment of the insurance arrangements made by a school in respect of community facilities. If it judges those arrangements to be inadequate, the Authority may make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the school's budget share.

Taxation

- 13.21 Schools should seek the advice of the Local Authority and the local VAT office on any issue relating to the possible imposition of VAT on expenditure in connection with community facilities, including the use of the Local Authority VAT reclaim facility.
- 13.22 If any member of staff employed by the school or Local Authority in connection with community facilities at the school is paid from funds held in the school's own bank account (whether a separate account is used for community facilities or not — see section 11), the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules.
- 13.23 Schools are required to follow the Local Authority advice in relation to the Construction Industry Scheme (CIS) where this is relevant to the exercise of the community facilities power.

Banking

- 13.24 Schools are required to ensure that there are adequate internal accounting controls (including separate sources of funds) to maintain separation of funds between school funds and community purposes funds. They may find a separate bank account useful for this purpose, but they are not required to maintain separate bank accounts for community purposes.

If schools choose to use a separate bank account, or accounts, for community purposes, including confederations and children's centres, they should note that expenditure and income from those accounts should still be reported to the authority as expenditure and income. The only exception is expenditure and income relating to private funds, which does not relate to activities involving Local Authority owned assets or to staff employed by the Governing Body in that capacity. In particular the transfer of funds to or from a separate bank account should not be reported to the authority as expenditure/income.

- 13.25 All schools may have an external bank account. Schools have a choice between a free-standing external bank or an umbrella account with the County's banker the HSBC. Under the free-standing option schools are able to receive their budget share into the bank account and retain any interest earned. Similarly, the school's umbrella account with the HSBC will be credited with the school budget share and receive interest calculated on a daily basis and credited quarterly at base rate less 0.5% (see section 3.5 above). Further details of the local bank account scheme are contained in section G of the LMS Finance Manual and summarised in Annex E. For the avoidance of doubt, schools may maintain separate umbrella accounts for children's centres and other community purposes, so long as they are largely funded from public sources or from income for services which DCSF expects extended schools to provide.

Accounts may only be held at the banks or building societies: listed in section 3.5.

Bank accounts for community purposes are subject to all the other conditions in s3.5.1 of the Scheme. In particular, the authority is the owner of the funds and has the right to receive statements, unless the funds in the account are demonstrably not public funds. Signatories for bank accounts are restricted to Local Authority employees and school employees. Governors who are not members of staff cannot be signatories.

- 13.26 Governing Bodies can only borrow money externally with the written permission of the Secretary of State. This restriction includes borrowing by the Governors, in their capacity as a Governing Body, for community purposes. This does not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts.

THE FUNDING FRAMEWORK: MAIN FEATURES

The funding framework which replaces Local Management of Schools is set out in the legislative provisions in sections 45-53 of the School Standards and Framework Act 1998.

Under this legislation, local authorities determine for themselves the size of their schools budget and their **non-schools education budget** - although at a minimum an 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, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools except for capital and certain miscellaneous items. Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under s.45A of the Act (the centrally retained expenditure). The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions (including gaining the approval of their School 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 the centrally retained expenditure 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).

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 proposals to revise the scheme must be approved by the schools forum, though the authority 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 any provision made by or under the scheme, Governing Bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school* and for any additional purposes prescribed by the Secretary of State in regulations made under s.50 of the Act. (*Section 50 has been amended to provide that amounts spent by a Governing Body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (s50(3A) of the Act.)

An authority may suspend a school's right to a delegated budget if the provisions of the authority's financial 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 to the Act).

Each 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 funding delegated to schools. After each financial year the authority must publish a statement showing out-turn expenditure at both central level and for each school, and the balances held in respect of each school.

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

Regulations also require a Local Authority to publish their scheme and any revisions to it on a website accessible to the general public, by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date.

RESPONSIBILITY FOR REDUNDANCY AND EARLY RETIREMENT COSTS

This guidance note summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central Schools Budget or the Local Authority's non-schools budget.

Section 37 of the 2002 Education Act says:

- (4) *costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the Governing Body in writing (whether before or after the retirement occurs) that they shall not be so met;*
- (5) *costs incurred by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share;*
- (6) *the fact that the authority have a policy precluding dismissal of their employees by reason of redundancy is not to be regarded as a good reason for the purposes of subsection (5); and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c. 18).*

The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the Local Authority's budget. In the former case, the Local Authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

Charge of dismissal/resignation costs to delegated school budget

- If a school has decided to offer more generous terms than the authority's policy, then it would be reasonable to charge the excess to the school.
- If a school is otherwise acting outside the Local Authority's policy.
- Where the school is making staffing reductions which the Local Authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit.
- Where staffing reductions arise from a deficit caused by factors within the school's control.
- Where the school has excess surplus balances and no agreed plan to use these.
- Where a school has refused to engage with the Local Authority's redeployment policy.

Charge of premature retirement costs to Local Authority non-schools budget

- Where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards.
- Where a school is closing, does not have sufficient balances to cover the costs, and where the central School's Budget does not have capacity to absorb the deficit.
- Where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale.
- Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of Local Authority or government intervention to improve standards.

Costs of new early retirements or redundancies may only be charged to the central part of the Schools where the expenditure is to be incurred as a result of decisions made before 1st April 2013. Costs may not exceed the amount budgeted in the previous financial year.

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

A de-delegated contingency could be provided, if the SchoolsForum agree, to support individual schools where a "governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share".

For staff employed under the community facilities power, the default position is that any costs must be met by the governing body, and can be funded from the school's delegated budget if the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement. Section 37 now states:

(7) Where a local education authority incur costs—

(a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or
(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes, they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

(7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the 45

condition in subsection 7(B) is met.

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

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

For staff employed under the community facilities power, the default position is that any costs must be met by the Governing Body, but not from the delegated budget. Section 37 states:

- (7) *Where a local education authority incur costs:*
- (a) *in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or*
 - (b) *in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes;*
- they shall recover those costs from the Governing Body except in so far as the Authority agrees with the Governing Body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.*
- (8) *Any amount payable by virtue of subsection (7) by the Governing Body of a maintained school to the local education authority shall not be met by the Governing Body out of the school's budget share for any financial year.*
- (9) *Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.*

(We will review this provision in the context of the forthcoming changes which will allow other community facilities costs to be charged to delegated budgets from 1 April 2011, but this remains the legal position for the time being).

**APPLICATION OF SCHEMES FOR FINANCING SCHOOLS
TO THE COMMUNITY FACILITIES POWER**

Schools which choose to exercise the power conferred by s.27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. First, regulations made under s.28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult its authority and have regard to advice from the authority. Thirdly, the Secretary of State issues guidance to Governing Bodies about a range of issues connected with exercise of the power, and a school must have regard to that. However, under s.28(1), the main limitations and restrictions on the power will be those contained in the maintaining authority's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998 as amended by paragraph 2 of Schedule 3 to the Education Act 2002. This amendment extended the coverage of schemes to include the exercise of the powers of Governing Bodies to provide community facilities.

Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools.

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

REGISTERS OF BUSINESS INTERESTS

Declaration of Interests

The following points are offered as guidance to Governors in the Declaration of Interests:

In general terms, if a Governor has a pecuniary (ie financial interest) in any matter being considered by the Governing Body the he or she should declare the interest as soon as possible. This applies whether:

- you stand to lose or gain by the decision;
- your interest is direct or indirect.

The same procedure applies to clear and substantial non-pecuniary interests, i.e. personal or private interests even where you may not be directly affected, but a friend, member of your family, or a club or society or other organisation of which you are a member or a client may be affected.

The interests of a spouse or partner should also be treated as your own.

Register of Interests

The following categories of interest should be disclosed and registered accordingly. £Nil entries may be made where appropriate:

- **Employment, office, trade, profession or vocation**

Governors should show every employment, trade, profession or vocation and give a short description of the activity concerned, ie accountant.

If an employee the name of the employer should be given. If employed by a company, the name of the company paying your salary or wage should be given, not that of the ultimate holding company.

If you are a partner, state the name of the firm.

Where you hold office give the name of the person or body which appointed you. In the case of public office, this will be the authority which pays you. In the case of a teacher in a maintained school, the local education authority; in the case of a maintained school, the Governing Body.

- **Sponsorship**

You should declare the names of any person or body who has made any payments to you in sponsorship in the last twelve months. The amounts do not have to be disclosed.

- **Contracts with the Council**

You should describe all contracts which are not fully discharged and which are:

- contracts for the supply of goods, services or works to the Council or on the Councils behalf;
- between the Council and either yourself or a company in which you have a beneficial interest (ie a relative/partner/friend is involved with the company) or of which you are a director, or a firm in which you are a partner.

You need not say what the financial arrangements are but should specify the length of the contract.

Interests in companies and securities

You should list the names of any companies or other bodies corporate that are actively involved with the school or the Council and in which you have an interest. This includes money lent or deposited with an industrial or provident society (including co-operative society). You need not show the extent of your interest.

Agenda Item 6

Report No.
ED14003

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **SCHOOLS' FORUM**

Date: **Thursday 23 January 2014**

Decision Type: Non-Urgent Executive Non-Executive Key Non-Key

Title: **SCHOOLS FORUM: POWERS AND RESPONSIBILITIES 2014-15**

Contact Officer: Amanda Russell, Head of Schools Finance Support
Tel: 020 8313 4806 E-mail: Amanda.Russell@bromley.gov.uk

Chief Officer: Executive Director of Education, Care & Health Services

Ward: (All Wards);

1. Reason for report

This report outlines the powers and responsibilities of the Schools Forum for 2014/15 and also highlights where relevant information has been provided in previous years.

2. **RECOMMENDATION(S)**

The Schools Forum are asked to note this report.

3. COMMENTARY

- 3.1 In October 2013 the DfE published the Schools Forums: operational and good practice guide for local authorities and members of Schools Forums. A copy of this can be downloaded from the following link [Schools Forum Good Practice Guide](#) . Within this document table 2 outlines the detailed powers and responsibilities of the Schools Forum.
- 3.2 Attached at appendix 1 is a copy of this table which has been extended to provide details of how and when relevant information has previously been provided to the Schools Forum to enable them to fulfil their duties.
- 3.3 The Schools Forum are invited to note this information and to discuss any further information that may be helpful to them.

TABLE 2 – SCHOOLS FORUMS : POWERS AND RESPONSIBILITIES 2014-15

Function	Local Authority	Schools Forum	DfE Role	Actioned	Comment
Formula change (including redistributions)	Proposes and decides	Must be consulted [Voting restrictions in table 1 above] and informs the governing bodies of all consultations	None	18/10/12 26/9/13	The SF is provided with full details of all consultations and is asked to agree a recommendation to take to Members for final approval
Contracts	Propose at least one month prior to invitation to tender, the terms of any proposed contract	Gives a view and informs the governing bodies of all consultations	None		The LA does not enter into any significant contracts on behalf of schools as most funding has been delegated out to schools – eg catering consortium
Financial issues relating to: arrangements for pupils with special educational needs; arrangements for use of pupil referral units and the education of children otherwise than at school; arrangements for early years provision; administration arrangements for the allocation of central	Consult annually	Gives a view and informs the governing bodies of all consultations	None	7/3/13	The SF is regularly consulted on the overall use of the DSG and is also consulted on specific issues such as the use of DSG for support the expansion of Glebe School (26/9/13)

government grants					
Minimum funding guarantee (MFG)	Proposes any exclusions from MFG for application to DfE	Gives a view	Approval	09/02/12	The SF were last consulted on specific changes to MFG for individual schools in Feb 12 – in the last financial year the DfE have relaxed the need to ask for specific permission in areas such as bulge class funding where the LA has taken advantage of this but has not been required to consult the Schools Forum.
De-delegation for mainstream schools for: contingencies administration of free school meals insurance licences/subscriptions staff costs - supply cover support for minority ethnic pupils/underachieving groups behaviour support services library and museum service	Proposes	Primary and secondary school member representatives will decide for their phase	Will adjudicate where Schools Forum does not agree LA proposal	18/10/12	See paragraph 3.6 of item no 17.
Central spend on and the criteria for allocating funding from:	Proposes	Decides	Adjudicates	13/12/12	Schools Forum consulted on and

growth fund (to meet requirements for basic need and infant class size regulations) falling rolls fund for surplus places in good or outstanding schools where a population bulge is expected in 2-3 years			where Schools Forum does not agree LA proposal		agreed criteria for funding pupil growth and amount to be held centrally to support this.
Central spend on: funding for significant pre-16 pupil growth equal pay back-pay places in independent schools for non-SEN pupils early years expenditure	Proposes	Decides	Adjudicates where Schools Forum does not agree LA proposal	26/9/13	Bromley has not incurred any expenditure for the first two items – SF is consulted regularly on early year expenditure which was approved as part of the final DSG in Sept 13
Central spend on: admissions servicing of schools forum	Proposes up to the value committed in 2013-14	Decides for each line	Adjudicates where Schools Forum does not agree LA proposal	7/3/13	This expenditure forms part of the overall DSG agreed in March 13
Central spend on: <ul style="list-style-type: none"> capital expenditure funded from revenue contribution to combined budgets schools budget centrally funded termination of employment costs 	Proposes up to the value committed in 2013/14 and where expenditure	Decides for each line	Adjudicates where Schools Forum does not	7/3/13	This expenditure forms part of the overall DSG agreed in March 13

<ul style="list-style-type: none"> schools budget funded prudential borrowing costs special education needs transport costs 	has already been committed.		agree LA proposal		
Carry forward a deficit on central expenditure to the next year to be funded from the schools budget	Proposes	Decides	Adjudicates where Schools Forum does not agree LA proposal	N/A	The LA does not have a deficit of central expenditure
Scheme of financial management changes	Proposes and consults the governing body and Head of every School	Approves	Adjudicates where Schools Forum does not agree LA proposal	Ongoing	report circulated to SF in November
Membership: length of office of members	Decides	None (but good practice would suggest that they gave a view)	None	18/7/13	Item 44
Voting procedures	None	Determine voting procedures	None		Notified to SF in November
Chair of Schools Forum	Facilitates	Elects (<i>may</i>	None	26/9/13	Completed

		<i>not be an elected member of the Council or officer)</i>			annually
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Agenda Item 7

Report No.
ED14004

London Borough of Bromley

PART ONE - PUBLIC

Decision Maker: **SCHOOLS' FORUM**

Date: **Thursday 23 January 2014**

Decision Maker: **Education Policy, Development and Scrutiny Committee**

Date: **Thursday 30 January 2014**

Decision Type: Non-Urgent Non-Executive Non-Key

Title: **2014-15 DEDICATED SCHOOLS GRANT**

Contact Officer: Amanda Russell, Head of Schools Finance Support
Tel: 020 8313 4806 E-mail: Amanda.Russell@bromley.gov.uk

Chief Officer: Executive Director of Education, Care & Health Services

Ward: (All Wards);

1. Reason for report

This report provides details of the indicative allocation for the 2014/15 Dedicated Schools Grant and outlines how the funding will be allocated and expended across the High Needs, Early Years and Schools Blocks.

2. **RECOMMENDATION(S)**

- i. **The Schools Forum is asked to note and comment on the allocations, specifically relating to the funding rates for the schools funding formula.**
- ii. **The Education PDS is invited to consider and comment on the latest 2014/15 allocation of the Dedicated Schools Grant, with specific reference to the schools funding formula.**
- iii. **The Portfolio Holder is asked to approve the DSG allocation and the changes to the funding formula for 2014/15.**

3. COMMENTARY

3.1 The proposed Dedicated Schools Grant allocation for 2014/15 has now been notified to the LA as a total sum of £231,457,975. This funding is allocated across the three funding blocks as follows:

Schools Block	£168,977,400
Early Years Block	£15,507,575
High Needs Block	£46,973,000
Total	£231,457,975

This can be compared to the final 2013/14 allocation as follows:

	2013/14	2014/15	Increase
Schools Block	£167,903,853	£168,977,400	£1,073,547
Early Years Block	£15,051,576	£15,507,575	£455,999
High Needs Block	£45,405,680	£46,973,000	£1,567,320
Total	£228,361,109	£231,457,975	£3,096,866

3.2 The main reasons for these increases can be analysed as follows:

- Schools Block – the Schools Block has increased mainly due to the increase in pupil numbers used to calculate the DSG which have increased from 41,114 to 41,545. This would generate additional funding of around £1.75m, however funding of around £686,000 has been deducted from the Schools Block for Carbon Reduction Commitments which are no longer payable by the LA.
- Early Years Block – The Early Years Block has increased due to the expected increase in 2 year old funding, however the full impact of this has been reduced due to the loss of the transitional support for 3 and 4 year old funding.

- High Needs Block – The High Needs Block is currently showing an increase of £1.5m however no adjustments have yet been made for changes in the number of high needs places and movements between local authorities.
- 3.3 The expenditure for 2014/15 has been calculated to achieve a balanced budget, ie estimated expenditure is equal to the income. Full details of this can be seen at appendix 1 and are outlined below.
- 3.4 The Schools Block:
- The funding formula was discussed with the Schools Forum during the autumn term and a number of principles were established, on which basis the funding for schools has been established.
- i. The lump sum for all primary and secondary schools is calculated at £175,000 per school.
 - ii. No changes to the amounts payable for deprivation (£2,500) and EAL (£1,000).
 - iii. In September the Schools discussed the issue of funding for attainment in the secondary sector following changes to the eligibility criteria which resulted in an increase to the number of qualifying pupils. The principle was agreed that the overall pot of funding for this factor should remain the same and should be apportioned across the number of pupils. Following the release of the pupil data, a similar issue has arisen in the primary sector due to the changes in applying the Early Years Foundation Stage Profile across different year groups. This has also resulted in an increase to pupil numbers, albeit not as significant as in the secondary sector. The same principle has therefore been applied across both sectors, the outcome of which means that for the attainment factor Primary schools will be funded at £1,858 per pupil and Secondary schools at £1,000 per pupil. In 2013/14 all schools were funded at £2,500. This will therefore impact on the Notional SEN allocations.
 - iv. In terms of pupil numbers, there has been an overall increase of 351 pupils, which is the net effect of an increase of 585 in the primary sector and a decrease of 234 in the secondary sector (nb this is different to the pupil number increase shown in 3.2 above as the pupils are counted differently for DSG funding compared to individual school funding). This has therefore shifted some funding from the Secondary pot to the Primary. The Primary AWPU funding for 2014/15 will be £2,235 (increased from £2,185 in 2013/14) and the Secondary AWPU will be £4,110 (increased from £4,095 in 2013/14).
 - v. With regard to the Minimum Funding Guarantee (MFG), this has been set at -1.5% in line with DfE regulations. This is unchanged from 2013/14 and calculates that schools cannot lose more than 1.5% per pupil from one year to the next. However, there is also a capping factor in place which affects how the funding can increase from year to year. In 2013/14 this was set at +1.5% to match the MFG. For 2014/15 DfE have introduced a new requirement which means that the cost of applying the MFG must not exceed the cost of applying the capping factor – nb this is not detailed in any of the guidance notes but is applied as a calculation on the funding formula proforma sheet (see appendix2). As a result of this the capping factor has been increased to 4.41% for 2014/15, meaning that no school can gain by more than 4.41% per pupil.

- vi. Details of this on a school by school basis is shown on appendix 3. This shows funding and pupil numbers for 2013/14 and 2014/15 (based on the MFG figure for all schools), the actual difference as a percentage and the MFG % that has been applied to each school. In terms of the actual differences, this can be a significant increase or decrease for individual schools. Appendix 4 shows how the increase/decrease has been calculated for four schools(two primary/secondary and two increase/two decrease) and outlines the reasons for the changes ie increase or decrease to pupil numbers, increase in pupils attracting additional funding.
- vii. There have also been some changes to the Central expenditure. Funding for Supply Staff costs has decreased considerably due to the number of schools that have converted to academy status in year. This is effectively the amount that has been de-delegated by Primary Maintained Schools to cover the cost of maternity, jury service and union supply cover costs and cost relating to free school meal eligibility assessments. The contingency fund has also decreased considerably as CRC expenditure has been removed from here. The amounts remaining in the contingency budget are £1m for bulge class/growth funding and £140,000 for central licensing expenditure.

3.5 The Early Years Block

The expenditure in the Early Years Block reflects the expected figures for Maintained Nurseries and the Private/Voluntary and Independent (PVI) Sectors based on actual expenditure in 2013/14. The PVI Sector shows an increase in expenditure due to the increase in pupils taking up their full entitlement in this area.

- 3.6 The Head of Schools and Early Years is looking to introduce a new element within the Early Years Funding Formula to support providers in becoming more inclusive with regard to pupils with Special Educational Needs. This would enable settings to ensure they had the correct resources, staffing and training to facilitate inclusion. The LA has a statutory duty to provide sufficient EY education for all children, and this funding would support this statutory requirement. As this would be a change to the funding formula, it is recommended that a small Schools Forum working group be set up to consider this proposal and how it would be funded.

3.7 The High Needs Block

The funding to Special Schools has been adjusted to show pre 16 costs only as all post 16 funding sits outside of the DSG. Other expenditure has not changed considerably since last year. As stated in paragraph 3.2 the funding has not yet been adjusted to reflect movement between boroughs – once this information has been received the expenditure will be adjusted accordingly. Capital expenditure within the High Needs Block has been reduced to account for the changes in funding for the Glebe expansion as outlined to the Schools Forum in an earlier report.

- 3.8 The Schools Forum is asked to discuss the DSG and the related allocations. Any comments will be reported verbally to the Education PDS at their meeting on the 30th January before they are asked to formally agree the figures.

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		2014/15 Funding				
Income						
2013/14 funding	46,973,000	2013/14 funding	11,846,575	pupil numbers	41545	
		2 year old funding	3,661,000	Baseline £ per pupil	4082.3300	
					169,600,400	
				NQT	63,000	
				CRC adj	-686,000	
	46,973,000		15,507,575		168,977,400	231,457,975
Expenditure						
Special Schools - pre 16	9,084,609	Maintained	1,085,248	Academy Recoupment	£116,564,546	
PRU	2,291,952			Primary MFG	£49,782,250	
Units	4,664,500			Secondary MFG	£2,722,194	
Central						
Darrick Wood HIU	744,130	Central		Central		
Pupil Referral costs	-68650	PVI	11,427,000	Access and Admissions	539,190	
Early Intervention - Primary	209,920	2 yr old exp	3,258,231	Supply Staff costs	258,141	
Progression Courses	396,850			Contingency	1,140,000	
Home and Alternative Provision	879,920			Capital	219,040	
SEN Support in Mainstream	389,410			Schools Forum	24,150	
Primary academy matrix	362,075			Pupil Support Advisory te	533,240	
Secondary academy matrix	943,942			Support to Schools	94,600	
Maintained matrix	725,467			Business Support	5,000	
Autism Strategy	218,170			Workforce Development	217,960	
Sensory Support	980,820					
Outreach and Inclusion	278,140					
SEN Support in Preschools	363,840					
Specialist Support and Disability	353,500					
Complex Needs Team	305,910					
Phoenix Pre School Service	1,704,820					
Early Support Programme	100,930					
SEN Transport	330,000					
Special Central	45,000					
Other Statemented	412,260					
SEN Outborough Fees	14,132,090					
SEN in fe Colleges	3,700,000					
Special capital	37,580					
Insurance	0					
Total	43,587,185		15,770,479		172,100,311	231,457,975
	3,385,815		-262,904		-3,122,911	0

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Local Authority Funding Reform Proforma

LA Name:	Bromley
LA Number:	305

Pupil Led Factors

Reception uplift		No	Pupil Units		0.00						
Description		Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)		
1) Basic Entitlement		£2,235.00		24,829.00		£55,492,815	£123,468,105	32.77%	0.04%		
Age Weighted Pupil Unit (AWPU)		£4,110.00		9,906.00		£40,713,660		24.04%	0.04%		
Key Stage 3 (Years 7-9)		£4,110.00		6,633.00		£27,261,630		16.10%	0.04%		
Key Stage 4 (Years 10-11)											
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)	
2) Deprivation		£1,500.00		5,285.17		£7,927,762	£13,378,683	7.90%	50.00%		
FSM6 % Primary			£1,500.00		3,633.95	£5,450,921					50.00%
IDACI Band 1				1,264.79		£0					
IDACI Band 2				854.36		£0					
IDACI Band 3				2,377.68		£0					
IDACI Band 4				2,419.29		£0					
IDACI Band 5				1,483.12		£0					
IDACI Band 6				36.80		£0					
3) Looked After Children (LAC)		LAC X March 12		147.71		£0		0.00%			
4) English as an Additional Language (EAL)		EAL 3 Primary		1,891.87		£1,891,865	£2,119,613	1.25%	0.00%		
		EAL 3 Secondary		227.75		£227,748			0.00%		
5) Mobility		Pupils starting school outside of normal entry dates		460.28		£0		0.00%			
Description		Weighting	Amount per pupil	Percentage of eligible Y1 and Y2-5 NOR respectively	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)	
6) Prior attainment		100.00%	£1,858.00	39.43%	5,095.79	£9,467,980	£12,531,160	7.40%	100.00%		
				15.36%							
			£1,000.00		3,063.18	£3,063,181					100.00%

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
7) Lump Sum	£175,000.00	£175,000.00	£15,925,000	9.40%	0.00%	0.00%
8) Sparsity factor			£0	0.00%		
Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.						
Primary distance threshold (miles)		Primary pupil number threshold		Fixed or tapered sparsity primary lump sum?	Fixed	
Secondary distance threshold (miles)		Secondary pupil number threshold		Fixed or tapered sparsity secondary lump sum?	Fixed	
Middle schools distance threshold (miles)		All-through schools distance threshold (miles)				
9) Fringe Payments			£0	0.00%		
10) Split Sites			£0	0.00%		
11) Rates			£1,902,515	1.12%		
12) PFI funding			£0	0.00%		
13) Sixth Form			£0	0.00%		
14) Exceptional circumstances (can only be used with prior agreement of EFA)						
Circumstance			Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)	
Additional lump sum for schools amalgamated during FY13-14			£0	0.00%	0.00%	0.00%
Exceptional Circumstance2			£0	0.00%		
Exceptional Circumstance3			£0	0.00%		
Exceptional Circumstance4			£0	0.00%		
Exceptional Circumstance5			£0	0.00%		
Exceptional Circumstance6			£0	0.00%		
Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)			£169,325,076	100.00%	£19,269,889	
15) Minimum Funding Guarantee (MFG is set at -1.5%)			#VALUE!			
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)			Yes			
Capping Factor (%)	4.43%	Scaling Factor (%)	100.00%			
Total deduction if capping and scaling factors are applied			#VALUE!			
			Total (£)	Proportion of Total funding (%)		
MFG Net Total Funding (MFG + deduction from capping and scaling)			£2,056	0.00%		
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)						
Additional funding from the high needs budget						
Growth fund (if applicable)						
Falling rolls fund (if applicable)						
Total Funding For Schools Block Formula			£169,327,132			
% Distributed through Basic Entitlement			72.92%			
% Pupil Led Funding			82.07%			
Primary: Secondary Ratio			1 : 1.36			

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2014/15 Funding Comparisons	2013/14		2014/15		Difference	Actual %	MFG %	
	MFG		MFG			Diff	Diff	
								-1.50%
								4.43%
Bromley Road Infant School	239	£916,346	258	£1,003,984	£87,638	9.56%	4.43%	
Churchfields Primary School	278	£1,076,257	322	£1,229,157	£152,900	14.21%	2.16%	
Hawes Down Junior School	245	£823,320	257	£848,891	£25,571	3.11%	-0.59%	
Hawes Down Infant School	208	£739,393	211	£765,956	£26,564	3.59%	4.43%	
Marian Vian Primary School	617	£1,973,670	623	£1,953,627	£-20,043	-1.02%	-1.50%	
OAK LODGE PRIMARY SCHOOL	647	£2,019,067	629	£1,933,596	£-85,471	-4.23%	-1.50%	
Wickham Common Primary School	424	£1,377,913	425	£1,357,013	£-20,900	-1.52%	-1.50%	
Worsley Bridge Junior School	162	£735,586	240	£1,020,616	£285,030	38.75%	3.46%	
Burnt Ash Primary School	404	£1,688,448	395	£1,669,248	£-19,200	-1.14%	1.46%	
Princes Plain Primary School	417	£1,859,679	464	£2,050,763	£191,085	10.28%	0.71%	
Southborough Primary School	436	£1,649,622	427	£1,602,237	£-47,385	-2.87%	-0.71%	
Mead Road Infant School	88	£433,122	88	£432,898	£-223	-0.05%	4.43%	
Red Hill Primary School	664	£2,367,533	688	£2,399,409	£31,876	1.35%	-1.50%	
Mottingham Primary School	307	£1,293,876	330	£1,420,355	£126,480	9.78%	4.43%	
Dorset Road Infant School	75	£422,010	70	£400,800	£-21,210	-5.03%	-1.50%	
Chelsfield Primary School	99	£476,142	92	£460,702	£-15,440	-3.24%	2.59%	
Darrick Wood Junior School	374	£1,209,681	383	£1,253,838	£44,157	3.65%	2.54%	
Downe Primary School	90	£427,346	89	£422,432	£-4,914	-1.15%	-0.28%	
Pratts Bottom Primary School	69	£427,452	71	£429,644	£2,192	0.51%	-1.50%	
St. Mary Cray Primary School	183	£851,169	214	£991,771	£140,602	16.52%	4.43%	
The Highway Primary School	212	£770,985	218	£809,342	£38,357	4.98%	4.43%	
James Dixon Primary School	334	£1,498,694	364	£1,595,338	£96,644	6.45%	-0.92%	
Leesons Primary School	207	£1,015,703	212	£1,018,797	£3,095	0.30%	-1.50%	
Midfield Primary School	218	£1,051,455	262	£1,204,200	£152,744	14.53%	-1.50%	
Edgebury Primary School	226	£802,798	225	£791,738	£-11,060	-1.38%	-0.79%	
Scotts Park Primary School	438	£1,433,019	470	£1,572,860	£139,841	9.76%	4.43%	
Oaklands Primary School	443	£1,538,261	460	£1,587,171	£48,910	3.18%	0.40%	
Clare House Primary School	244	£817,189	273	£918,012	£100,823	12.34%	4.43%	
Poverest Primary School	191	£917,145	182	£869,413	£-47,732	-5.20%	-1.50%	
Bickley Primary	361	£1,171,984	389	£1,286,772	£114,789	9.79%	4.43%	
Keston C.E. Primary School	246	£832,390	250	£867,553	£35,162	4.22%	4.43%	
St George's CE Primary	298	£1,126,714	302	£1,128,412	£1,697	0.15%	-0.60%	
Unicorn Primary School	313	£1,075,384	344	£1,142,011	£66,627	6.20%	-1.50%	
Cudham CE Primary School	93	£490,555	101	£510,466	£19,911	4.06%	-1.50%	
St Paul's Cray CE Primary	193	£952,884	198	£966,997	£14,113	1.48%	-0.22%	
St Mark's C.E. Primary School	426	£1,364,569	424	£1,403,715	£39,145	2.87%	4.43%	
Chislehurst (CofE) Primary	216	£705,742	215	£699,795	£-5,947	-0.84%	0.04%	
St John's CE Primary School	302	£1,134,362	261	£987,361	£-147,001	-12.96%	-1.50%	
St Joseph's R.C. Primary School	210	£708,475	204	£706,319	£-2,156	-0.30%	3.22%	
St Vincent's Catholic Primary	223	£744,113	225	£770,338	£26,225	3.52%	4.43%	
St Philomena's Catholic Primary	209	£739,713	211	£766,299	£26,586	3.59%	4.43%	
St. Anthony's R.C Primary	181	£764,765	168	£743,506	£-21,259	-2.78%	4.43%	
St Peter & St Paul Catholic Primary	209	£774,074	217	£820,083	£46,009	5.94%	4.43%	
Blenheim Primary School	191	£883,400	202	£908,361	£24,961	2.83%	-1.50%	
Holy Innocents Catholic Primary	216	£763,214	215	£760,698	£-2,517	-0.33%	0.69%	
St Mary's Catholic Primary	433	£1,326,989	432	£1,299,759	£-27,231	-2.05%	-1.50%	
ST OLAVE'S GRAMMAR SCHOOL	594	£2,767,565	592	£2,722,194	£-45,372	-1.64%	-1.50%	
Alexandra Junior School	232	£844,129	252	£921,258	£77,128	9.14%	4.43%	
Balgowan Primary School	648	£1,951,295	655	£1,943,811	£-7,484	-0.38%	-1.50%	
Hillside Primary School	336	£1,328,360	331	£1,367,189	£38,829	2.92%	4.43%	
Gray's Farm Primary Academy	398	£1,481,503	390	£1,512,161	£30,658	2.07%	4.43%	
The Pioneer Academy	364	£1,293,465	406	£1,454,931	£161,466	12.48%	2.64%	
Harris Primary Academy Kent Hou	401	£1,696,660	389	£1,694,464	£-2,196	-0.13%	4.43%	
Pickhurst Infants' School	361	£1,156,150	360	£1,198,547	£42,398	3.67%	4.43%	
Pickhurst Junior School	504	£1,569,262	522	£1,597,449	£28,187	1.80%	-1.50%	
Harris Primary Academy Crayst Pe	270	£1,275,672	285	£1,303,858	£28,186	2.21%	-1.50%	
Valley Primary School	478	£1,661,054	477	£1,704,611	£43,558	2.62%	3.14%	
Crofton Infant School	535	£1,735,734	539	£1,724,136	£-11,598	-0.67%	-1.50%	
Darrick Wood Infant School	275	£915,417	272	£939,569	£24,152	2.64%	4.43%	
Green Street Green Primary	416	£1,165,960	420	£1,219,595	£53,636	4.60%	4.43%	
Warren Road Primary School	844	£2,522,700	842	£2,482,772	£-39,928	-1.58%	-1.50%	
Parish C.E. Primary School	491	£1,648,465	522	£1,703,269	£54,804	3.32%	-1.50%	
St James RC Primary School	216	£702,937	216	£713,381	£10,444	1.49%	1.97%	
Biggin Hill Primary	405	£1,304,695	397	£1,285,492	£-19,203	-1.47%	0.28%	
CROFTON JUNIOR SCHOOL	704	£2,123,154	706	£2,099,882	£-23,272	-1.10%	-1.50%	
Highfield Infants' School	266	£833,690	270	£873,075	£39,385	4.72%	4.43%	
Highfield Junior School	382	£1,126,125	383	£1,114,511	£-11,614	-1.03%	-1.50%	
Hayes Primary School	647	£1,994,868	649	£1,964,095	£-30,773	-1.54%	-1.50%	
Raglan Primary School	418	£1,377,073	410	£1,336,743	£-40,331	-2.93%	-1.50%	
Tubbenden Primary School	587	£1,650,947	624	£1,812,563	£161,616	9.79%	4.43%	
Harris Academy Beckenham	645	£3,654,099	690	£3,840,443	£186,344	5.10%	-1.50%	
Harris Academy Bromley	840	£4,407,216	763	£4,073,949	£-333,267	-7.56%	1.35%	
Bishop Justus Church of England S	898	£4,411,708	895	£4,434,823	£23,115	0.52%	0.84%	
Bullers Wood School	1087	£5,122,856	1086	£5,137,008	£14,151	0.28%	0.21%	
Coopers Technology College	1102	£5,275,587	1099	£5,487,110	£211,523	4.01%	4.43%	
Langley Park School for Boys	1047	£4,858,346	1040	£4,846,186	£-12,160	-0.25%	-1.50%	
Ravens Wood School	1115	£5,120,359	1115	£5,173,407	£53,048	1.04%	0.91%	
NEWSTEAD WOOD SCHOOL	676	£3,065,335	702	£3,158,296	£92,961	3.03%	-0.66%	
Kemnal Technology College	888	£4,441,471	742	£3,809,987	£-631,484	-14.22%	1.74%	
Hayes School	1188	£5,479,351	1176	£5,431,556	£-47,795	-0.87%	-0.26%	
Beaverwood School for Girls	1103	£5,099,774	1065	£5,141,497	£41,724	0.82%	4.43%	
CHARLES DARWIN	1053	£4,965,488	1060	£5,209,968	£244,480	4.92%	4.43%	
Langley Park School for Girls	1189	£5,625,867	1191	£5,553,328	£-72,540	-1.29%	-1.50%	
The Ravensbourne School	1090	£5,520,696	1101	£5,574,626	£53,930	0.98%	-0.09%	
Darrick Wood School	1308	£6,048,050	1318	£6,112,426	£64,376	1.06%	0.31%	
The Priory School	950	£5,183,158	904	£4,880,333	£-302,825	-5.84%	-1.50%	
Alexandra Infant School	177	£714,006	179	£730,851	£16,844	2.36%	4.32%	
FARNBOROUGH PRIMARY SCHOOL	219	£790,418	224	£794,125	£3,707	0.47%	1.57%	
Perry Hall Primary School	423	£1,398,825	425	£1,402,091	£3,266	0.23%	1.79%	
Manor Oak Primary School	181	£932,469	173	£876,246	£-56,222	-6.03%	-1.50%	
Castlecombe Primary School	207	£925,184	211	£928,930	£3,746	0.40%	2.57%	
								Pupil no changes
	41017	£167,339,352	41368	£169,068,990	£1,729,639			351
Primary Totals	24244	£86,292,425	51.57%	24829	£88,481,853	52.33%		585
Secondary Secondary	16773	£81,046,927	48.43%	16539	£80,587,138	47.67%		-234
DSG Allocation				£116,564,546				
Academy				£49,782,250				
Primary				£2,722,194				
Secondary								

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Worked Example	Keston £	Manor Oak	Kemnal	Charles Darwin
13/14 funding	832,390	932,469	4,441,471	4,965,488
MFG Calculation	832,390	932,469	4,441,471	4,965,488
rates	-19,224	-16,158	-44,557	-41357
lump sum	-175,000	-175,000	-175,000	-175000
divided by 13/14 pupil nos	638,166 246	741,311 181	4,221,914 888	4,749,131 1053
per pupil funding	2,594 (b)	4,096	4,754	4,510
14/15 funding	898,204 (c)	817,630	3,809,987	5284065
less rates	-19,801	-3328.96	-45,893	-42481
lump sum	-175,000	-175,000	-175,000	-175000
divided by 14/15 pupil nos	703,403 250 (d)	639,301 173	3,589,094 742	5,066,584 1060
per pupil funding	2,814 (e)	3,695	4,837	4,780
(d-e)/e	8.46%	-9.77%	1.74%	5.98%
Floor/ceiling	4.43%	-1.5%		4.43%
difference	-4.03% (f)	8.2728%	1.7383%	-1.5499%
b x f x d	-£26,130	£58,617	£0	-£74,097
MFG	£898,204 (c)	817,630	3,809,987	5,284,065
less de-delegation	£872,074 -£4,522	£876,247 -	£3,809,987 -	£5,209,968
Final MFG	£867,553	£876,247	£3,809,987	£5,209,968
pupil number difference	4	-8	-146	7
per pupil funding difference	£219	-£400	£82.65	£270
comments - reasons for increase/decrease	% low attainment has increased from 0.08 to 0.5 in year 1	impact of reduction in funding for low attainment	difference due to real decrease in pupil nos	% low attainment increased from 0.10 to 0.27

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