

Public Document Pack

North Lincolnshire Council

AGENDA	
Meeting:	Schools Forum
Meeting Date:	18 April 2024
Venue:	Church Square House, Scunthorpe
Time:	2.00 pm

NO.	AGENDA ITEM	LEAD	PAPERS	COMMENTS
1.	Welcome/Introductions/Apologies	Chair		
2.	Remit of Schools Forum Members	Chair		
3.	Declarations of Disclosable Pecuniary Interests and Personal or Personal and Prejudicial Interests (if any)	Chair		
4.	Minutes and Actions from last meeting for approval	Chair	Attached	For approval
5.	Review of North Lincolnshire Schools Forum Constitution 2022	Tracy Falshaw	Attached	For discussion/ agreement
6.	Dedicated Schools Grant (DSG) 2023/24 Outturn Forecast	Tracy Falshaw	Attached	For discussion
7.	Scheme for Financing Schools	Tracy Falshaw/Jayne Standing	Attached	For discussion
8.	SEND Banding Review for Education Health and Care Plans	Wendy Holmes	Attached	For discussion
9.	Updated Guidance for arranging Education for Children Who Cannot Attend School because of Health Needs	Wendy Holmes	Attached	For discussion
10.	Any Other Business <ul style="list-style-type: none"> Meetings structure going forward 	Tracy Falshaw	Oral update	For discussion/ agreement

FOR INFORMATION

	<p>Proposed date of the next meeting(s) (all Thursday at 2pm)</p> <ul style="list-style-type: none"> 20 June 2024
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Agenda items

- Dedicated Schools Grant (DSG) Final Outturn
- Schools Outturn
- Early Years Dedicated Schools Grant

NORTH LINCOLNSHIRE COUNCIL

SCHOOLS FORUM

18 January 2024

PRESENT: - B Lawrance (Chairman)

School Representatives

Mr B Lawrance, Mrs A Cvijectic, Mrs A Nuttall, Mrs M Potterton, Mrs D Senior and Mrs R Stephenson.

Academy Representatives

Mr D Flowitt, Mr D Keogh, Mr A Sutherland and Mr P Raspin

PVI Representatives

Mrs C Williams

Non School Representatives

Dr H Beverley

Elected Representatives

Cllr J Reed

Local Authority Officers

Mrs T Falshaw, Mrs J Flintoff, Ms J Standing, Mrs W Holmes, Mrs N Raines and Mrs A Dawson (Secretary)

The meeting was held at the Ashby Community Hub, Scunthorpe.

1010 **WELCOME/INTRODUCTIONS/APOLOGIES**

Apologies had been received from Zoe Birchall, Rachel Abbott, Rob Biglands and Rob Biglands.

1011 **DECLARATIONS OF DISCLOSABLE PECUNIARY INTERESTS AND PERSONAL OR PERSONAL AND PREJUDICIAL INTERESTS (IF ANY)**

There were no declarations of Disposable Pecuniary Interests and Personal or Personal and Prejudicial Interests.

1012 **MINUTES AND ACTIONS FROM LAST MEETING FOR APPROVAL**

That the minutes of the last meeting held on 21 September 2023, having been printed and circulated amongst the members, be taken as read and correctly recorded, and be signed by the Chair.

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Item 1006 – Mrs T Falshaw advised that progress on trade union funding was continuing and there would be sufficient information for the Forum to make a decision on the issue next year.

Item 1007 – Mrs D Senior noted that some primary schools Ofsted grades had reduced from Outstanding to Requires Improvement and was not sure if that implied that more funding was needed to support schools who had judgements less than Good. Mr B Lawrance agreed that it was a point that needed to be considered and added to the wider conversation.

1013 MEMBERSHIP UPDATE

The Secretary advised that there was currently no further progress on the three outstanding vacancies on the Forum.

On a separate issue, it had been noted that the PVI representative Mrs M Drewery had not attended a meeting for over a year. Mrs N Raines had approached Mrs Drewery to enquire if she wished to continue on the Forum and was informed that she was happy for someone else to take her place. Mrs N Raines had advised that another person had come forward who was happy to act as the second PVI representative.

Resolved – That Mrs N Raines approaches the potential new member with a view to her replacing Mrs M Drewery as PVI representative.

1014 DEDICATED SCHOOLS GRANT 2024/2025

Mrs T Falshaw presented the report.

On 19 December 2023 the Education Funding Agency published the 2024-25 Dedicated Schools Grant (DSG) Allocations. The allocation for North Lincolnshire was £180.511m after deductions for national non-domestic rates (NDR) and the direct funding of high needs places by the Education Skills Funding Agency.

The DSG Allocations were presented in four blocks, each block was determined by a separate national funding formula. The report provided information on the planned use of the DSG for 2024/25.

The Department for Education had confirmed its commitment to continue to move forward with its plans to implement a direct National Funding Formula, whereby funding would be allocated directly to schools based on a single, national formula. A gradual approach to transition was taking place. In 2024-25 councils would continue to set a local schools funding formula, in consultation with schools.

Resolved – That the central retained schools' budget, as detailed in Appendix 1 to the report, be approved:

- Central spend on the early years block provision
- Historic Commitments (Combined Budgets)

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- School Admissions
- Servicing of Schools Forum
- Contribution to the responsibilities that councils hold for all schools.

1015 **EARLY YEARS - DEDICATED SCHOOLS GRANT**

The report was presented by Mrs N Raines.

Early Years funding was participation based. Funding allocations were currently provisional for 2024/25. Allocations were determined by three census counts (January 2023, 2024, and 2025) final allocations were published July 2025. Two additional funding streams would be available in 2024, for working parents of two-year-olds and children over nine-months, from April and September 2024, respectively. To ensure allocations for councils were as accurate as possible, the new working parent funding would be adjusted based on the submission of actual take-up data for the summer and autumn terms 2024 and the January 2025 census.

Funding allocations had increased for the 2024/25 financial year with an additional 28 pence and 27 pence per hour per child on the hourly rate for two-year olds (£7.56) and three and four-year olds (£5.47) respectively. Early Years Pupil Premium (EYPP) and Disability Access Funding (DAF) had both increased (2p) to 68p per hour per child and (£29) £910 per annum respectively. EYPP and DAF funding were extended to include the new working parent funding.

Children over nine months of working parents may become eligible for 15 hours of funded early learning and care from the term after they became nine months from April 2024 for 38 weeks of the year.

Disadvantaged two-year olds were eligible for a maximum of 15 hours funded early learning and care where if their family circumstances meant that they met certain criteria, as set out in the report.

Approximately 400 children were eligible each term in North Lincolnshire. Additionally, children of working parents may be eligible for a maximum of 15 hours funded early learning and care from April 2024 to support them with the cost of childcare. In the summer of 2023, it was estimated that 473 families of two-year olds were paying for childcare.

All three and four-year olds were entitled to a maximum of 15 hours funded early education in the maintained, private, or voluntary sector for 38 weeks of the year. Children of working parents may also be eligible for an additional 15 funded hours. Approximately 52 per cent of funded children took-up the additional funded hours in North Lincolnshire.

The report gave detailed information on funding allocations, sector consultation, under two's, two, three and four year old funding and population projections.

Resolved – (a) That the provisional funding allocation in relation to the Early

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Years Block of the DSG for 2024/25 be noted; (b) that the proposed pass-through rates for centrally retaining funding and a small grants programme to extend early years place be supported; (c) that the proposed base rates per hour per child for under two's, two year olds and three and four year olds, as set out in the report, be supported; (d) that the proposed local supplements of the Early Years Single Funding Formula – deprivation and sufficiency lump sum, be supported and (d) that an increase in Early Years Pupil Premium and Disability Access Funding to nationally funded rates (68p per hour and £910 lump sum respectively), be supported,

1016 SCHOOLS FUNDING FORMULA 2024/2025

The report was presented by Ms J Standing.

On 19 December 2023 the Education and Skills Funding Agency (ESFA) published the 2024-25 Dedicated Schools Grant (DSG) Allocations, based on October 2023 School Census data. The allocation for North Lincolnshire was £180.511m (£167.638m in 2023/24) after deductions for business rates and the direct funding of high needs places by ESFA.

The element of DSG available for the Individual Schools Budget (ISB), for all mainstream schools was £138.308m before deductions for the funding of National Non Domestic Rates (NNDR) directly by the ESFA.

The Operational Guide set out how individual school budget shares could be calculated. To continue the introduction of the National Funding Formula (NFF) the Department for Education had consulted and now directed that all councils moved closer to the NFF so that resources were distributed based on the individual needs and characteristics of every school in the country.

The council's local formula now reflected the NFF for all factors, except for Exceptional Premises factor (listed buildings). The factor values had been increased in 2024-25 and were detailed at Appendix 1 to the report.

The report set out the final proposals for the North Lincolnshire schools funding formula.

Resolved – (a) That the distribution of the individual school's budget, using the proposed funding formula, be endorsed as follows:

- (i) MFG set at maximum of 0.5%
- (ii) Sparsity Factor using NNF values and distance taper
- (iii) Exceptional Factor for listed buildings premises to be applied
- (iv) Notional SEN contribution from deprivation factors increased to 25%
- (v) A cap on gains of 0.5% and scaled back by 8.25% to be applied;

(b) that the contribution of £8.44 per pupil towards the cost of Education Functions that the local authority provided on behalf of maintained schools, be approved by maintained school representatives and (c) that reserves be used for growth if required.

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1017 UPDATE ON HIGH NEEDS FUNDING

Mrs J Flintoff presented the report.

The report provided a briefing on work being undertaken to review the bandings and use of High Needs Funding for children with Special Educational Needs and Disabilities (SEND).

The High Needs element of the Dedicated Schools Grant supported schools and the council to provide support for children with SEND. This included the costs of some elements of council SEND staffing, as well as paying for specialist placements, and providing the banding rates for top up funding for children whose needs meant that they could be adequately supported using the notional element of the SEND funding.

Locally, the bandings for children with an Education Health and Care Plan (EHCP) who attended mainstream schools in North Lincolnshire were due to be reviewed; it was proposed that the council worked with schools through the Primary Consortium and the Secondary Heads and Principles to evaluate the current funding levels. Additionally, work was underway to benchmark local funding bandings for SEND in comparison to regional neighbours. It was intended that this work would place the council in a good position to bring revised bandings proposal to Schools Forum in the autumn, in readiness for the financial year 2025/2026.

To address more immediate issues, under the Department for Education funding rules for High Needs, councils could plan for the use of exceptional funding. A working draft exceptional funding protocol was being developed to ensure that schools were funded to meet exceptional circumstances, for example where there were significant in-year changes to the number of children with an EHCP, or where children had, through their EHC Plan, an agreement for independent specialist provision but where no such provision was available.

Discussion took place around the above issues. Mrs J Flintoff asked for feedback on the With Me in Mind programme, to ascertain how effective the programme was. Mr D Flowitt advised that the programme would not work for any children with complex needs; he felt that only low level issues were prioritised.

Mrs A Cvijetic agreed with the discussion, however, felt that work was required on school buildings as currently there were no small, quieter spaces available from the main areas of the school. Mrs J Flintoff advised that there was a piece of work taking place to look at SEND capital and capital funding which could assist with this.

Resolved – (a) That the proposal for SEND Exceptional Funding be agreed in principle, and (b) that the possibility of including successful and unsuccessful case studies within the protocol be considered.

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18 January 2024

**North
Lincolnshire
Council**

**NORTH LINCOLNSHIRE SCHOOLS FORUM
CONSTITUTION 2022**

Version	Date	Approval
Previous Approved	11 June 2020	Schools Forum
Latest Approved	7 July 2022	Schools Forum

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Constitution of North Lincolnshire Schools Forum

Section 1 – About the Forum

Regulations

National regulations¹ govern the composition, constitution and procedures of Schools Forums. The Department for Education have published good practice guidance for Local Authorities and Forum Members², Schools and Academies³ in respect of Schools Forums. These are available via the <https://www.gov.uk/guidance/schools-forum-a-guide-for-schools-and-academies> website.

The Local Authority has the responsibility for establishing Schools Forums. They also have an ongoing responsibility to provide them with appropriate support, information and guidance in carrying out their functions and responsibilities.

Schools Forum is made up of representatives from schools and academies, but with some representation from other non-school organisations, such as nursery and 16-19 further education providers. The forum acts as a consultative body on some issues and a decision making body on others.

Schools Forum powers

Decisions

The overarching areas on which Schools Forums make decisions on local authority proposals are:

- De-delegation from mainstream schools budgets (separate approval will be required by the primary and secondary phase members of Schools Forum), for prescribed services to be provided centrally.
- To create a fund for significant pupil growth in order to support the local authority's duty for place planning (basic need) and agree the criteria for maintained schools and academies to access this fund.
- To create a fund for falling rolls for good or outstanding schools if the schools' surplus capacity is likely to be needed within the next three years to meet rising pupil numbers and agree the criteria for maintained schools and academies to access this fund.
- Continued funding at existing levels for prescribed historic commitments where the effect of delegating this funding would be destabilising.
- Funding for the local authority in order to meet prescribed statutory duties placed upon it. Approval is required to confirm the amounts for

¹ Schools Forums (England) Regulations 2012 (S.I. 2012/2261)

² Schools Forums: operational and good practice guide For local authorities and members of Schools Forums

³ Schools Forum: A guide for schools and academies on its role and their responsibilities

each duty and no new commitments or increases in expenditure from 2013/14 are permitted unless agreed by the Secretary of State.

- Funding for central early years expenditure, which may include funding for checking eligibility of pupils for an early years place, the early years pupil premium and/or free school meals.
- Authorising a reduction in the schools budget in order to fund a deficit arising in central expenditure that is to be carried forward from a previous funding period.

In each of these cases, the local authority can appeal to the Secretary of State if the Schools Forum rejects its proposal.

Consultation

Regulations state that the local authority must consult the Schools Forum annually in connection with various schools budget functions, namely:

- amendments to the school funding formula, for which the voting is restricted by the exclusion of non-schools members except for PVI representatives
- arrangements for the education of pupils with special educational needs, including the special places to be commissioned by the authority in different institutions and the arrangements for paying top-up funding
- arrangements for the use of pupil referral units and the education of children otherwise than at school, including the AP places to be commissioned by the authority and by schools in PRUs and other AP providers and the arrangements for paying top-up funding
- arrangements for early years provision
- administrative arrangements for the allocation of central government grants paid to schools via the local authority

Consultation must also take place when a local authority is proposing a contract for supplies and services which is to be funded from the Schools Budget and is in excess of the thresholds that are advised by the Cabinet Office, under which the public contract regulations will apply. The consultation must cover the terms of the contract at least one month prior to the issue of invitations to tender.

The Schools Forum has the responsibility of informing the governing bodies of all schools maintained by the local authority of the results of any consultations carried out by the local authority relating to the issues above.

Local authorities will need to discuss with the Schools Forum any proposals to:

- vary the Minimum Funding Guarantee (MFG)
- use exceptional factors
- vary pupil numbers
- allow additional categories of, or spending on, central budgets

- amend the sparsity factor
- vary the lump sum for amalgamating schools
- vary the protection for special schools and special academies

Effective Schools Forums

The membership of the Schools Forum must include the appropriate number of academy school representation in order to be able to play a meaningful part in the discussions of the Schools Forum.

Central to the effectiveness or otherwise of a Schools Forum will be the relationship between it and its local authority. This can be influenced by the support it provides; the resources it devotes and the weight it gives to the views of Schools Forums all contribute to the nature of the relationship. There are therefore a number of characteristics of this relationship that are particularly important:

Partnership: *Having a shared understanding of the priorities, issues and concerns of schools, academies and the local authority.*

Effective Support: *The business of the Schools Forum is supported by the local authority in an efficient and professional manner.*

Openness: *It is important that a Schools Forum feels it is receiving open, honest and objective advice from its local authority.*

Responsiveness: *Local authorities should as far as possible be responsive to requests from their Schools Forums and their members. Schools Forums themselves should also be aware of the resource implications of their requests.*

Strategic view: *Members of Schools Forum should consider the needs of the whole of the educational community, rather than using their position on a Schools Forum to advance their own sectional or specific interests.*

Challenge and Scrutiny: *Schools Forums may be asked to agree to proposals from their local authority that will have an effect on all schools and academies in the local area. The extent to which Schools Forums can scrutinise and challenge such proposals is an important aspect of their effectiveness.*

Responsibilities of schools and their representatives

Schools can expect to have their views canvassed and to receive feedback from their representatives, who have a responsibility to represent the interests of their peer group rather than the interests of their own individual school.

When electing an individual to represent the interests of their respective group, schools should satisfy themselves that their chosen representative(s) is competent to act as their advocate.

School staff and governors should ensure that they are aware of business under discussion at Schools Forum and should provide feedback to their elected representatives to ensure that their views are considered when decisions affecting schools' finances are being made.

Responsibilities of the Local Authority

Local authorities are required to publish all papers on a publicly-available website well in advance of the meeting. Papers should contain clear recommendations and the responsible officers should attend the meeting to provide further information and advice. Local authority officers should not dominate the meeting.

All meetings of the Schools Forum must be open to the public. Observers do not have an automatic right to speak at the meetings, although the Chair may allow contributions if it seems appropriate.

Section 2 – Terms of Reference

The Forum

- Gives a view and informs the governing bodies of all consultations carried out on the following matters:
 - Schools Funding Formula changes including redistributions
 - Contracts (where the LA is entering into a contract to be funded from the schools budget)
 - Financial issues relating to : arrangements for pupils with special educational needs, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding; arrangements for use of pupil referral units and the education of children otherwise than at school, in particular the places to be commissioned by the LA and schools and the arrangements for paying top-up funding ; arrangements for early years provision administrative arrangements for the allocation of central government grants;

- Gives a view on:
 - Minimum funding guarantee
 - Membership : length of office of Schools Member (good practice)

- Decides:
 - De-delegation for maintained schools (primary and secondary school member representatives will decide their phase) for:
 - Contingencies
 - Administration of free school meals
 - Insurance
 - Licences/subscriptions
 - Staff costs – supply cover (Trade Union Facilities Time)
 - Support for minority ethnic pupils/underachieving groups
 - Behaviour support services
 - Library and museum services
 - School improvement

 - Central spend on and the criteria for allocating funding from:
 - Funding for significant pre-16 pupil growth, including new schools set up to meet basic need, whether maintained or academy
 - Funding for good or outstanding schools with falling rolls where growth in pupil numbers is expected within three years.

 - Central Spend on:
 - Equal pay back-pay
 - Places in independent schools for non-SEN pupils
 - Early years block provision
 - Funding to enable all schools to meet the infant class size requirement
 - Admissions

- Servicing of schools forum
 - Capital expenditure from revenue (plans planned and decided prior to April 2013)
 - Contribution to combined budgets (agreement prior to April 2013)
 - Schools budget centrally funded termination of employment costs (decided prior to April 2013)
 - Schools budget funded prudential borrowing costs (commitment approved prior to April 2013)
 - Carry forward a deficit on central expenditure to the next year to be funded from the schools budget
 - Remission of boarding fees at maintained schools and academies
 - Services previously funded by the retained rate of the ESG (relevant maintained school members)
- Approves:
 - Scheme of financial management changes (school members only)
 - Determines voting procedures
 - Elects Chair of Forum
 - Is informed by the Local Authority of:
 - High needs block provision
 - Central licences negotiated by the Secretary of State

Status of the Forum

The Forum is a non-executive body established to take decisions on a range of issues relating to the funding of schools.

Meetings of the Forum will be open to the public except for any confidential matters which will be discussed within a closed meeting. The Chair will decide if any item is confidential. The agenda, supporting papers and minutes shall be made available via the Council's Internet. Minutes of the Forum meetings will be distributed to the governing bodies of all North Lincolnshire Schools.

Section 3 – Membership of North Lincolnshire Schools Forum

Composition

The forum shall comprise 21 members who shall be Headteachers, Governors and Non School representatives.

Schools members and Academies members must together comprise at least two thirds of the membership of the forum.

Primary schools, secondary schools and Academies must be broadly proportionately represented on the forum, having regard to the total number of pupils registered at them⁴.

The number of members representing schools in a particular school category must be broadly proportionate to the total number of schools in that category when compared with the total number of schools maintained by the authority

School Members

Schools Forums Regulations state that the number of representatives for each phase should be proportionate to the ratio of pupils in each phase. North Lincolnshire Schools Forum comprises 10 school members.

a) Primary Headteachers

4 members shall be elected by the Primary Heads Group

b) Secondary Headteachers

2 member shall be elected by the Secondary Heads and Principals Group

c) Special School Headteacher

1 member shall be elected from the Special Schools

d) Pupil Referral Unit Headteacher or Governor

1 member shall be elected from the Pupil Referral Units

e) Governors

2 Governor Representatives shall be elected by the North Lincolnshire Association of Governing Bodies. This will be 2 representing primary schools (there will be one governor representation for secondary academy and one for primary academy).

Academy Members

6 members to represent the Academies (2 primary, 3 secondary, one AP)

At least 1 Academy member secondary is appointed as a Governor Representative

At least 1 Academy member primary is appointed as a Governor Representative

⁴ NB Jan 17 23.5% Primary pupils in academies/ 70% Secondary pupils in academies – based on the total primary reps (maintained and academy) which is 8, 24% equates to 2 members should be academy primary. There are 4 secondary reps, 70.9% equates to 4 members

At least 1 Academy member must be a representative of an Alternative Provision Academy.

Schools Forums Regulations state that Academies members representing mainstream Academies must be elected to the schools forum by the proprietors of mainstream Academies in the authority's area

This will normally be a head teacher or a governor. In order to identify the nominated member, the relevant Head/Principals group will determine (using voting where required) for heads representative and the North Lincolnshire Association of Governing Bodies will determine for governor representative.

Where there is only one Alternative Provision Academy the proprietor of that alternative provision Academy must select the person who will represent it on the schools forum

Non School Members

North Lincolnshire Council shall nominate and appoint 5 non schools members.

- a) 2 members from the Private, Voluntary and Independent Early Years sector shall be nominated by North Lincolnshire Council.
- b) 1 member shall represent the providers of 16-19 education (FE sector and other institutions that specialise in special education needs and learning difficulties and disabilities provision.
- c) 2 members shall be nominated from the relevant diocesan authorities.

Substitute Members

Substitute members may be used in exceptional circumstance to cover long term absence.

Participation of Observers

Observers shall be invited to attend Forum meetings. Observers may participate in debate but will not have voting rights should any business of the Forum require a vote. The following groups shall be asked if they would like to nominate an observer (and a named substitute) to the Forum:

- Education and Skills Funding Agency

As part of succession planning nominated observers from each category may attend the meetings.

Executive Elected Members

Elected members with responsibility for education/children's services or resources of the local authority are able to participate in Schools Forum meetings. There will be an open invitation for Cabinet Member for Children and Families to attend and speak at Schools Forum meetings.

North Lincolnshire Council Officers

The following officers can speak at meetings of the Schools Forum:

- Assistant Director - Education (as the representative of the DCS)
- Strategic Lead Finance - Lead Officer to the Forum (as the representative of the CFO)
- Any person invited by the Schools Forum to provide financial or technical advice
- Any person presenting a paper to Schools Forum but their ability to speak is limited to the paper that they are presenting.

Term of Office

The term of office for members of the North Lincolnshire Schools Forum shall be 3 years, subject to their remaining eligible.

As well as the term of office coming to an end, a schools member ceases to be a member of the Schools Forum if he or she resigns from the Forum or no longer occupies the office which he or she was nominated to represent.

Section 4 – Operating Conventions of the North Lincolnshire Schools Forum

Ordinary Meetings

An ordinary meeting of the Forum shall be held, at a minimum, four times a year. The Forum may agree to meet more frequently than this as required. In addition the chair may call an extraordinary meeting at his or her discretion. Meetings will be called at a time and place to be determined by the Forum.

**Please see Section 6 below – 'The Schools Forum (England) (Coronavirus) (Amendment) Regulations 2020'.*

Notice of Meetings

Meetings of the Forum shall be convened by the Local Authority, who will also arrange secretariat responsibilities including the clerking of meetings.

Items for consideration by the Forum shall be submitted to the clerk no later than 10 working days prior to the meeting. The agenda and papers shall be sent by email to members no later than 5 working days prior to the meeting.

Chair and Vice Chair

The Forum will elect a Chair and Vice Chair from the members of the Forum. The term of office is one year, but with the prospect of annual re-election.

The Forum Chair

- Shall chair meetings of the Forum
- Shall agree Forum meeting dates with the lead officer
- Shall agree Forum agenda items with the lead officer
- May, in the case of any recorded vote of Forum members resulting in a tied result, cast an additional deciding vote
- May, if requested by the Council, express an informal view on urgent matters as required between scheduled Forum meetings

Quorum

The Forum shall be quorate if at least 40% of the total membership is present (this excludes observers and the membership count excludes vacancies) which equates to 8 members if no vacancies.

Voting

Each Member shall have only one vote. Voting shall be by show of hands. The Chair will have a second or casting vote. (At remote meetings this may be required by a roll call by the clerk, requested by the chair)

The funding formula is limited to schools members, academies members and PVI representatives.

De-delegation will be limited to the specific primary and secondary phase of maintained schools members.

Sub-Committees and Working Groups

The Forum may have sub-committees or working groups. The Forum shall receive reports from the sub-committees or working groups to approve formally.

Declarations of Interest

Any Member of the Forum who has an interest in any proposal beyond the generality of the group they represent or in which they might have a disclosable pecuniary interest or personal and prejudicial interest in, shall declare an interest at the beginning of the relevant item. The member can explain any issues to the meeting and then must leave the meeting until the item is finished. The member cannot vote on that item.

Expenses

The Local Authority shall maintain a small budget for expenses relating to the operation of the Forum from the Schools Funding Block with any underspend returned to the block.

The Local Authority shall reimburse the reasonable expenses of a school member of the Forum when members submit appropriate claims, in connection with attendance at meetings. The following expenses can be claimed:

- Supply cover, only when it has been necessary to employ a supply cover teacher to enable the Headteacher to attend the Forum.
- The cost of private car travel at 20p per mile – or public transport if appropriate
- The cost of childcare may be claimed where members need to make such an arrangement whilst attending a meeting of the Forum.
- Where members incur loss of earnings as a result of attending a meeting of the Forum

Other Constitutional Matters

Any constitutional matters arising which are not specifically covered by the text of this constitution shall be considered and decided on by the Forum, taking into account relevant legislation and Government advice, and in particular with reference to the DFE publication “Schools Forums: operational and good practice guide For local authorities and members of Schools Forums”.

Section 5 – Membership (based on pupil numbers and academies as at Jan 2017 23.5% of primary pupils are in academies and 70.9% of secondary pupils are in academies)

Name	Type/Phase/Locality	Term End
Schools Representative (10)		
Anna Cvijetic	Prim – Scun North	21 January 2024
Andrea Nuttall	Prim – Scun South	13 January 2023
Rachel Stephenson	Prim – Scun South	13 January 2023
Maz Potterton	Prim – Barton	13 January 2023
Ben Lawrance	Sec – Scun South	14 June 2024
Rob Biglands	Sec - Brigg	14 June 2024
Donna Senior	Gov – Prim – Guinness and Burringham	21 April 2025
Vacancy	Gov – Prim – Special	
Tracey Millard (Alistair Sutherland acting in absence)	Special – Secondary	16 June 2024
Academy Representative (6)		
Damien Keogh	Sec – Isle	20 January 2025
Vacancy	Sec – Scun	
Peter Raspin	Gov – Sec – Scun South	6 July 2024
Zoe Birchall	Prim – St Hybald’s Federation	20 January 2025
Vacancy	Gov – Prim	
David Flowitt	PRU (Isle Academy Trust)	14 June 2024
PVI Representative (2)		
Clare Williams	Bottesford Bunnies	4 October 2024
Michelle Drewery	ILearn Education Ltd	2 November 2024
Non Schools Representative (3)		
Leon Riley	16-19 FE providers	7 July 2024
Dr Hilary Beverley	C of E diocese	7 July 2025

Rachel Abbott	RC Diocese	15 June 2024
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Section 6 - The School and Early Years Finance (England) Regulations 2021 make permanent provisions to enable Schools Forums meetings to be held remotely.

Members can be present at meetings through remote means where they are able to access and participate simultaneously by electronic means (including (but not limited to) telephone and video conferencing, live webcast and live interactive streaming). The preference of North Lincolnshire Council as the local authority being Microsoft Teams.

Members of the Schools Forum will be considered present at remote meeting (through Microsoft Teams) only if the following are conditions are satisfied –

A member accessing the remote meeting must be able to –

- (a) hear and be heard by, and where practicable, see and be seen by any member present, and
- (b) be heard and, where practicable, seen by members of the public at the meeting.

(the minimum requirement above is to hear and be heard).

As the Forum is a public meeting, the public must also be able to access the meeting remotely at least to hear proceedings. This is provided through a secure 'live public access link' on the North Lincolnshire Council website (Schools Forum relevant page). The public accessing the meeting through the live link to hear/observe are unable to participate in the meeting (be heard or seen).

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NORTH LINCOLNSHIRE COUNCIL

SCHOOLS FORUM

DEDICATED SCHOOLS GRANT 2023/24 OUTTURN FORECAST

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To update the Schools Forum on the Dedicated Schools Grant (DSG) Budget and Outturn Forecast 2023/24.

2. BACKGROUND INFORMATION

- 2.1 The DSG is a ring-fenced specific grant that must be used in support of the schools budget as defined in the School and Early Years Finance (England) Regulations 2023. It can be used for no other purpose.
- 2.2 Local authorities are responsible for ensuring that the DSG is deployed in support of the schools budget. This includes both DSG funding allocated to central expenditure (High Needs, Central (CSSB) and Early Years) and funding for the ISB allocated in accordance with their local schools funding formula.

3. OPTIONS FOR CONSIDERATION

- 3.1 The final DSG allocation for 2023/24 was £169.781m (£101.298m after the deductions for ESFA payment of NNDR and academy and high needs recoupment).
- 3.2 Funding deployed to maintained schools amounted to £69.722m.
- 3.3 Central Expenditure for early years, high needs and central provision is forecast to be £33.133m
- 3.5 A breakdown of expenditure for each of the central budgets for early years, high needs and central provision is shown in appendix 1.
- 3.6 The net effect of spending will result in either a contribution to or a drawdown from the DSG ring fenced earmarked reserve.

4. ANALYSIS OF OPTIONS

4.1 Individual School Budgets were set in January 2023 for the 2023/24 financial year. Once allocated, school funding is counted as expenditure in support of the schools budget.

4.2 At the end of the financial year the central expenditure element of the schools budget may be under or overspent. If there is an underspend in respect of central expenditure at local authority level this should be separately identified within the associated notes to the accounts. The underspend must be carried forward to support the schools budget in future years, including any of the budget that is moved into earmarked reserves.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

5.3 On 19th January 2023 the Schools Forum endorsed the use of £814k earmarked reserves in setting the individual school budgets for 2023/24.

5.4 The DSG earmarked reserve as at 31st March 2024 is forecast to increase by £93k to £6.953m. A breakdown between blocks is shown in appendix 1.

6. OTHER IMPLICATIONS

6.1 The Chief Finance Officer (CFO) needs to ensure that expenditure charged to the schools budget falls within the definitions set out in regulations 6 and 7 of the Schools and Early Years Finance (England) Regulations 2023. This includes both DSG funding allocated to central expenditure and funding for the Individual Schools Budget (ISB).

6.2 At the end of the 2023/24 financial year the CFO is required to append an additional note to the statement of accounts confirming the deployment of the DSG in support of the schools budget.

9. RECOMMENDATIONS

9.1 That the Schools Forum note the forecast outturn for 2023/24.

STRATEGIC LEAD (FINANCE)

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Date: 11 April 2024

Background Papers used in the preparation of this report –
DSG Final Allocations 2023/24
DSG Conditions of Grant 2023/24

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SCHOOLS BUDGET 2023/24

	DSG BLOCK	Final DSG Budget 2023/24	Forecast Outturn 2023/24	Outturn 2022/23	
INDIVIDUAL SCHOOLS BUDGET (ISB)					
Mainstream Primary & Secondary Schools	SB	65,981,504	65,981,504	63,165,788	
Academy Recoupment	SB	66,312,890	66,312,890	61,929,542	
Forecast Special Schools Place Led Funding	HN	3,740,350	3,740,350	3,487,000	
TOTAL ISB		136,034,744	136,034,744	128,582,330	
HIGH NEEDS BUDGET					
Top Up Funding for Maintained Schools		5,513,000	5,785,968	5,017,301	
Top Up Funding for Academies		1,539,000	1,992,244	1,416,010	
Top Up Funding for Independent Schools		8,204,000	7,869,697	7,103,858	
Top Up Funding Colleges		1,038,000	1,296,087	496,779	
Top Up Funding	HN	16,294,000			
Tuition and Medical Needs		247,000	119,747	54,524	
Alternative Provision		1,217,000	1,428,845	1,147,545	
Other AP provision	HN	1,464,000			
Special Needs General		550,000	495,257	491,960	
Autism (ASET)		477,000	583,212	435,975	
Portage		226,000	197,345	170,478	
SEND Education Inclusion		211,000	180,668	151,836	
EISS		109,000	0	68,524	
SEN Careers & Progression		25,000	0	48,177	
Hearing Support Service		448,000	428,087	387,090	
Visually Impaired Service		511,000	505,242	489,526	
Physically Impaired Service		148,000	120,676	111,978	
Speech & Language Therapy		206,000	193,984	204,590	
Educational Wellbeing		388,000	383,158	371,931	
Education Inclusion Team		836,000	665,567	576,368	
Study Hubs		495,000	266,214	261,860	
Preschool SEND (SENIF)		275,000	394,082	290,049	
SEN support services	HN	4,905,000			
TOTAL HIGH NEEDS BUDGET		22,663,000	22,906,080	19,296,358	
EARLY YEARS BUDGET					
3 & 4 yr old funding (Inc PP and DA)	EY	8,221,000	7,736,725	7,502,770	
Child Ptosp: SEN & Inclusion		136,000	105,809	82,086	
Sufficiency Team		114,000	114,000	93,466	
Early Years SEN		143,000	149,787	138,545	
Family Support		0	0	81,000	
Central expenditure on children under 5	EY	393,000			
TWO YEAR OLD FUNDING		1,305,000	1,199,494	1,320,471	
TOTAL EARLY YEARS BUDGET		9,919,000	9,305,814	9,218,338	
CENTRAL PROVISION WITHIN SCHOOLS BUDGET (CSSB)					
Learning Networks (P Consort + Sec Hea		85,000	85,318	83,700	
SIPs		54,500	54,500	140,000	
Contribution to MARs		10,000	10,000	20,000	
Historic Commitments (Contributions to	CB	149,500			
School admissions	CB	118,000	102,110	78,290	
Servicing of schools forums	CB	21,000	21,000	19,000	
National copyright licence charge	CB	153,000	152,915	137,080	
ESG Retained Duties					
Statutory & Regulatory Duties		198,000			
Education Welfare		96,800			
Asset Management		200,200			
	CB	495,000	495,000	450,000	
Growth Fund	SB	100,000	0	79,167	
Falling Rolls Fund	SB	50,000	0	0	
SEN Transport	CB	61,000	0	61,000	
TOTAL CSSB		1,147,500	920,844	1,068,237	
Total DSG Centrally held		33,729,500	33,132,739	29,582,933	
TOTAL SCHOOLS BUDGET		169,764,244	169,167,483	158,165,263	
Additional Information:					
Funding Block Analysis		Allocation	Budget	Outturn	Variance
Schools Block before recoupment and deductions for NNDR		131,630,859	132,444,394	132,294,394	663,535
Central Block (CSSB)		1,029,332	997,500	920,844	-108,488
High Needs Block after recoupment for AP places and FE and ILP provider (£520k)		26,681,369	26,403,350	26,646,430	-34,939
Early Years Block		9,919,000	9,919,000	9,305,814	-613,194
		169,260,568	169,764,244	169,167,483	-93,085
Academy Recoupment		66,312,890		66,312,890	
NNDR Deduction for payment by ESFA		1,649,840		1,649,840	
		101,297,838	169,764,244	101,204,753	-93,085
DSG Earmarked Reserves		Balance	b/fwd	Movement	c/fwd
Schools Block		1,071,850	813,535	258,315	
CSSB		650,797	-108,488	759,285	
High Needs		3,935,851	-34,939	3,970,790	
Early Years		980,298	-613,194	1,593,492	
Growth and Falling Rolls		220,833	-150,000	370,833	
		6,859,629	-93,085	6,952,714	

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NORTH LINCOLNSHIRE COUNCIL

SCHOOLS FORUM

SCHEME FOR FINANCING SCHOOLS

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 This paper introduces a new version of the North Lincolnshire Council Scheme for Financing Schools.
- 1.2 The Scheme was last revised in 2022, circulated September 2022.
- 1.3 There are no directed revisions from the Department for Education.
- 1.4 The authority is required to consult with all maintained schools when revising the scheme and receive approval of Schools Forum members representing maintained schools.

2. BACKGROUND INFORMATION

- 2.1 The scheme was last revised in 2022 and it is good practice to review for any required changes every couple of years and make any necessary cosmetic changes.

3. OPTIONS FOR CONSIDERATION

The following proposed changes will be made:

- 3.1 Maintained schools were generally free to take out operating leases, while finance leases require approval from the Secretary of State under the terms of the Education Act 2002. The introduction of a new International Financial Reporting Standard IFRS16 – Leases can now be referenced in the scheme to give clarity to schools.
- 3.2 Re-organisation of the NLC structure requires changes to replace reference to the Director of Governance and Communities to Chief Finance Officer (S.151).

- 3.3 The list of maintained establishments at Annex A requires updating.
- 3.4 Changes to the designated roles in the approval process for the Application for Licensed Deficit to reflect changes to the NLC structure and working practices.

4. ANALYSIS OF OPTIONS

- 4.1 The implementation of IFRS16 ended the distinction between operating and finance leases and in effect, all leases are now classified as finance leases. The DfE developed a new approach to allow schools to continue to use leases to support their operation without additional administrative burdens. The new approach involves the Secretary of State giving consent for particular classes of leased assets which do not need to be submitted to the DfE for approval, see below:
- all existing leases already in place by 1 April 2022 (maintained schools) and 1 September 2022 (academies)
 - IT equipment
 - telephony
 - catering equipment
 - furniture
 - bathroom/sanitary equipment
 - gym equipment
 - grounds keeping equipment
 - minibuses and other vehicles for the use of the school
 - temporary classrooms and equivalent structures
- 4.2 The introduction of IFRS 16 was postponed in relation to 2022 to 2023 and has been adopted from April 2023. Details of these changes will be included in the NLC Scheme for Financing Schools, paragraph 3.6 Borrowing by schools, now that IFRS 16 has become operational.
- 4.3 **Cosmetic changes** – references to the Director of Governance and Communities have been replaced with the Chief Finance Officer S.151 (CFO).
- 4.4 **Annex A** – List of schools maintained by North Lincolnshire Local Authority has been updated to remove Broughton Primary.
- 4.5 Currently approval for a one-year licensed deficit requires the submission of an action plan and is agreed by the Strategic Lead (Finance). Longer term deficits are reviewed by the Director of Children and Families to be satisfied that the school's staffing establishment is appropriate and the recovery plan will enable the school to maintain standards. The Director of Governance and Communities must be satisfied as to the soundness of the school's financial management and its ability to meet the reduction of deficit schedule.

- 4.6 Approval of one-year licensed deficit will continue to be Strategic Lead (Finance). Recommended changes are that the Assistant Director Education will confirm staffing is appropriate for maintaining standards and the Chief Finance Officer (S.151) will assure the ability to meet the reduction of deficit schedule and soundness of financial management.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS

- 5.1 There are no financial or other resource implications to the revision of the Scheme for Financing Schools.

6. OTHER IMPLICATIONS

- 6.1 A consultation exercise will be completed during the summer term with all maintained schools. The results will be reported to the Schools Forum in July 2024.

7. RECOMMENDATIONS

- 7.1 Schools Forum members for maintained schools agree to the changes to Scheme for Financing Schools.

STRATEGIC LEAD (FINANCE SERVICEDESK)

Author: Rosie Maughan

Date: 10/04/24

Background Papers used in the preparation of this report –

Statutory guidance – Scheme for Financing Schools – 28 March 2024

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Scheme for Financing Schools 2024

Version Control

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Issued	
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Produced by	Rosie Maughan – Specialist (Commercial)
Authorised by	T Elliott – Strategic Lead Finance ServiceDesk

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THE OUTLINE SCHEME

References throughout this statutory guidance to:

“the Act” are to the School Standards and Framework Act 1998; “the Authority” means the local Authority; and

“the Regulations” are to the School and Early Years Finance (England) Regulations 2014 made under the Act.

The Regulations state that schemes must deal with the following matters:

1. The carrying forward from one funding period to another of surpluses and deficits arising in relation to schools’ budget shares.
2. Amounts which may be charged against schools’ budget shares.
3. Amounts received by schools which may be retained by their governing bodies and the purposes for which such amounts may be used.
4. The imposition, by or under the scheme, of conditions which must be complied with by schools in relation to the management of their delegated budgets and of sums made available to governing bodies by the Authority which do not form part of delegated budgets, including conditions prescribing financial controls and procedures.
5. Terms on which services and facilities are provided by the Authority for schools maintained by them.
6. The payment of interest by or to the Authority.
7. The times at which amounts equal in total to the school’s budget share are to be made available to governing bodies and the proportion of the budget share to be made available at each such time.
8. The transfer between budget heads within the delegated budget.
9. Circumstances in which a local Authority may delegate to the governing body the power to spend any part of the Authority’s non-schools education budget or schools budget in addition to those set out in section 49(4)(a) to (c) of the 1998 Act.
10. The use of delegated budgets and of sums made available to a governing body by the local Authority which do not form part of delegated budgets.
11. Borrowing by governing bodies.
12. The banking arrangements that may be made by governing bodies.
13. A statement as to the personal liability of governors in respect of schools’ budget shares having regard to section 50(7) of the 1998 Act.

14. A statement as to the allowances payable to governors of a school which does not have a delegated budget in accordance with the scheme made by the Authority for the purposes of section 519 of the 1996 Act.
15. The keeping of a register of any business interests of the governors and the head teacher.
16. The provision of information by and to the governing body.
17. The maintenance of inventories of assets.
18. Plans of a governing body's expenditure.
19. A statement as to the taxation of sums paid or received by a governing body.
20. Insurance.
21. The use of delegated budgets by governing bodies so as to satisfy the Authority's duties imposed by or under the Health and Safety at Work etc Act 1974.
22. The provision of legal advice to a governing body.
23. Funding for child protection issues.
24. How complaints by persons working at a school or by school governors about financial management or financial propriety at the school will be dealt with and to whom such complaints should be made.
25. Expenditure incurred by a governing body in the exercise of the power conferred by section 27 of the 2002 Act.

SECTION 1: INTRODUCTION

1.1 The Funding Framework

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

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget – although as a minimum a local Authority must appropriate its entire Dedicated Schools Grant to their Schools Budget. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, 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 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 approved by the Secretary of State. 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 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.

The Authority may suspend a school's right to a delegated budget if the provisions of the school financing scheme (or rules applied by the scheme) have been substantially or persistently breached, or if the budget share has not been managed satisfactorily. A school's right to a delegated budget share may also be suspended for other reasons (s.17 to the Act 1998).

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.

The detailed publication requirements for financial statements are set out in directions issued by the Secretary of State.

A copy of each year's budget and outturn statement should be made easily accessible to all schools.

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.

1.2 The role of the scheme

The role of the scheme is to set out the financial relationship between the Local Authority and the maintained schools which it funds. The scheme contains requirements relating to financial management and associated issues, binding on both the Authority and on schools.

1.2.1 Application of the scheme to the Authority and maintained schools

The scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and pupil referral units (PRU's) in the area of the Authority, together with any maintained by the Authority but situated elsewhere; it does not cover those in the Authority's area which are maintained by another Authority. Nor does it apply to Academies.

A list of all maintained schools and PRU's to which the scheme applies as at 1st September 2023 showing their school status is shown at Annex A to this scheme.

1.3 Publication of the scheme

The Authority has a duty to publish the scheme and any amendments to it on a website that is accessible to the general public. The date on which the amendments take place must also be published.

1.4 Revision of the scheme

Any proposed revisions to the published scheme will be the subject of consultation with the governing body and the head teacher of every school maintained by North Lincolnshire Council. The proposed revisions must be submitted to the Schools Forum for approval by members of the forum representing maintained schools. Where the Schools Forum does not approve them or approves them subject to modifications that are not acceptable to the Authority, the Authority may apply to the Secretary of State for approval.

It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of the direction.

1.5 Delegation of powers to the head teacher

Each governing body must consider to what extent it wishes to delegate its financial powers to the head teacher. Its decision on this matter (and any revisions) must be recorded in the minutes of the governing body. Guidance on the level of delegation that a governing body may wish to consider is given in the booklet 'Managing School Finances' revised in January 2012 and published by the Governors Support & Development Service.

Each governing body must consider 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, or by a committee of the governing body.

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 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

SECTION 2: FINANCIAL CONTROLS

2.1 Financial requirements; audit

2.1.1 Application of financial controls to schools

Schools are required to abide in the management of their delegated budgets by the Authority's requirements on financial controls and monitoring, not only those in the scheme but also those requirements to be contained in more detailed publications referred to in the scheme but outside and compatible with it. Where requirements may differ for schools with their own bank accounts this will be made explicit in section 3

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 form and at times determined by the Authority and should so far as possible take account of the Consistent Financial Reporting framework and the

desirability of compatibility with that framework. This is to enable the Authority to carry out its statutory functions relating to financial monitoring.

Secondary schools will have a termly meeting with LA finance officers and primary schools two meetings per year or termly where the school is in financial difficulty.

The requirement to submit such details will not be more often than once every three months, except for those connected with tax or banking reconciliation - unless the 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. This restriction does not apply to schools that are part of an on-line financial accounting system operated by the Authority.

2.1.3 Payment of salaries; payment of bills

For schools without a separate bank account, the payment of all invoices will be through the Chief Finance Officer (S.151)¹. The systems to be operated in this case are described in the 'Finance Manual of Guidance' issued by the Chief Finance Officer.

For schools that have their own bank account, separate arrangements apply for the payment of all invoices. These are set out in the relevant sections of the 'Bank Accounts for Schools Manual of Guidance' issued by the Chief Finance Officer.

Unless schools have entered into an agreement with a third party for the payment of salaries, this will continue to be through the Chief Finance Officer. Certain regulatory functions relating to payroll will continue to be discharged by the Chief Finance Officer even where a third party performs this task.

2.1.4 Control of assets

Each school must maintain an inventory of its moveable non-capital assets above a value of £1,000 and must abide by the Authority's rules on authorisation procedures for disposal of assets. The requirements in respect of this are set out in the 'Finance Manual of Guidance' Section 12 as issued by the Chief Finance Officer with specific guidance for locally managed schools at item 12.3. For items with a value of less than £1,000 schools must keep a register but they are free to determine the form of that record. Schools should also register portable and attractive items, such as electronic tablets.

2.1.5 Accounting Policies (including year-end procedures)

Schools must abide by accounting procedures issued by the Authority for this.

2.1.6 Writing off of debts

A governing body is authorised to write off debts to a maximum of £1,500 per single debt. Above this level it will be required to seek the authorisation of the Chief Finance Officer.

2.2 Basis of accounting

The Authority may specify that reports and accounts furnished by the school to the Authority be on either a cash or accruals basis, and schools must comply with this instruction. However, the Authority will not require that any particular system be used on schools' internal systems, provided the school meets any costs of modification to provide output required by the LA.

¹ Chief Finance Officer relates to the post designated as the statutory section 151 Officer

2.3 Submission of budget plans

Each school maintained by the Authority is required to submit a budget plan to the Authority showing its planned income and expenditure for the current financial year and the assumptions underpinning the budget plan. The budget plan will be in the format to be determined by the Authority and must be approved by the governing body or a committee of the governing body and submitted no earlier than 1st May or later than 31st May. A revised plan, again in a format determined by the Authority must be submitted by 20th December each year.

For its part, the Authority will be required to supply schools with all school income and expenditure data which it holds and considers necessary for efficient planning by schools, and supply schools with an annual statement showing when this information will be available at times through the year.

In setting their budget plans schools are able to take full account of estimated deficits/surpluses at the previous 31 March. Schools should be aware that Plans which show a deficit in any of the three years will require approval of North Lincolnshire Council and that schools who are unable to set a balanced budget over three years may trigger a 'Notice of Concern'.

The form determined by the Authority for submission of budget plans will so far as possible take account of the Consistent Financial Reporting framework and the desirability of compatibility with that.

2.3.1 Submission of Financial Forecasts

The Authority requires schools to submit a three-year financial forecast. Schools will therefore be notified of forecast budget shares beyond the current year. The purpose of the 3 year plan includes giving the LA the means to ensure school are undertaking effective financial planning, effective evaluation of the SFVS and LA balance control.

2.4 School Resource Management

Schools must seek to achieve effective management of resources and value for money, to optimise the use of their resources to maximise pupil outcomes, taking into account the Authority's purchasing, tendering and contracting requirements.

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

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

2.5 Transfer

Schools are permitted to transfer freely between budget headings in the expenditure of their budget shares.

2.6 Audit: General

Schools will operate within an audit regime determined by the Authority as regards internal audit, and the Authority's external audit regime as determined by the Local Audit and Accountability Act 2014, and requires them to co-operate with it. Schools must provide access to the schools' records for both internal and external auditors.

Internal audit arrangements may differentiate between schools that have their own bank account and non- bank account schools. Schools are required to cooperate with these audit arrangements and provide access to the school's records for both internal and external auditors.

2.7 Separate external audits

A school governing body is permitted to spend funds from its budget share to obtain external audit certification of its accounts, separate from any Authority internal or external audit process. This is intended to allow schools to seek an additional source of assurance at their own expense should they feel this is necessary.

2.8 Audit of voluntary and private funds

Schools are required to provide the Authority with audit certificates, completed by a competent person, in respect of voluntary and private funds held by schools and of the accounts of any trading organisations controlled by the school, within six months of the relevant year end.

A school refusing to provide audit certificates to the LA as required by the scheme is in breach of the scheme and the Authority can take action on that basis. Any other requirement as to audit of such funds is a matter for those making the funds available, and any Charity Commission requirements.

2.9 Register of business interests

Each governing body is required to have a register which lists for each member of the governing body and the head teacher

Any business interests they or any member of their immediate family have;

Details of any other educational establishments that they govern;

Any relationships between school staff and members of the governing body;

The register must be kept up to date with notifications of changes and through an annual review of entries. It must be available for inspection at any reasonable time by governors, staff and parents, and the Authority and to publish the register on a publicly accessible website.

2.10 Purchasing, tendering and contracting requirements

Schools are required to abide by the Authority's financial regulations and standing orders in purchasing, tendering and contracting matters. This includes a requirement to assess in advance, where relevant, the health and safety competence of contractors, taking account of the Authority's policies and procedures. However, such rules may not require schools to:

- a. Do anything incompatible with any of the provisions of the scheme, or any statutory provision;
- b. Seek Local Authority officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;

- c. Select suppliers only from an approved list;
- d. Seek fewer than three tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year.

Schools may seek advice on a range of compliant deals via the Buying Guide for Schools

2.11 Application of contracts to schools

Schools have a right to opt out of local Authority arranged contracts.

Additionally, although governing bodies are empowered under paragraph 3 of schedule to the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the LA as maintainer of the school and the owner of the funds in the budget share.

Other contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations – for example, contracts made by aided or foundation schools for the employment of staff.

2.12 Central funds and earmarking

The Authority may make sums available to schools from central funds, in the form of allocations that are additional to and separate from the schools' budget shares. Such allocations will be subject to conditions setting out the purpose or purposes for which the funds may be used. Within these conditions, the Authority may permit a degree of transfer but this will not be to the extent of assimilating the allocations into the school's budget shares. Any earmarked funds not spent in year, or within a period over which schools are allowed to use the funding if different, must be returned to the Authority

The Authority is barred from making any deduction, in respect of interest costs to the Authority, from payments to schools of devolved specific or special grant.

2.13 Spending for the purposes of the school

Under s.50(3) of the Act, governing bodies are allowed to spend budget shares for the purposes of the school. This is subject to regulations made by the Secretary of State and any provisions of the scheme. As well as the various standard provisions LA's may wish to propose their own restrictions on this freedom, arising from local circumstances. The School Budget Shares (Prescribed Purposes)(England)(Amendment) Regulations 2010 allow schools to spend their budgets on pupils who are on the roll of other maintained schools or Academies. In addition s 50(3A) of the Act assume that 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 purpose of the school.

2.14 Capital spending from budget shares

Governing bodies are permitted to use their budget shares to meet the cost of capital expenditure on the school premises. 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.

Any planned capital expenditure from schools budget shares must be notified to the Authority and if the expected capital expenditure from the budget share in one financial year exceeds the figure of £15,000 the governing body must notify the Authority and take into account any advice from Director of Governance & Communities as to the merits of the

proposed expenditure. For any scheme that will take place on premises that are owned by the Authority, or the school has voluntary controlled status, then the governing body should seek the consent of the Authority to the proposed works, via the Council's 'buildings self-help scheme'. Such consent can be withheld only on health and safety grounds.

2.15 Schools Financial Value Standard (SFVS)

All local Authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the SFVS and complete the assessment form on an annual basis. It is for the school to determine at which time in the year they wish to complete the form. However the inclusion of data relating to financial years makes the Summer or Autumn Terms most appropriate.

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

All maintained schools with a delegated budget must submit the assessment form to the local authority before 31 March each year.

2.16 Notice of concern

The Authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Finance Officer (S.151)/Assistant Director Education, 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 local Authority;
- Insisting on regular financial monitoring meetings at the school attended by local Authority officers;
- Requiring a governing body to buy into a local Authority'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.

The school will become eligible for intervention if the Board of Governors is unable to comply or secure compliance with any of the requirements stated in the notice and when the LA has served a second notice on the Board of Governors informing of its intention to exercise its powers of intervention.

The school will remain eligible for intervention for as long as it is unable to demonstrate that it cannot comply with the requirements set out in the notice. In such circumstances the Council will give serious consideration to using any of the following powers:

- Applying to the Secretary of State for Education for the removal of the Board of Governors and its replacement with an Interim Executive Board
- Directing the school to enter into arrangements with a named school(s) to bring about improvements
- The appointment of additional governors
- The withdrawal of the delegated budget.

2.17 Fraud

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets.

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

SECTION 3: INSTALMENTS OF THE BUDGET SHARE; BANKING ARRANGEMENTS

For the purposes of this section, Budget Share includes place-led funding for special schools or pupil referral units.

3.1 Frequency of instalments

Instalments of a school budget share will normally be made available to governing bodies on a termly basis. Budget share instalments will be paid on a monthly basis provided a governing body makes a written request prior to the start of the relevant financial year. Top up payments for pupils with high needs should be made on a monthly basis unless alternative arrangements have been agreed with the provider.

3.2 Proportion of budget share payable at each instalment

The budget share made available to schools at each instalment will be calculated with reference to:

- (a) Whether the instalments are made on a monthly or termly basis,
- (b) Whether the school requests instalments of the full budget share or the payment is requested net of pay costs.
- (c) Patterns of expenditure in previous financial years.
- (d) Schools can opt to receive the budget share net of internal charges from the authority.

3.3 Interest clawback

The Authority will deduct from budget share instalments an amount equal to the estimated interest lost by the Authority in making available the budget share in advance. The basis of the calculation is as follows:

$A \times B \times C \times D$ where

- A is the delegated budget amount advanced to schools for the period.
- B is the interest rate for the period (based on the Bank of England base rate prevailing on the day before the advance was made, less 0.25 of 1 percent)
- C is the proportion of the year covered by the advance
- D is the estimated average daily cash balance held by the school, expressed as a proportion of the advance.

Interest will not be charged on advances to schools of devolved specific or special grants.

3.3.1 Interest on late budget share payments

The Authority will add interest to late payments of budget share instalments, where such late payment is the result of an Authority error. The interest rate to be used will be that used in the clawback calculations (see paragraph 3.3 item B).

3.4 Budget shares for closing schools

Special arrangements will apply to schools for which approval for discontinuation has been secured, irrespective of the basis previously used. The budget share will be made available until closure on a monthly basis net of estimated pay costs.

3.5 Bank and building society accounts

Schools can choose to have their own bank accounts, under the following main terms:

- (a) All schools maintained by the Authority are permitted to have external bank accounts into which their budget share instalments (as determined by other provisions) are paid. Where schools have such accounts they shall be allowed to retain all interest payable on the account unless they choose to have an account within an Authority contract which makes other provision.
- (b) New bank account arrangements can only be made with effect from the beginning of a financial year.
- (c) Schools without bank accounts cannot have one until any deficit balance is cleared.
- (d) Any school requesting a bank account at a later date shall not be able to have one until any deficit is cleared.

- (e) Schools wishing to operate a separate bank account are required to give written notice to the Authority no later 31st January in the preceding financial year.
- (f) Schools can choose to either have the full budget share paid into their bank account or opt to receive budget shares net of estimated pay costs. The net amount will be agreed with the schools, based on their budget plan.
- (g) If a school opens an external bank account the Authority must, if the school desires, transfer immediately to the account an amount agreed by both school and Authority as the estimated surplus balance held by the 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.

3.5.1 Restrictions on accounts

Schools may use banks and building societies for the purpose of receiving budget share payments providing they hold a credit rating of A- or higher. This is consistent with the Authority's Treasury Management Policy; further guidance can be obtained from the Treasury team email <Treasury@northlincs.gov.uk>

Schools are allowed to have accounts for budget share purposes which are in the name of the school rather than the Authority. However, if a school has such an account the account mandate should provide that the Authority is the owner of the funds in the account; that it is entitled to receive statements; and that it can take control of the account if the school's right to a delegated budget is suspended by the Authority.

3.6 Borrowing by schools

IFRS16 ended the distinction between operating and finance leases and in effect, all leases will be classified as finance leases for accounting purposes. The Secretary of State gives consent for the following classes of lease asset

- all existing leases already in place by 1 April 2022 (maintained schools) and 1 September 2022 (academies)
- IT equipment
- telephony
- catering equipment
- furniture
- bathroom/sanitary equipment
- gym equipment
- grounds keeping equipment
- minibuses and other vehicles for the use of the school
- temporary classrooms and equivalent structures

Credit cards must not be used under any circumstances as these are regarded as borrowing.

Procurement cards may be used where available as these cards can be a useful means of facilitating electronic purchase.

Guidance in respect of school banking arrangements can be obtained from <mailto:financeservicedesk@northlincs.gov.uk>

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

4.1 The right to carry forward surplus balances

Schools are permitted to carry forward from one financial 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.

For a school taking a separate bank account from 1st April, any balance to be transferred to that account would be treated as set out in Section 3.5 paragraph g of this document.

The amount of a surplus balance would be shown in the relevant out-turn statement published under s.251 (although there may be commitments against any figure shown in such a statement).

4.2 Controls on Surplus Balances

The Authority will review individual school balances at the end of each financial year. Where a school has built up significant excessive balances that are not committed consideration may be made as to whether re-distribution would benefit provision across North Lincolnshire.

4.3 Interest on surplus balances

The Authority will not pay to individual schools interest on any surplus balances.

4.4 Obligation to carry forward deficit balances

Schools are obliged to carry forward a deficit balance, by providing for deficits to be deducted from the following year's budget share (see also 4.9)

4.5 Planning for deficit budgets

Schools may not plan to have a deficit budget except in the circumstances set out in paragraph 4.9

4.6 Charging of interest on deficit balances

The Authority will not charge interest to individual schools on deficit balances.

4.7 Writing off deficits

The Authority cannot write off the deficit balance of any school.

The Authority may give assistance towards elimination of a deficit balance by allocating 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

Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local Authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes.

Where a school closure does not result in a replacement establishment any remaining balance (surplus or deficit) will revert to the Local Authority DSG reserve or High Needs reserve as appropriate.

4.9 Licensed deficits

The Authority may permit schools to plan for a deficit budget in one financial year. The approval of the Chief Finance Officer must be received.

Such an arrangement is normally funded by the collective surplus of school balances held by the Authority on behalf of schools (although it is open to an Authority with no such surplus to make alternative arrangements if it can do so within the relevant local Authority finance legislation). The following conditions apply:

- a. The application for a licensed deficit budget must be made on a form approved by the Authority not later than 31st May for the current financial year and beyond.
- b. The application must have been approved at a meeting of the school full governing body.
- c. Licensed deficit budget applications will be considered only where there is a temporary projected fall in pupil numbers which will be recovered in future years, or there has been a staff restructuring which will produce greater savings in years two and three. In the case of pupil number fluctuations, information on future trends should be submitted with the application. Applications resulting from any other circumstance will be considered on a case by case basis by the Chief Finance Officer.
- d. The maximum length over which schools may repay the deficit (i.e. reach at least a zero balance), must not exceed three years. In exceptional circumstances this may be agreed over a longer period.
- e. The maximum size of licensed deficits which will be considered for any school will be determined at the discretion of the Chief Finance Officer.
- f. The maximum proportion of the collective balances held by the Authority, which will be used to back deficit arrangements, will not exceed 50%.
- g. the approval of the Chief Finance Officer must be received in agreeing any arrangements for individual schools and the Assistant Director Education notified of any such approvals.

Further information on licensed deficits can be found in appendix D, Licensed Deficit Recovery Procedures

4.10 Loan schemes

The Authority may give consideration to an application by a school for a form of loan arrangement which does not operate by way of a licensed deficit but rather by way of actual payments to the school or expenditure by the Authority in respect of a particular school on condition that a corresponding sum is repaid from the schools budget share.

If such an arrangement is made the same parameters as appear in the scheme as listed at 4.9 above for licensed deficits will apply.

Loans can only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans cannot be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income.

4.10.1 Credit Union Approach

Schools may wish to group together to utilise externally held balances for a credit union approach to loans. Such a scheme would require audit certification if the Authority does not act as the administrator.

SECTION 5: INCOME

5.1 Income from lettings

Schools are allowed to retain income from lettings of the school premises which would otherwise accrue to the Authority, subject to alternative provisions arising from any joint use. Schools are allowed to cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share. However, schools are required to have regard to directions issued by the Authority as to the use of school premises, as permitted under the School Standards and Framework Act 1998 for various categories of schools, when considering all lettings.

Income from lettings of school premises should not normally be paid into voluntary or private funds held by the school. However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.

5.2 Income from fees and charges

Schools are allowed to retain income from fees and charges except where a service is provided by the Authority from centrally retained funds. However, schools should be required to have regard to any policy statements on charging produced by the Authority.

5.3 Income from fund-raising activities

Schools are allowed to retain income from fund-raising activities.

5.4 Income from the sale of assets

Schools are allowed to retain the proceeds of sale of assets except in cases where a) the asset was purchased with non-delegated funds (in which case it should be for the Authority to decide whether the school should retain the proceeds), or

b) the asset concerned is land or buildings forming part of the school premises and is owned by the Authority.

5.5 Administrative procedures for the collection of income

Guidance on the procedures that schools should use when collecting income that accrues to the Authority (e.g. where a school has contracted with the council meals service), covering matters such as charging policies and VAT, is given in the 'Finance Manual of Guidance', issued by the Chief Finance Officer.

5.6 Purposes for which income may be used

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

SECTION 6: THE CHARGING OF SCHOOL BUDGET SHARES

6.1 General provision

There are specific circumstances in which the Authority may make a charge on the budget share of a school without the consent of the governing body. The Authority must first consult a school as to the intention to make such a charge, and notify the school when this has been done. The circumstances in which such a charge can be made are set out in paragraph 6.2 below.

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 The Authority is required to charge 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 retirement costs have been incurred without the prior written agreement of the Authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the Authority);

6.2.2 Other expenditure incurred to secure resignations where there is good reason to charge this to the school (see Annex B);

6.2.3 Awards by courts and industrial tribunals against the Authority, or out of court settlements, arising from action or inaction by the governing body contrary to the Authority's advice

6.2.4 Expenditure by the Authority in carrying out health and safety work or capital expenditure for which the 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 Authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the Authority or the school has voluntary controlled status.

- 6.2.6 Expenditure incurred by the 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 Authority;
- 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 Authority;
- 6.2.8 Recovery of penalties imposed on the Authority by the Contributions Agency, HM Revenue and Customs, Teachers Pensions, Environment Agency or regulatory authorities as a result of school negligence.
- 6.2.9 Correction of Authority errors in calculating charges to a budget share (eg pension deductions)
- 6.2.10 Additional transport costs incurred by the Authority arising from decisions by the governing body on the length of the school day, and failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
- 6.2.11 Legal costs which the Authority incurs because the governing body did not accept the advice of the Authority (see also section 11).
- 6.2.12 Costs of necessary health and safety training for staff employed by the Authority, 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 Cost of work done in respect of teacher pension remittance and records for schools using non-Authority 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 an Education, Health and Care Plan (EHCP) where the governing body of a school fails to secure such provision despite the delegation of funds in respect of low cost high incidence SEN and/or specific funding for a pupil with High Needs;
- 6.2.16 Costs incurred by the 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 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 arrangements, for example where this has funded staff providing services across a cluster.

SECTION 7: TAXATION

7.1 VALUE ADDED TAX

The Authority is registered with HM Revenue and Customs and Excise for the purpose of Value Added Tax. Schools are able to utilise the Authority's ability to reclaim VAT on expenditure relating to non-business activity, and all monies so reclaimed will be available to schools.

In summary, the arrangements for schools to reclaim VAT on non-business activity are as follows:

(a) When using the system for paying invoices provided by the Chief Finance Officer (CFO) a school should complete the certification slip, as instructed in the 'Finance Manual of Guidance', so as to separately identify the net value of the invoice and the VAT. This will ensure that only the net cost of the purchase is shown on the schools accounting record. In this way the school benefits from the Authority's VAT registration.

(b) Where the invoice payment facility of the Chief Finance Officer is not used (e.g. if there is a separate bank account) and the schools pay invoices directly to the creditor, records of payment must be kept in a format approved by the CFO. It may also be necessary to provide copy or original invoices to the CFO. The VAT on non-business expenditure will then be claimed back from H.M. Customs and Excise and repaid to the school on a monthly basis. Details of procedures for schools with a separate bank account are given in the 'Schools Bank Account Manual of Guidance'.

7.2 CIS (Construction Industry Scheme)

Schools are required to abide by procedures issued by the Authority in connection with CIS. These procedures are set out in section 4.14 of the 'Finance Manual of Guidance'

SECTION 8: THE PROVISION OF SERVICES AND FACILITIES BY THE AUTHORITY

8.1 Provision of services from centrally retained budgets

The Authority will determine the basis on which services from centrally retained funds (including existing PRC and redundancy payments approved by the Authority) will be provided to schools.

In determining this basis, the Authority will not discriminate in its provision of services on the basis of categories of schools except where this would be permitted under the Schools and Early Years Finance Regulations or the dedicated schools grant (DSG) conditions of grant.

8.2 Provision of services bought back from the Authority using delegated budgets

The term of any arrangement with a school starting on or after 1 April 1999 to buy services or facilities from the Authority will be limited to a maximum of three years from the date of the agreement, and periods not exceeding five years for any subsequent agreement relating to the same services. However, schemes may contain an extension to five and seven years respectively for contracts for supply of catering services.

When a service is provided for which expenditure is not retainable centrally by the Authority under the Regulations made under section 45A 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 differentially.

8.2.1 Packaging

Where the Authority offers to provide services on a buyback basis, in relation to services for which funding has been delegated, it is a requirement that any service offered by the Authority is done so 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

Service level agreements need to be agreed between schools and the Authority by 1st March for the following financial year. Schools will have at least one calendar month to consider the terms of agreements.

8.3.1 Where the Authority provides services under a service level agreement - whether free or on a buyback basis - the terms of any such agreement starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that time. The Authority is able to specify, for a particular SLA, a deadline by which the agreement is in place if the service is to be effective for the following year.

8.3.2 Where appropriate to the service, an SLA will offer provision on an ad hoc basis as well as extended agreement, lasting twelve months or longer

The price of an SLA must generate income that is no less than the cost of providing those services.

8.3.3 Centrally arranged premises and liability insurance are specifically excluded from these requirements as to service supply, as the limitations envisaged may be impracticable for insurance purposes.

8.4 Teachers' Pensions

Governing bodies of schools, which provide payroll services, should submit a monthly return of salary and service to the authority. Governing bodies must also ensure that details of Additional Voluntary Contributions (AVCs) are passed to the Authority within the time limit showed in the AVC scheme.

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.

SECTION 9: PRIVATE FINANCE INITIATIVE and PRIVATE PUBLIC PARTNERSHIPS

Where all or part of a school's facilities have been provided under a Private Finance Initiative (PFI) agreement, the governing body will be required to act in accordance with the terms of that agreement. In order that a governing body can properly comply with this requirement, the terms of a PFI agreement will be agreed with the governing body before the contract is entered into.

The Authority has the power to charge to the school's budget share amounts agreed under a PFI/PPP agreement entered into by the governing body of a school.

This provision also relates to the contracts entered into as part of the Building Schools for the Future agreements, which governing bodies have entered in to.

SECTION 10: INSURANCE

10.1 Insurance cover

All schools have funds for premises and liability insurance included within their delegated budget. Where a school proposes to make their own arrangements for such services, the authority will require the school to demonstrate that cover relevant to the authority's insurable interests, under a policy arranged by the governing body, which must have this authority as joint names with the school, is at least as good as the relevant minimum cover determined by the authority, and is secured through an insurance company, of suitable repute and financial standing. The required cover will have regard to the actual risks which might reasonably be expected to arise at the school in question in operating such a requirement, rather than applying an arbitrary minimum level of cover for all schools.

The evidence required to demonstrate the parity of cover will be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier.

This must be provided before the beginning of February prior to the commencement of each financial year in question. Where this is not provided, the authority will arrange for suitable cover and charge the delegated budget actual costs, including administration.

Details of relevant requirements are available on request from the Director of Governance & Communities.

Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA when any insurance contract of which they are part expires.

All primary and/or secondary maintained schools may join the RPA collectively by agreeing through the Schools Forum to de-delegate funding.

(see also 6.2.6)

SECTION 11: MISCELLANEOUS

11.1 Right of access to information

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

11.2 Liability of governors

In view of the fact that the governing body of a maintained school 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 following provision will apply to governors' expenses.

- (a) The Authority may, if it wishes, delegate to the governing body of a school yet to receive a delegated budget, funds to meet governor's expenses.
- (b) Under section 50(5) of the Act, only allowances in respect of purposes specified in regulations under section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. The payment of any other allowances is forbidden. The amount of the allowances will be set by the Authority
- (c) Schools are forbidden to pay 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

The cost of legal costs incurred by the governing body, including any costs awarded against the Authority, although the responsibility of the Authority as part of the cost of maintaining the school unless they relate to the statutory responsibility of aided school governors for

buildings, may be charged to the school's budget share unless the governing body acts in accordance with the advice of the Authority.

In seeking legal advice, the governing body's first point of contact may be the legal staff employed by the Authority, although it is open for any other source of legal advice to be approached directly. Where the Authority's legal staff feel that there is a potential conflict of interest between the school and the Authority, or where the school considers that it would be in its best interests to do so, independent legal advice should be obtained. This will always be in the case where the school governing body is considering legal action against the Authority. In such circumstances where the school is not acting in accordance with the advice of the Authority, the cost of external legal advice will be met from the school's budget share.

11.5 Health and Safety

Governing bodies, in expending the school's budget share, are required to have due regard to duties placed on the 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 Director of Governance & Communities

Governing bodies are required to permit the Chief Finance Officer or any officer of the Authority nominated by the CFO, to attend meetings of the governing body at which any agenda items are relevant to the exercise of her or his responsibilities. Prior notice of such attendance will be given unless it is impracticable.

11.7 Special Educational Needs

Schools are required to use their best endeavours in spending their budget share to make suitable provision for pupils with special educational needs for whom funding has been delegated.

11.8 Interest on late payments

Schools are reminded that in accordance with the Late Payment of Commercial Debt (Interest) Act 1998, small businesses are able to claim interest on invoices that are paid late.

Schools need to have arrangements in place to ensure that invoices can be paid within the payment terms during the school holidays.

11.9 'Whistle blowing'

The Whistle blowers Charter is part of the Anti-Fraud, Theft and Corruption Strategy adopted by North Lincolnshire Council and is shown at Annex C. The policy set out the procedure to be followed by persons working at a school or school governors who wish to complain about financial management or financial propriety at the school, and how such complaints will be dealt with.

11.10 Child Protection

Schools are reminded of the need to release staff to attend child protection case conferences and other related events. The cost of cover in such cases is included in schools' delegated funding.

11.11 Redundancy/early retirement costs

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. Further guidance is provided at Annex B.

SECTION 12: RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

12.1 Schools are responsible for carrying out and funding revenue repairs and maintenance to schools. Capital Expenditure should be met primarily from Devolved Formula Capital Funds in line with asset management priorities. The Authority will work in partnership with schools to deliver major capital projects. Expenditure is treated as capital only if it fits the definition of capital used by the local Authority for financial accounting purposes in line with the CIPFA Code of Practice on Local Authority Accounting and the Council's Capitalisation Policy. The Authority does operate a de minimis limit of £10,000 in its definition of capital expenditure. This limit may be waived for capital expenditure in schools subject to meeting the capital definition.

12.2 Responsibilities for voluntary aided governors have responsibility for repairs and maintenance to their school on the same basis as Community and Foundation schools. Eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the de minimis limit applied by DFE to categorise such work, not the de minimis limit used by the Authority.

SECTION 13 COMMUNITY FACILITIES

Introduction

13.1 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.

13.2 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. 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 and community learning.

13.3 With effect from April 2011, schools expenditure 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.

13.4 Mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget.

Consultation with the LA – financial aspects

There is no longer a requirement for schools to consult the LA when establishing community facilities under Section 27 of the Education Act 2002. Nor do schools need to have regard to advice given to them by the authority.

However, as public bodies, schools are expected to act reasonably, and this includes consulting those affected by decisions that they make.

13.5 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 supplying funding and taking part on the provision. A very wide range of bodies and organisations are potentially involved.

13.6 The Authority will require in relation to funding agreements with third parties (as opposed to funding agreements with the Authority itself) that any such proposed agreement should be submitted to the Authority for its comments and may impose a time requirement for doing so to give the Authority adequate notice. However, the Authority will not have a right of veto on such agreements, either directly or through requiring a right to countersign the agreement. If the third party requires Authority consent to the agreement for it to proceed, such a requirement and the method by which Authority consent is to be signified is a matter for that third party.

Other prohibitions, restrictions and limitations

13.7 The Authority may require that in a specific instance of use of the community facilities power by a governing body, the governing body concerned shall make arrangements to protect the financial interests of the Authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question, as specified by the Authority.

13.8 Section 28 provides that the exercise of the community facilities power is subject to prohibitions, restrictions and limitations in the scheme for financing schools. The Authority may if it wishes propose other scheme provisions of that nature which they believe necessary. In considering whether to approve any such provisions for inclusion in the Authority's scheme, the Secretary of State will adopt as her principal criterion that restrictions should only be in existence if they are necessary to safeguard the financial position of the Authority or school, or to protect pupil welfare or education.

Supply of financial information

13.9 Schools which exercise the community facilities power will be required to 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.

13.10 The Authority, on giving notice to the school that it believes there to be cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power, to require such financial statements to be supplied every three months and, if the Authority sees fit, to require the submission of a recovery plan for the activity in question.

Audit

13.11 The school will be required to grant access to the school's records connected with exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure.

13.12 Schools in concluding funding agreements with other persons pursuant to the exercise of the community facilities power, should 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

13.13 Schools are allowed to retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that is the Authority or some other person.

13.14 The school will be allowed to carry such retained net income over 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, transfer all or part of it to the budget share balance.

13.15 If the school is a community or community special school, and the Authority ceases to maintain the school, any accumulated retained income obtained from exercise of the community facilities power reverts to the Authority unless otherwise agreed with a funding provider.

Health and safety matters

13.16 Any health and safety provisions of the main scheme also extend to the community facilities power.

13.17 The governing body has responsibility for the costs of securing Disclosure Barring Service clearance for all adults involved in community activities taking place during the school day. Governing bodies would be free to pass on such costs to a funding partner as part of an agreement with that partner.

Insurance

13.18 It is the responsibility of the governing body to ensure adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. Such insurance should not be funded from the school budget share. The scheme may require that the school seek the Authority's advice before finalising any insurance arrangement for community facilities.

13.19 The Authority has the power to undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the school's budget share.

Taxation

13.20 Schools should seek the advice of the Authority and the local VAT office on any issues relating to the possible imposition of Value Added Tax on expenditure in connection with community facilities; including the use of the local Authority VAT reclaim facility.

13.21 Schools are reminded that if any member of staff employed by the school or Authority in connection with community facilities at the school is paid from funds held in a 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.

13.22 Schools are required to follow Authority advice in relation to the Construction Industry Scheme where this is relevant to the exercise of the community facilities power.

Banking

13.23 The school is required to either maintain separate bank accounts for budget share and community facilities, or has one account but with adequate internal accounting controls to maintain separation of funds. Alternatively the scheme may provide, but cannot require, that the school utilises LA banking arrangements which would permit adequate separation of such funds from the school budget share and other Authority funds.

13.24 The banks which may be used, signing of cheques, the titles of bank accounts, the contents of bank account mandates, and similar matters should mirror those in the main part of the scheme, except that a provision requiring that a mandate show the Authority as owner of the funds in the account should exempt the community facilities funds from that if they are in the same account as the budget share.

13.25 Schools may not borrow money without the written consent of the Secretary of State. This requirement does not extend to monies lent to schools by their maintaining Authority.

ANNEX A

Schools and Pupil Referral Units maintained by the North Lincolnshire Council as at 1 September 2020 to which the scheme applies

Key:

CS = Council School

VA(CE) = Voluntary Aided (Church of England) School

VA(RC) = Voluntary Aided (Roman Catholic) School

VC = Voluntary Controlled

VC(CE) = Voluntary Controlled (Church of England) School

VC(CE/M) = Voluntary Controlled (Church of England and Methodist) School

F = Federated

Primary Schools

Alkborough CS

Althorpe and Keadby CS

Castledyke CS F

Barton St Peter's CE VC(CE)

Belton All Saints CE VC(CE) F

Berkeley CS

Bowmandale CS

Brigg CS

Burton Stather CS

Crosby CS

East Halton CS F

Eastoft CE VA(CE) F

Goxhill CS F

Gunness & Burringham CE VC(CE)

Haxey CE VC(CE) F

Holme Valley CS

John Harrison CE VC(CE)

Killingholme CS

Kirmington St Helena's VC(CE) F

Kirton Lindsey CS

Lincoln Gardens CS
 Luddington & Garthorpe CS F
 Messingham CS
 New Holland CE/Methodist VC(CE/M) F
 Oakfield CS
 Priory Lane Community Primary CS
 Scunthorpe CE VC(CE)
 South Ferriby CS F
 St Barnabas CE VC(CE) F
 St Martin's CE VA(CE) F
 St Peter & St Pauls CE CS
 The Grange Primary CS
 West Butterwick VC(CE) F
 Westcliffe CS
 Winterringham CS F
 Wootton CE VA(CE)
 Wroot Travis VC(CE) F

Junior Schools

Bottesford CS
 Leys Farm CS
 Lincoln Gardens CS
 Winterton CS F

Infant Schools

Bottesford CS
 Bushfield Road CS
 Enderby Road CS
 Frodingham CS
 Winterton CE CS F

Secondary Schools

Baysgarth CS F
 Frederick Gough CS
 Sir John Nelthorpe VC

Special Schools

St Hugh's CS

St Luke's CS

PRU's

None.

ANNEX B**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 Schools Budget does not have capacity to absorb the deficit
- Where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale
- Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of local Authority or government intervention to improve standards

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

The local Authority can retain a central budget within the schools budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the Schools Forum agree.

It is important that the 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, or set up a panel to adjudicate on applications.

A de-delegated contingency could be provided, if Schools Forum agree, to support individual schools where "a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the schools 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 condition in subsection 7(B) is met.

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

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

Annex C

Reporting a Concern (Whistleblowing)

1.0 Introduction

1.1 North Lincolnshire Council is committed to running the organisation with accountability and transparency.

1.2 Employees are often the first to realise there is something wrong within the organisation, but may worry that by raising a concern they are being disloyal to their colleagues or the council, or that they might not be taken seriously. They may also fear harassment or victimisation if they speak out.

1.3 This policy aims to enable employees to raise concerns about malpractice or wrongdoing and to reassure them that it is safe and acceptable to do so. It encourages them to raise concerns at an early stage and supports them with the process.

1.4 We will not tolerate the harassment or victimisation of anyone raising a genuine concern, and disciplinary action may be taken if this arises.

2.0 Legal framework

2.1 If an employee brings information about a wrongdoing to their employer, or another relevant organisation, this is commonly referred to as 'blowing the whistle'.

2.2 The Public Disclosure Act 1998 gives protection to whistleblowers, to enable people to speak out if they believe there is malpractice within an organisation. Blowing the whistle is more formally known as 'making a disclosure in the public interest'.

2.3 The Act makes it unlawful to victimise, harass or treat someone unfairly because they have blown the whistle.

3.0 What to report

3.1 Disclosures which are protected under the Act are disclosures of information which are in the public interest: this usually means that they affect other people. A disclosure should be made in good faith, where you genuinely believe that one or more of the following is either happening, has happened, or is likely to happen in the future:

- A criminal offence e.g. fraud, abuse of clients, unlawful discrimination;
- Financial misconduct
- the breach of a legal obligation;
- a miscarriage of justice;
- a danger to the health and safety of any individual;
- risk or damage to the environment;
- an attempt to cover up any of the above.

3.2 Unless the concern you have is covered by another council policy, this policy may also be used to report something that:

- Makes you feel uncomfortable compared to the standards you believe the council subscribes to;
- is against the council's constitution;
- falls below established standards of practice;
- amounts to improper conduct.

3.3 If you have a concern relating to your own personal circumstances at work, you should refer to C.4 Dignity at Work or C.5 Grievance in the HR Manual as appropriate.

4.0 How to report a concern

Safeguarding concerns – children and young people

4.1 If you have a concern regarding the safety of child or young person, then you should make immediate contact with the child protection team on 01724 296500/296555 (available 24 hours).

Safeguarding concerns – adults at risk

4.2 If your concern relates to abuse or neglect of an adult, you should contact the Safeguarding Adults Team on 01724 297000 or by email at safeguardingadults@northlincs.gov.uk

All other concerns

4.4 You may raise a concern either verbally, or in writing. If you are making a written report, you may find it helpful to use the following format:

- The background and history of the issue (giving any relevant dates where possible);
- the reason why you are particularly concerned about the situation;
- any details that show there are reasonable grounds for your concern.

Stage one

4.4 You should initially raise the issue with your immediate manager. Your manager should be responsive to your concerns and take them seriously. They will encourage you to talk openly and will treat the issue in confidence, unless legally they must do otherwise (e.g. if a crime has been committed). Your manager will inform you if they are obliged to report the issue to a third party. Managers can seek support in dealing with concerns raised through the contacts outlined at paragraphs 4.5, 7.0 and 8.0.

Stage two

4.5 If you feel unable to approach your manager, or if you feel that your concern has not been dealt with satisfactorily, you may prefer to speak to one of the council's senior officers who specialise in dealing with whistleblowing cases. You can contact the Head of Legal and Democracy on 01724 296204 or the Head of Audit and Assurance on 01472 323799.

5.0 How the council will respond

5.1 Within ten working days of a concern being raised, the matter will be assessed and the person to whom you reported it will write to you:

- Acknowledging that the concern has been received;
- indicating how the council proposes to deal with the matter;
- telling you whether any initial enquiries have been made;
- giving an estimate of how long it will take to provide a final response and;
- supplying you with information on the support available to you.

Note: If you report a concern anonymously, while the council will still respond to this appropriately, direct feedback on the progress of the case cannot be given. See section 6.0 for more information.

5.2 If the concern you have raised falls under a different policy or procedure you will be informed at this stage.

5.3 The action to be taken will depend on the concerns raised, but may include an informal review or a more formal investigation.

5.4 As part of any investigation, you may be invited to attend a meeting to discuss your concern in more detail. If so, you may wish to be supported by a trade union representative or another council worker.

5.5 Wherever possible, you will be given feedback on the outcome of any investigation, but precise details on action taken may not be disclosed where there is a duty of confidentiality to another person. Any feedback will be within the provisions of the General Data Protection Regulation 2018.

5.6 If you are not satisfied with the council's response, you are entitled to take your concern to an appropriate external organisation. The details of some relevant contacts are given at section 8.0.

Untrue allegations

5.6 No action will be taken against you if you have raised a concern in good faith. However, allegations which are found to be malicious or vexatious may result in disciplinary action being taken.

6.0 Anonymity and confidentiality

6.1 The council would like you to put your name to any concerns you report. Your concerns will be treated confidentially when requested and every effort will be made to conduct any investigation so as not to disclose your identity, if you so wish. Being a witness is not always easy, but your participation will be valued and you will be fully supported throughout the process.

6.2 Anonymous concerns will be evaluated and will be investigated where possible, but they may be more difficult to substantiate where the council is limited in its ability to follow up on the reported information. A decision will be made on the most appropriate way to deal with anonymous concerns based on:

- The seriousness of the issues raised;
- the credibility of the concern;
- the likelihood of verifying the concerns through other sources.

7.0 Support

7.1 If you require advice or support during any stage of this process, you can contact your trade union representative. Contact details for each trade union are available on TOP Desk.

7.2 Support is also available through the council's Confidential Staff Welfare and Counselling Service.

7.3 Protect, the independent whistleblowing charity, offers free, confidential practical and legal advice. If you are unsure whether it is appropriate to use this policy or want advice at any stage, you can contact them by telephone on 020 7404 6609, or email whistle@protect-advice.org.uk.

8.0 External contacts

8.1 The council hopes this policy will give you the necessary confidence and assurance to raise any concerns internally. However we recognise that there may be certain circumstances in which you do not feel this is possible; we would rather you raise a concern with the appropriate regulatory body than not at all. Details of relevant external organisations can be found at: <https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2>.

8.2 Other external organisations which may be able to offer assistance with you raising a concern are as follows:

- Your local councillor. If you live within the North Lincolnshire Council boundary, your local councillor can be contacted;
- a professional association. If you are a member of a professional association you may ask them to raise a matter on your behalf;
- the police - suspicions of fraud or corruption may be reported directly to the police;
- the National Audit Office;
- the council's external auditors, Mazars (there is a dedicated whistleblowing hotline);
- a Citizens Advice Bureau.

Annex D

Deficit Budget Procedures

Introduction

This annex sets out what is expected of schools to meet the requirements of the Scheme for Financing Schools in respect of schools which are identified as having a potential revenue deficit during the course of the financial year or have a deficit revenue budget at the year-end. The requirements of the Scheme are set out in section 4 of the Scheme, the main points of which are:

- ☐ Schools are required to carry forward deficit balances
- ☐ Schools are not allowed to plan for a deficit budget
- ☐ In certain circumstances schools are required to submit a recovery plan

Scrutiny of School Budgets

LA finance staff aim to identify schools that are at risk of having a potential deficit and use various factors in determining such schools.

Upon receipt of the Schools Three Year Budget Plan, LA finance staff will carry out a range of checks on the schools planned income and expenditure which are designed to identify any obvious errors or omissions and to ensure the budget is reasonable and achievable. The checks result in:

- ☐ Acceptance of the budget or
- ☐ Clarification of queries and/or amendment of the budget

If a school is unable to substantiate or explain elements of its budget that have been queried then the LA has right to reject the school's budget plan if it feels it is unreasonable or unachievable.

All schools are expected to monitor their actual income and expenditure against budget. Through regular budget monitoring and control schools are expected to identify at an early stage any potential variance between actual and budgeted expenditure. However, for schools that are identified as having a potential deficit, the school's own budget monitoring is supplemented by monitoring by LA finance staff.

The reasons for this include:

- ☐ Authority for spending decisions has been delegated to the school's Governing Body but it is the LA, thro, where statutory responsibility lies for all the financial affairs of the Council (including maintained schools)
- ☐ A budget deficit could impact on the future educational standards of the school. Even if a school is deemed to be excellent through its results it cannot be given an outstanding judgement if it has a deficit budget.

Depending on the outcome of this budget scrutiny, LA finance staff may write to the school to raise concerns about the school's financial position, recommend action or to request

further information. Such a letter will be clear about the action and response required from the school.

If the requested response / action is not forthcoming then LA finance staff may inform the Assistant Director of Education of concerns about leadership and governance.

It is important that action is taken to prevent a significant deficit, which will hinder the school's development, and the procedures are set out below.

Scheme Requirements – Schools which have a deficit at the year-end (short term)

Schools with a revenue deficit in excess of 2% of their budget share at the end of any one year, or a revenue deficit in excess of 1% of their budget shares in two successive years, measured as at 31 March are required to submit an action plan along with their 3 year budget plan showing recovery within one year. This will be reviewed by LA Finance Staff and agreed by the Strategic Lead (Finance).

The action plan must include details of

- savings, efficiency gains and/or increases in income with implementation dates
- a breakdown of income budgets with sources of income and timetable for the collection of income
- the school's management procedures for authorising expenditure and its financial monitoring and control system

Scheme Requirements – Licensed Deficits (long term)

Schools may not generally plan for a deficit budget. In exceptional circumstances, a deficit revenue budget may be permitted, which must have the written approval of the Chief Finance Officer (CFO) and the Assistant Director Education and conform to the following terms and conditions:

- the maximum period of deficit budgets to be 3 years; although in exceptional circumstances this may be extended to 5 years;
- the purpose of the agreed deficit must be to avert or reduce the need for redundancies or other budgetary saving in the short term that are not required to produce a balanced budget over a longer period;
- the maximum size of any agreed deficit will be 25% of a secondary or 20% of a primary or special school's budget in the year of application;
- a recovery plan being agreed with the CFO and the Assistant Director Education, which must include details of:
 - savings, efficiency gains (taking into consideration any risks attached) and/or increases in income with implementation dates,
 - a breakdown of income budgets with sources of income and timetable for the collection of income,
 - the school's management procedures for authorising expenditure and its financial monitoring and control system
 - details of benchmarking information with comparisons and explanations to support the recovery plan

- Where a staffing restructure is to take place full details of the current staffing establishment and the proposed establishment must be included with detailed costings. Schools should work with the LA's HR Service to ensure that their proposed savings can be met and that reduction/reallocation procedures are followed.
- Any approved licensed deficit must balance within the defined period.
- Where the recovery of the deficit is likely to impact on teaching standards, the school should also liaise closely with the LA's Standards and Effectiveness Team
- The plan must include sufficient detail for LA officers to understand the proposals and be confident that they will be realised, supporting documents/statements will assist the explanation.

Examples might be:

- □ Details of staff turnover and/or age profile of existing staff.
- □ Additional income from increased pupil numbers, supported by trends data, housing development within catchment area, etc.

Where there are delays in producing a recovery plan, the Chair of Governors and Head Teacher will be required to meet with LA Finance to explain the reasons for the delay and for actions to be agreed.

Authorisation of Licensed Deficits

The Assistant Director Education must be satisfied that the school's staffing establishment is appropriate to the size and nature of the school and that the agreed deficit and recovery plan will enable the school to maintain standards;

The Chief Finance Officer (S.151) must be satisfied as to the soundness of the school's financial management and its ability to meet the reduction of deficit schedule.

The total amount of deficits outstanding must not exceed 50% of the total collective schools balances at the beginning of the financial year

The recovery plan will be scrutinised by LA Finance who will liaise with the school, and the school HR Business Partner and the Standards and Effectiveness Service as required to resolve any queries or concerns they may have.

Once the above scrutiny process has been completed, the recovery plan will be presented to the Director of Governance & Communities (delegated to the CFO) who will formally authorise the licensed deficit, subject to any further queries which might arise. This process should normally be complete within one month of receipt of the recovery plan –any delay will be notified to the school.

The school will be notified of the decision in writing which will include any terms and conditions attached to the authorisation which will include:

- 1) The maximum deficit allowed for each year covered by the authorisation;
- 2) The period covered by the authorisation;
- 3) The monitoring and reporting requirements; and

- 4) Measures which may be taken if the school fails to adhere to the agreed plan or the terms and conditions.

Monitoring and Reporting

The head teacher, members of the senior leadership team and school governors are all responsible for monitoring and reviewing the recovery plan. It is a requirement for schools to have monitoring of the recovery plan as a standing agenda item for the Finance Committee and to submit a copy of all finance committee minutes to the LA Finance Team. Schools are expected to honour any commitments regarding monitoring procedures given in their application for a Licensed Deficit.

All schools with a licensed deficit will be required to submit a quarterly monitoring report to LA Finance by the 20th of the following month during the period covered by the licensed deficit to demonstrate current and forecast expenditure. The forecast information should clearly state further actions agreed to mitigate non achievement of recovery plan financial milestones.

The monitoring reports will be scrutinised by the LA Finance team who will raise any concerns directly with the Chair of Governors or Headteacher in the first instance and meet with the school to resolve any issues.

Local Authority Intervention

As an interim step, and in order to prevent the necessity of using the local authority's statutory powers, a pre-warning notice can be issued to governors where the local authority has significant concerns about the financial viability or effective management of a school's budget.

Local Authority intervention will apply where:

- The school is persistently in breach of the Scheme for Financing Schools
- The school will not set a balanced budget
- The school will not engage in the licensed deficit process
- The deficit is worsening and no action is being taken by the school
- There is evidence of financial mismanagement by the school

Intervention will escalate through four levels. It is envisaged that deficit schools will engage with the LA well before the need for intervention as this process is the ultimate sanction for the protection of public monies and the overall resource for all schools.

The levels of intervention are:

1. Financial Review Meeting and first warning notice
2. Referral to Education Standards Board
3. Formal Notice of Concern – Warning Notice
4. Suspension of delegated financial powers

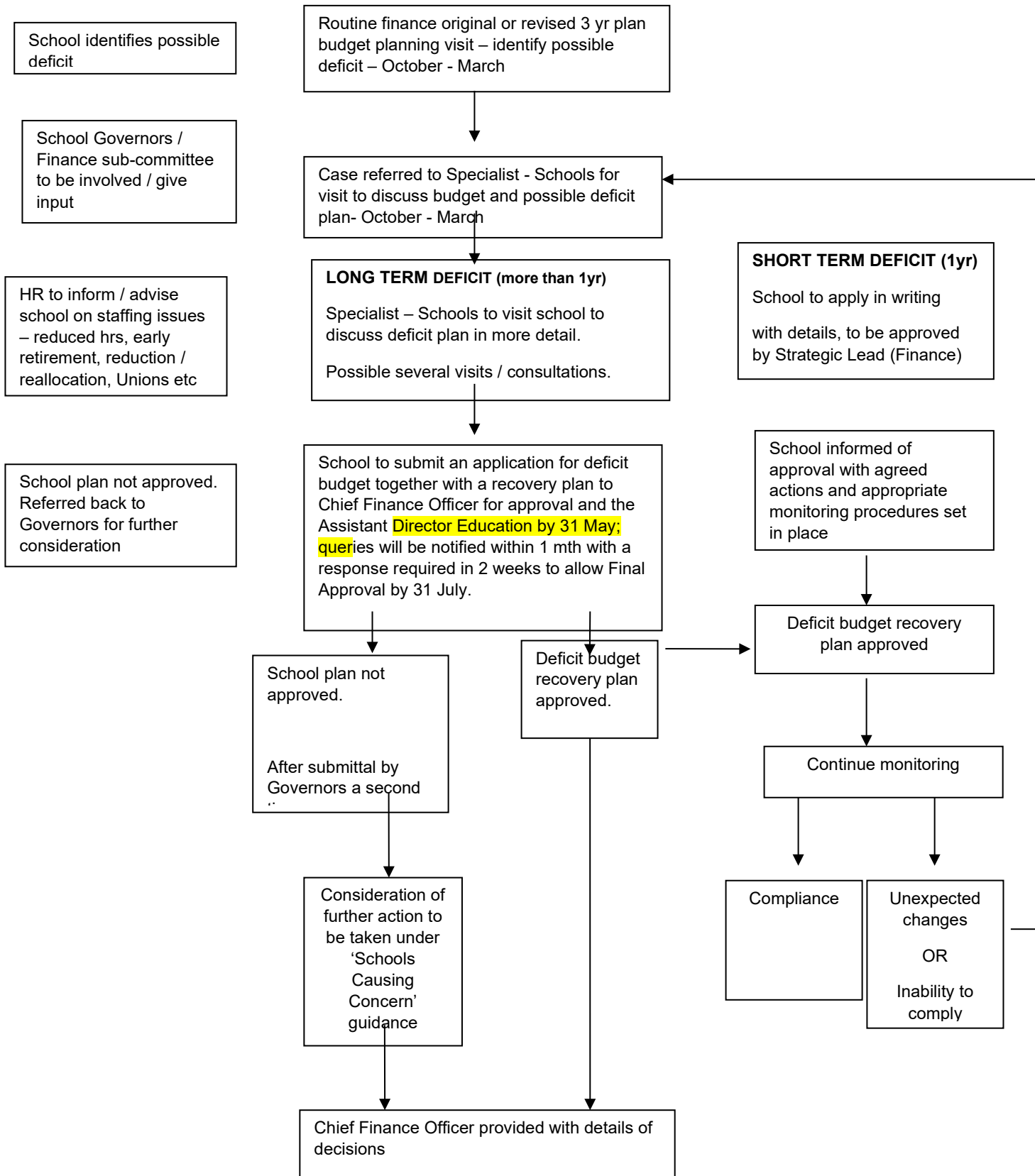
Further Advice

Further support and advice is available from:

Specialist - Schools Jayne Standing <mailto:Jayne.Standing@northlincs.gov.uk>

Strategic Lead (Finance) Tracy Elliott <mailto:Tracy.Elliott@northlincs.gov.uk>

DEFICIT BUDGET PROCEDURES FLOW CHART



NORTH LINCOLNSHIRE COUNCIL

SCHOOLS FORUM

SEND BANDING REVIEW FOR EDUCATION HEALTH AND CARE PLANS

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 This report provides Schools Forum with the current position in respect of the proposed Banding Review for Schools.

2. BACKGROUND INFORMATION

2.1 Introduction and Context

Funding for North Lincolnshire education providers comes in four parts;

- The Early Years Block which funds the free entitlement to nursery education for 3 and 4 year olds and some 2 year olds.
- The Schools Block which funds mainstream schools (and indirectly academies)
- The Central Schools Service Block which provides funding for the local authority to carry out central functions on behalf of pupils in state-funded maintained schools and academies
- The High Needs Block which supports all pupils with needs that cost in excess of £10,000. This is all pupils in special schools, alternative provision and the top ups for some pupils in mainstream schools.

BANDING SYSTEM:

What is it?

- A way of specifying financial support to pupils with Special Educational needs
- Provides a mechanism for allocating additional resources to support the child in school to meet the outcomes stated in an EHCP

- Allows flexibility for the school to meet the outcomes on an EHCP

The funding may enable a range of interventions, training, specialist support, group activities and/or some 1-1 support which may be from a teacher or support staff. The effectiveness of the EHCP would therefore be judged by the achievement of outcomes.

In recent years there has been no review of bandings and funding has not increased for schools to support additional and special educational needs for children in receipt of an EHCP. Independent providers request uplifts year on year for children accessing their provisions, however there is no system in place for schools to receive an annual uplift for EHCPs which may help to support children remaining in mainstream education with a resultant saving on external provisions.

Following Covid, the needs for many of our children have significantly increased with far more children needing additional support than ever before.

Requests for support through EHCPs has also increased. In January 2020 there were 974. Currently North Lincolnshire holds 1,460 EHCPs.

3. OPTIONS FOR CONSIDERATION

- 3.1 In recognition of the increase in staffing and other costs, as well as the increase in numbers of children who are being assessed for an EHCP and the types of needs indicated, the local authority has identified the need to review SEND funding bands for mainstream schools. Consideration of possible percentage uplift to schools from September 2024 for all children with an EHCP.

The SEND bandings were last changed through an uplift on 01 April 2022 by 3%. The current proposal is to utilise modelling and consultation to consider the use of a potential band for SEND Support, and a one-off uplift of between 3% and 5%. A paper will be provided to Schools Forum with more detailed modelling at the next meeting.

4. ANALYSIS OF OPTIONS

- 4.1 To support the local authority process of evaluating, including through modelling costs and headteacher and SENDCo stakeholder engagement, the impact of a one off uplift of between 3 and 5% from September 2024 and a subsequent annual uplift of 3% for children with an EHCP dependent on financial implications for the High Needs budget.

5. **FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)**

- 5.1 An increase in banding for children with an EHCP may have significant implications for the High Needs budget. However, there is a potential for longer term savings with children remaining in mainstream education should an agreed formula for uplift to EHCPs be agreed.

There is also potential for significant savings within High Needs SEND with the implementation of Specialist Resource Hubs in mainstream schools which will prevent the need for many children to move to costly independent schools.

6. **OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)**

- 6.1 N/A

7. **OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)**

- 7.1 N/A

8. **OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED**

- 8.1 Following analysis of potential costings/uplifts and agreement from the Strategic Lead - Finance, it is proposed to meet with headteachers through a consultative approach to gain their views and considerations for the potential bandings prior to final decisions being agreed.

Further feedback and discussion opportunities will be provided through the summer term leadership briefings, Secondary Matters and Primary Consortium meetings.

9. **RECOMMENDATIONS**

- 9.1 For Schools Forum to acknowledge and support the ongoing work for potential banding increases for children with an EHCP, with an anticipated launch date for September 2024.

ASSISTANT DIRECTOR EDUCATION

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North Lincolnshire
DN15 6NL

Author: Wendy Holmes – Head of Virtual School and Inclusion
Date: 4th April 2024

NORTH LINCOLNSHIRE COUNCIL

SCHOOLS FORUM

UPDATED GUIDANCE FOR ARRANGING EDUCATION FOR CHILDREN WHO CANNOT ATTEND SCHOOL BECAUSE OF HEALTH NEEDS

1. OBJECT AND KEY POINTS IN THIS REPORT

- 1.1 To provide Schools Forum with an update on the work of the Tuition and Medical Needs Education Team, (TAMNET) its charging process and the updated guidance (December 2023) for arranging education for children who cannot attend school because of health needs.

2. BACKGROUND INFORMATION

- 2.1 This guidance relates to local authorities' statutory duties under section 19 of the Education Act 1996. The s.19(1) duty states that local authorities are responsible for arranging suitable and (normally) full-time education for children of compulsory school age who, because of exclusion, illness or other reasons, would not receive suitable education without such provision.

This means that where a child cannot attend school because of a physical or mental health need, and cannot access suitable full-time education, the local authority is responsible for arranging suitable alternative provision.

The legal duty applies to children of compulsory school age who would normally attend maintained schools, including:

- academies
- free schools
- special schools
- alternative provision
- independent schools

This guidance applies whether the child or young person is on a school roll or not.

All children, regardless of circumstance or setting, should expect to receive the same high standard of education.

- 2.2 The TAMNET service undertake the duties on behalf of the local authority for s.19(1) through a referral based approached from schools.

Children accessing TAMNET do so for a variety of reasons:

- Medical Health
- Mental Health
- Physical Health

Interventions can range from a short term arrangement to a long term arrangement which can be a year or more out of school and where there is evidence that the child is not able to access or transition back to school full time. Timetables for children under TAMNET support can also range from an hours session per week up to 15 hours. TAMNET is not Ofsted registered. TAMNET provides significant support children accessing exam timetables in order that they have the same opportunities to those children in full time school.

All children under TAMNET are subject to regular reviews.

At least half of the children currently accessing TAMNET have their education delivered in the family home due to their current health needs. Others have their resilience built up to access a classroom tuition. Most children access their own school curriculum.

- 2.3 Historically there has always been a longstanding funding transfer for this service and schools have always paid this charge at a significantly lower rate than if alternative provision through external providers had been agreed.

Where possible, schools should continue to provide education to children with health needs who can attend school without the need for external support.

- 2.4 The revised December 2023 guidance states:

“Alternative provision for children with medical needs is funded from local authorities’ high needs budgets. However, where a child remains on the roll of their home school but requires a period of time in alternative provision due to their health needs, the local authority and home school may wish to consider the transfer of a portion of the school’s funding associated with that child to the alternative provision. This would ensure that the funding follows the child. This arrangement would cease when the child is reintegrated back to their home school or are no longer on the roll of the home school.”

- 2.5 The high needs budget funds salaries for a small dedicated team of qualified teaching and non-teaching staff within the TAMNET service.

Additionally, whilst the TAMNET charge to schools remains at a low cost, the income generated from such charges supports for example:

- funds a full-time qualified Counsellor/Wellbeing Officer through income generation. This post is needed to ensure that all children under TAMNET access the required support for their emotional health. Without this income generated post, many children would not transition back to school.
- supports the upkeep of the building and classroom environment
- provides additional resources for the classroom and individual children as needed, including laptops, ipads and stationery.
- additional resources to support PE and other activities
- pays for external educational visits to ensure children have the same opportunities as those in full time education
- funds additional TA/teacher support from agencies when numbers are high or for those who may need 1:1 or more
- funds daily lunches that the children help to prepare themselves for everyone in the classroom
- funds a weekly shop for both day to day food and daily opportunities for children to access baking and cooking as part of therapy
- buys in external support such as Drum Therapy, Creative Therapies when needed as part of support packages
- holiday clubs staffing and resources to ensure children have access to ongoing emotional support throughout holiday periods
- coffee afternoons for parents/carers to ensure holistic needs of the families are met

2.6 Unspent income at the end of a financial year supports the high needs budget.

3. OPTIONS FOR CONSIDERATION

3.1 For Schools Forum to continue to support the transfer of a portion of the schools funding associated with that child from schools.

The local authority will seek Schools Forum support prior to any future request for an increase into the transfer of funding.

4. ANALYSIS OF OPTIONS

4.1 **Costings:**

Type of Provision	Costings	Hours
Classroom – small group tuition at the Tuition Centre classroom	£55 per session and additional PP and SEN pro rata per day	Up to 15 Hours or 5 sessions
1:1 home tuition, 1:1 virtual tuition or 1:1 support for pupils in school	KS1/2 - £27.50 per hour KS3/4 - £33 per hour and additional PP and SEN pro rata per day	There will be a minimum of 3 home tuitions per week unless there is a medical reason that the pupil can't access this or other education is in place. Pupils can have up to 1 home tuition per day.

*One session = 3 hours (Either 09:00-12:00 or 12:30-15:30)

To decline the funding transfer in line with the table above will significantly impact on the additionality offered within 2.5 of the report and will mean that the income generated counsellor and wellbeing post would cease.

5. FINANCIAL AND OTHER RESOURCE IMPLICATIONS (e.g. LEGAL, HR, PROPERTY, IT, COMMUNICATIONS etc.)

5.1 Income generated post within the team to support wellbeing of children.

6. OTHER RELEVANT IMPLICATIONS (e.g. CRIME AND DISORDER, EQUALITIES, COUNCIL PLAN, ENVIRONMENTAL, RISK etc.)

6.1 N/A

7. OUTCOMES OF INTEGRATED IMPACT ASSESSMENT (IF APPLICABLE)

7.1 N/A

8. OUTCOMES OF CONSULTATION AND CONFLICTS OF INTERESTS DECLARED

8.1 There has been a recent enquiry from an academy trust who believe that the local authority should fully pay for education for those children out of school for medical needs. Schools Forum decision will impact on the response to the Trust.

9. RECOMMENDATIONS

9.1 For Schools Forum to continue to support the funding policy for children who are unable to attend school due to medical needs.

ASSISTANT DIRECTOR EDUCATION

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Author: Wendy Holmes – Head of Virtual School and Inclusion

Date: 8th April 2024

Background Papers used in the preparation of this report –

- Arranging education for children who cannot attend school because of health needs – December 2023
- Working Together to Improve School Attendance – May 2022
- Supporting Children with medical conditions at school – December 2015
- Summary of responsibilities where mental health is affecting attendance – February 2023

Legislative framework:

- Section 19 of the Education Act 1996
- Education (Pupil Registration) (England) Regulations 2006
- Equality Act 2010
- Section 100 of the Children and Families Act 2014

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