

Central  
Bedfordshire  
Council  
Priory House  
Monks Walk  
Chicksands,  
Shefford SG17 5TQ



**TO EACH MEMBER OF THE  
CENTRAL BEDFORDSHIRE SCHOOLS FORUM**

17 January 2013

Dear Councillor

**CENTRAL BEDFORDSHIRE SCHOOLS FORUM - Monday 21 January 2013**

Further to the Agenda and papers for the above meeting, previously circulated, please find attached the following:

**5. School Funding Reform: Update on arrangements for 2013/14 High Needs Block (including Alternative Provision)**

The report makes recommendations to the Schools Forum regarding allocation of the High Needs Block in 2013/14 in line with the changes in the Funding Regulations and their impact on schools budgets, and centrally retained DSG

**6. Revision to the Scheme for Financing Schools**

Appendices A and B which were not attached to the agenda.

Should you have any queries regarding the above please contact Democratic Services on Tel: 0300 300 4032.

Yours sincerely

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Committee Services Officer  
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**Meeting:** Schools Forum  
**Date:** 21 January 2013  
**Subject:** School Funding Reform: Update on arrangements for 2013/14 High Needs Block (including Alternative Provision)

**Report of:** Edwina Grant, Deputy Chief Executive and Director of Children's Services

**Summary:** The report makes recommendations to the Schools Forum regarding allocation of the High Needs Block (HNB) in 2013/14 in line with the changes in the Funding Regulations and their impact on schools budgets, and centrally retained DSG. HNB activity will be funded from HNB budget allocation in line with funding regulations. No transfers will be made into the HNB from the Schools Block or the Early Years Block. Any overspend will need to be agreed by Schools Forum, and this will then have first call on 2014/15 DSG. Any underspend will be distributed to schools in April 2014.

Contact Officer: Helen Redding, Head of Learning and School Support

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency (if appropriate) N/A

**RECOMMENDATIONS:**

<b>Schools Forum is asked to comment on the following proposals:</b>	
<b>1.</b>	<b>Mainstream Schools fund the first £6k for pupils with Statements of SEN through their delegated budgets, and be paid top-up funding monthly for each pupil against their identified needs as specified in the statement (as they do now).</b>
<b>2.</b>	<b>Schools with Specialist Provisions for Autism (ASD) and Behaviour, Emotional and Social Disabilities (BESD) receive £10k base funding for each place, and be paid top-up funding by the commissioning Authority for each pupil to the equivalent of a Band A statement.</b>
<b>3.</b>	<b>Schools with Specialist Provisions for Hearing Impairment (HI) receive £10k base funding for each place (20 places across the 3 schools), and be paid top-up funding by the commissioning Authority for each pupil to the current equivalent. These schools will transfer this funding to the Harlington Area Schools Trust (HAST) who are commissioned to manage and deliver this service.</b>

4.	<b>Unallocated places for specialist provisions are funded through top-up at the same level by Central Bedfordshire Council.</b>
5.	<b>Schools with resourced provision for Speech, Language and Communication Needs be paid top-up funding for each pupil against their identified needs at Band D as specified in their statement of SEN. It is recommended that at Heathwood Lower School a minimum of 8 places/pupils are funded in this way in order to retain the appropriate levels of staffing.</b>
6.	<b>Mainstream Schools are advised to add a 5% administration charge to other Local Authorities when claiming the top-up element of funding for statements and specialist provisions.</b>
7.	<b>Special Schools are advised to add a 10% administration charge to other Local Authorities when claiming the top-up element of funding for statements and specialist provisions.</b>
8.	<b>Indicative banding levels are given to empty places in special schools until the place is filled.</b>
9.	<b>Special School budgets have been revised to take account of the different factors previously applied to each school, which has set a different banding value for each school.</b>
10.	<b>Funding currently centrally retained for Oak Bank Therapeutic Project, their curriculum for small number of girls, and 8 exceptional needs places/pupils are allocated as part of Oak Bank's Individual Budget Share (ISB) through the top-up funding.</b>
11.	<b>Pupil Premium ceases to be held centrally to fund additional needs of pupils, and be allocated to special schools.</b>
12.	<b>The current PRU budget spend be split into five twelfths and seven twelfths of the year to take account of the closure of the PRU and the opening of The Academy of Central Bedfordshire (AP Free School).</b>
13.	<b>Outreach and commissioned services are commissioned as they are currently.</b>
14.	<b>Sufficient DSG is retained centrally once known to fund top-up payments to schools in other Council areas, plus a 10% cushion for any increase in numbers/charges.</b>
15.	<b>The way in which High Needs Block in Post 16 is allocated is changing significantly in 2013/14.</b>
16.	<b>Schools Forum is asked to approve continuation of centrally retained funding to support the services identified in Paragraph 48.</b>

17.	<b>Schools Forum is asked to note the DSG allocated to commission services from schools that were previously retained within the Council.</b>
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<b>Introduction</b>	
School Funding Regulations state that the Council must consult the Schools Forum annually on amounts and use of centrally retained DSG.	
<b>Background</b>	
1.	Since the beginning of the financial year 2006/07 Councils have received allocations of Dedicated Schools Grant (DSG) to finance the Schools Budget in each authority. The DSG is a specific ring-fenced grant based on historical spending levels.
2.	The Department for Education (DfE) held 2 Consultations in 2011; 'Rationale and Principles' and 'Proposals for a fairer system'. The second Consultation proposed replacing the current schools funding distribution mechanism. The aim for a transparent, fairer and less complex system.
3.	On the 26 <sup>th</sup> March 2012, the Department for Education (DfE) launched a third Consultation 'Next steps towards a fairer system' which ended on the 21 <sup>st</sup> May 2012. This consultation built on how a fairer system may be implemented and operated. The final arrangements for 2013/14 were announced on the 28 <sup>th</sup> June 2012.
4.	Guidance around the process for the High Needs Block has been vague and late in coming, so 2 Regional Meetings have been attended by Children's Services Officers, 1 with the Special School Representative from the Schools Forum. 3 other meetings have been attended by Officers for the Finance Department. A further meeting regarding Post 16 funding has been attended by Officers.
5.	An update on the work being undertaken on the High Needs Block was provided to Schools Forum at the 26 November 2012 meeting
6.	The High Needs Block has been adjusted by the DfE for the ending of inter authority recoupment, the inclusion of post-16 funding and for growth in places. Officers are still challenging some of the data that is being returned by the DfE, as it does not reflect the information provided to them. There is more flexibility regarding use of the High Needs Block than the Schools Block.
<b>Mainstream Schools</b>	
7.	The DfE recommend that mainstream schools will fund the first £6k towards SEN provision from their delegated budget, which is broadly in line with the current expectation that schools fund the first 12 hours of support. Schools were comfortable with this in their response to the Consultation initiated in September 2012. Pupils with statements of SEN would receive additional support against assessed needs from the High Needs Block as they do now. <b>(Recommendation 1)</b>

<p>8. If the pupil is from outside of Central Bedfordshire, the school will have to charge the commissioning Authority directly for the top-up element on a monthly basis. (see paragraph 32)</p>
<p><b>Specialist Provisions/Resourced Provision in Mainstream Schools</b></p>
<p>9. Funding for Specialist Provisions for ASD and BESD in schools will be based on the required number of places, as it is currently. This will be made up of £10k base funding plus top-up to the current agreed level (Band A Statement). The top-up element will be paid on a monthly basis by the commissioning Authority. <b>(Recommendation 2)</b></p>
<p>10. Funding for Specialist Provisions for HI in schools will be based on 20 places (nominally 8 places in Lower, 8 in Middle and 4 in Upper). Top-up will be paid on a monthly basis by the commissioning Authority to the current value which equates to £12,538 per pupil. These schools will transfer this funding to the Harlington Area Schools Trust (HAST) who are commissioned to manage and deliver this service. <b>(Recommendation 3)</b></p>
<p>11. It is recommended that for any unallocated places the top-up will be paid by Central Bedfordshire Council until the place is filled. There are rarely unallocated places, and if there are, this is for a very short period of time. There are currently no unallocated places. This will maintain stability in the budget for the school to retain appropriate levels of staffing. <b>(Recommendation 4)</b></p>
<p>12. There are 2 Lower Schools which have resourced Language Provision (St Andrews in Biggleswade and Heathwood in Leighton Buzzard). The level of funding required to resource this provision does not equate to the £10k base funding required by other specialist provisions, which are managed differently. The pupils all have statements of SEN and are based in the mainstream classes and receive additional specialist early intervention support for their specific language/communication need from specialist staff and a Speech and Language Therapist provided by the Health Service. Pupils are funded at Band D (currently £8,280). It is recommended that pupils accessing this provision will receive top-up funding to this level linked to their statement of SEN. It is recommended that a minimum of 8 places/pupils be funded to allow for stability in staffing levels. This is not changed from the current agreement, but should be reviewed annually. <b>(Recommendation 5)</b></p>
<p>13. 5% is recommended to be added to the top-up for charges by Mainstream Schools to Other Local Authorities in order to account for the administrative costs of making these charges on a monthly basis. This is consistent with rate currently charged via inter-authority recoupment. <b>(Recommendation 6)</b></p>
<p><b>Special Schools</b></p>
<p>14. The factors still allowable for mainstream schools within the new funding arrangements are not allowable for Special Schools from 2013/14, and so none of the mainstream factors can apply. This means there can be no option for a Lump Sum, no element for split site etc. The pupil/place element, therefore, has to include the costs of running and managing the school.</p>

15.	Special School budgets are required to be targeted against the pupil/place element. The base funding for a Special School must be £10k per pupil/place, plus top-up against agreed criteria/guidance. The descriptors that link to the top-up bands have been reviewed and revised with the Special School Leaders Group and amalgamated with the Admissions Guidance.
16.	From 2013 funding for special schools must be based on £10k per number of places/pupils based on numbers reported in 2012/13, plus a top-up paid monthly by the commissioning Authority which will link to the assessed need of the pupil. Where the pupils are Central Bedfordshire pupils, this top-up will be provided as part of the school's budget share, and where the pupils belong to other Councils, the school will need to invoice the commissioning Council in advance for the top-up element at the agreed level, in the same way as described in Paragraph 8. A Central add-on of 10% for administration is currently applied to charges through recoupment, and it is recommended that Special Schools apply the same administrative charge to their charges to other Councils. <b>(Recommendation 7)</b>
17.	The number of potential requests for new places has been estimated based on historical data on number increases across an academic year for each school. In order to keep stability in the budget for these places, indicative banding levels have been identified for top-up across these places which represent the profile of need at that school. This will support stability in the budget as pupils leave. When a new pupil starts their Banding Level top-up will then be allocated against one of those unallocated places. <b>(Recommendation 8)</b>
18.	Following initial modelling which redistributed the whole Special School pot, without taking account of the context of each school, it was agreed with the Special School Leaders Group that this was too simplistic an approach and unfairly redistributed the resources.
19.	In modelling the budget, work has been carried out to ensure that the additional factors such as split site and rates that had been allocated to particular special schools in previous years were only tipped into the pupil/place element for those schools (i.e. not redistributed across all schools).
20.	It was agreed with the Special School Leaders Group that funding models should be used that take account of the different factors applicable to the different schools, for example schools which operate across two or more sites, and floor area. The impact of this is that there is a different value to each banding level for the different schools. <b>(Recommendation 9)</b>
21.	The Special School Leaders Group has also considered and recommended that 3 other sources of funding for Oak Bank School be considered as part of their budget share and incorporated into the modelling for that school. This is to provide stability in their budget to maintain appropriate staffing levels for a number of pupils who have exceptional needs beyond Band 4 who without such support may be placed out of Authority. The same amount was previously funded from a centrally retained budget as identified in Table 47 for Exceptional Needs in Special Schools. These are:
	<ul style="list-style-type: none"> <li>• £30k that funds support for the additional curriculum requirements of the very small number of girls on roll at the school (currently 6);</li> </ul>

<ul style="list-style-type: none"> <li>• £100k that currently funds the Therapeutic Project and has had a significant impact on outcomes for pupils at the school over the last 4 years;</li> </ul>
<ul style="list-style-type: none"> <li>• £15k additional top up for exceptional needs beyond band 4 (Band 4+) against 8 of the band 4 places. This is the average number of pupils funded at this level in previous years. <b>(Recommendation 10)</b></li> </ul>
<p>22. Pupil Premium is in addition to the High Needs Block and will remain a separate grant in 2013/14. As set out in the November Schools Forum paper it is recommended that from April 2013 this is paid to the schools and not retained centrally. <b>(Recommendation 11)</b></p>
<p>23. A Special School's total funding for 2013/2014 must not be more than 1.5% below the funding the school received in 2012/2013 (not including Pupil Premium).</p>
<p><b>Pupil Referral Unit (PRU)/Alternative Provision (AP) (Recommendation 12)</b></p>
<p>24. The PRU will be funded in the same way as a Special School, but with a base funding unit of £8k. A top-up will be allocated for the duration the PRU is open (until August 31 2013) up to the value of five twelfths of the current budget.</p>
<p>25. The Academy of Central Bedfordshire (The AP Free School) which will open on 1 September 2013 would be funded differently as an Academy Free School via the Education Funding Agency (EFA). The base funding for AP is £8k per place, and the agreed 70 places will be funded directly by the EFA who will top slice £326,667 from this budget when the start date is confirmed. The Council will fund the top-up required up to the current cost of this provision when commissioning from the school as an alternative to permanent exclusion. This will be monitored and managed through a contract between the Council and the Academy of Central Bedfordshire.</p>
<p>26. The 2 places per school that the Upper Schools have agreed to commission from the Free School would be in addition to what is commissioned by Central Bedfordshire. They would commission this directly from the Free School, and are considering how best to manage the payment process in the future. Further guidance is being sought from the EFA as to how the finances of this should be managed. A joint commissioning arrangement will need to be agreed between the schools, Central Bedfordshire Council and the Academy of Central Bedfordshire.</p>
<p><b>Outreach and Commissioned Services (Recommendation 13)</b></p>
<p>27. The amounts of DSG required to continue to deliver the services outlined below are set out in paragraph 48. Outreach is funded in addition to this from SEN Contingency.</p>



<p>28. Funding is allowed to be held centrally and allocated accordingly for any extended role of a school such as commissioned work for Outreach and other services. Chiltern, Ivel Valley and Oak Bank are currently commissioned to carry out an Outreach role. This is funded from SEN Contingency. It is recommended that this continues. From 2013 The Chiltern and Ivel Valley Area Special Schools have been commissioned to deliver the Early Years Children With Disability Service. As set out in Table 48 the value of this contract is £270,548.</p>
<p>29. The Peripatetic aspect of the Hearing Impaired Provision, and the Medical Needs Service will be commissioned in the same way from HAST. The values of the contract for the Peripatetic element of the Hearing Impairment Service and medical Needs Service are £145,632 and £444,539 respectively.</p>
<p>30. The Alternative Provision for primary age children at risk of exclusion (Jigsaw Centre) will be commissioned in the same way as 11/12 and 12/13 through Hawthorn Park Lower School at a value of £414,645. The Alternative Provision for secondary aged pupils at risk of exclusion for two terms will be at a value of £230,094. The additional £326,667 will be paid directly by the EFA. Discussions are being held with the EFA to determine the process for this..</p>
<p><b>Charges from schools in other Council areas (previously recoupment)</b></p>
<p>31. Recoupment is the process by which Councils acting as the Local Authority have received and paid the costs of pupils with statements who are educated in another Authority's school (mainstream or special). Income overall is usually at similar levels to expenditure and has been paid retrospectively. This will not be allowed from April 2013.</p>
<p>32. Under the new funding arrangements, schools will be required to take on responsibility for the charging monthly of the top-up element to the commissioning Council for pupils with statements in their schools. In Mainstream Schools this will be top-up beyond the £6k, and in Special Schools and Specialist Provisions within Mainstream Schools this will be top-up beyond the £10k.</p>
<p>33. This process has significant administrative and training implications for schools as it is a new process for them. It will also have significant administrative implications for Central Services.</p>
<p>34. It is proposed that initially Central Bedfordshire will support schools in this process by providing the first set of schedules with the allowable top-up charges in, including an additional element for administration. It is also being considered that for the first year the Special Schools may look to deploying a member of staff to carry out this role on their behalf with advisory support from CBC. This will help ensure consistency of approach going forward.</p>

<p>35. Due to the potential instability of income through the top-up element if a pupil is removed by another Council, the Special School Leaders Group is also considering whether it might be appropriate to have contracts in place with other Councils that indicate a notice period, in a similar vein to those held between the Council and Independent Out of Authority Special Schools. This is because of the risk of needing to continue to pay salaries for support to an individual pupil between the date of the pupil leaving and the notice period of the member of staff's contract being served (if required).</p>
<p>36. From 2013 the Council will be required to pay monthly in advance the top-up for pupils where they have named another Council's school on the Statement of SEN. DSG from the High Needs Block will need to be retained centrally to fund this. The amount to be retained centrally has been estimated on the number and costs of current pupils (2012/13) in other Council area's schools, plus a cushion to allow for any cost increases or increases in numbers. However, final numbers are not yet known.</p>
<p>37. There are currently 44 pupils in mainstream schools with a statement of SEN at an estimated cost of £302,009. The actual number for 2013-14 is currently not determined as there will be leavers and new starters..</p>
<p>38. There are currently 89 pupils in special school placements at an estimated cost of £1,277,080. If the numbers were the same in 2013/14, £890,000 will already have been paid to the schools and the Council will only be charged the top-up element. The actual number of pupils for 2013-14 is currently not determined as there will be leavers and new starters.</p>
<p>39. It is recommended that an additional 10% of DSG is retained to enable payment of admin charges to this as yet unknown sum. Any unspent DSG can remain.</p>
<p><b>Capacity building for potential increase in SEN population</b></p>
<p>40. It was raised at the October Schools Forum meeting that a means of funding required growth in Special Schools and specialist provision to accommodate the growing population who might require special school or specialist placement should be considered and brought to a future meeting of School Forum in line with those agreed for mainstream schools.</p>
<p>41. In previous years Special Schools have been funded on the number of pupils on roll at January PLASC (458 pupils in January 2012). This allows for some growth each year, and a number of pupils leave at the end of the Summer Term. Allocation for 2013/2014 has to be on the number of places required, which is higher than in previous years (488). Indicative figures from the DfE have shown that they have not allowed for growth in Central Bedfordshire for 2013/2014, although this has been challenged. We have not yet received an answer to this.</p>
<p>42. Any centrally retained funds remaining at the end of the financial year must be added to the following year's DSG and reallocated to maintained schools and Academies through the local formula.</p>

<p><b>Out of County Specialist Placements</b></p>
<p>From April 2013 the first £10k of base funding will be paid directly to the school. Based on the current 21 pupils placed out of county, including those placed by Health and Social Care, 9 are pre 16, 3 are pre 16 but transition to post 16 in September 13, and 9 are post 16, of which 3 should leave in July 2013. There are 3 Tribunals pending of pre 16 pupils. There is currently insufficient Post 16 funding to cover the actual costs of post 16 learners in out of county schools. (see table 50) Continuation of current levels of DSG is recommended, including continuation of the budget previously allocated by the YPLA.</p>
<p><b>High Needs in Post 16 (Recommendation 15)</b></p>
<p>43. The High Needs Block for Post 16 combines three previous budgets, SEN Block Grant, Specialist placements funding and the cost of high needs student in FE. In previous years the YPLA retained a budget for Central Bedfordshire Learners with Learning Disabilities and Disabilities (the 2<sup>nd</sup> and 3<sup>rd</sup> elements) and paid the providers directly once Central Bedfordshire had approved that the learner met the criteria for accessing these resources. The EFA currently pays the colleges directly an amount for additional learner support (ALS) up to £19k. This is changing in September and we are awaiting guidance on the impact of this. From 2013/14 the EFA will pay the place led funding with the remaining funds transferring to the DSG. It is recommended that DSG is continued to be applied at the same level as 2012/13 to statementing, out of county and what was previously identified as recoupment in 13/14 while the impact of the changes are established in greater detail. Officers are continuing to seek further clarification from the EFA.</p>
<p>44. As set out in the EFA Guidance, post 16 funding in Special Schools will be funded from all 3 elements of the Post 16 High Needs Block from April to July, and then from August to March, elements 1 and 2 will be funded by the EFA to the individual institution based on the Council's return, and element 3 will be funded by the Post 16 High Needs Block.</p>
<p>45. The Post 16 High Needs element is calculated on historical data, and the way it is allocated is changing significantly. The table in paragraph 50 demonstrates the historical shortfall of Post 16 income to cover the costs of Post 16 learners.</p>
<p><b>Centrally retained DSG (Recommendation 16)</b></p>
<p>46. The table below sets out the current centrally retained DSG and the proposed future DSG for centrally retained services that can be funded by DSG.</p>

	<b>Initial 2012/13</b>	<b>Dec 2012/13</b>	<b>Proposed 13/14</b>	<b>Comment</b>
Early Years Children with Disability retained function	£249,450	£249,450	£23,970	£225,480 identified below to support commission. £23,970 retained to fund panel process
Area SENCo role for PVI settings	£155,730	£114,369	£113,678	ASD Advisory teachers now commissioned through Outreach
Early Years SEN Funding	£150,000	£169,800	£169,800	Increased in year as not sufficient to meet needs
Visual Impairment Service	£188,120	£188,120	£218,117	Will be commissioned during 13/14. Proposed increase allows for cost of commission and increase in caseload
Therapies	£105,270	£70,270	£70,000	This has decreased as more pupils' therapy needs have been met by health services
Statement top-up	£449,900	£63,362	£449,900	This reduces month by month as it is paid to schools to fund new statements
Exceptional needs in Special Schools	£451,330	£451,330	£199,900	£250,000 proposed to be moved to Oak Bank Special School
Out Of County Placements	£1,736,830	£1,791,830	£1,689,330	Increased in year to fund shortfall. Reduced for 2013/14 by 9 x £10k and 3 x five/twelfths of £10k to allow for £10k base funding for each pupil being paid directly to the school. This amount (£102,501) will have been deducted from the overall DSG High Needs Block.
Additional pupil Support	£219,050	£219,050	£219,050	
Special Recoupment	£316,890	£0		Ceases at end of year
Top-up charges from schools in other Council areas				NEW. This figure is currently not determined as actual pupils are not yet confirmed.

	Initial 12/13	Dec 12/13	Proposed 13/14	Comments
Virtual School (including VS lead)	£328,470	£198,470	£160,000	Reduced in year due to service restructure.
Exclusions and Elective Home Education	£95,660	£75,660	£95,660	
PRU	£1,335,550	£1,353,556	£397,686	Reduced by £399,109 (Medical Needs Service costs) to support Medical Needs Commission. 5/12 of year due to PRU closing August 2013: £397,686. The balance has been moved to support the commission from the AP Free School.
SEN Contingency	£275,670	£275,670	£275,670	
School Support	£400,000	£50,000	£0	£350k is released in 2012/13 year. Added to other commissioned areas in 13/14
Ethnic Minority support, Raising Attainment and Hospital Recoupment	£339,984	£299,984	£0	No longer allowable
Hearing Impairment		£572,728		Now identified in Paragraph 47
Post 16	£1.14m in CBC (+£1.8m Held by YPLA – £1.6m allocated 12/13)	£1.14m in CBC (+£1.8m Held by YPLA £1.6m allocated)	£1,344,383 allocated by EFA	This includes top up funding for continuing learners and base and top up funding for new learners, plus SEN in schools. There are still some additional elements being clarified.
<b>TOTAL</b>	<b>£7,937,904</b>	<b>£7,283,649</b>	<b>£6,187,344</b>	

47. The table below sets out the centrally retained DSG to be paid to schools for commissioned services through a contract (new and continuing commissions) **(Recommendation 17)**

		Comment
HAST Hearing Impairment Service peripatetic element	£145,632	Additional specialist provision element paid to the schools as £10k base funding plus top up. The balance of the cost of the commission is through the money received by the schools for specialist provision
Jigsaw Centre (Hawthorn Park)	£414,645	
Early Years Children With Disability	Ivel Valley: The Chiltern: Total:£270,548	tbc following finalisation of contract. £225,480 from Early Years Cost Centre 12/13 plus balance moved from 12/13 commissioning cost centre
HAST Medical Needs Service	£444,539 (tbc following finalisation of the contract)	£399,109 from PRU cost centre (where service currently is managed) plus £45,430 balance moved from 12/13 commissioning cost centre
AP Free School	£326,667 to EFA £230,094 for commission	£556,761 from PRU Cost Centre to support the commission for seven/twelfths of year. £326,667 will be directly funded by EFA at 7/12s of £8k per place. CBC will provide £230,094 for the commission.
<b>Total</b>	<b>£1,832,097</b>	

48. The table below sets out the estimated breakdown of amounts that will be delegated to Mainstream Schools for Specialist Provisions and pupils with Statements of SEN in mainstream schools

Type	Payable to schools	Top-up chargeable by Schools to other LAs
ASD/BESD Provisions	Base Funding DSG: £460k £40k Post 16 Top-up: £395,331 plus £27,868 Post 16	£9,144
HI Provisions	Base Funding DSG: £180k £20k Post 16 plus Top up: £175,535 plus £12,538 Post 16	£65,826
Language resourced provision	Top-up only £132,480	
Statements of SEN in Schools budgets	£3,235,463	
<b>Total</b>	<b>£4,679,215</b>	<b>Base Funding: £700,000 Top-up: £743,752 Statements: £3,235,463</b>

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#### 4.10 Asset Loan Scheme

The LA operates an Asset Loan Scheme which does not operate by way of a licensed deficit but rather by way of expenditure by the LA, on asset purchases or certain building repairs and maintenance, in respect of a particular school on condition that repayments of principal and interest are repaid from the budget share. The current rate of interest on such loans is the 7 day London Interbank Bid Rate.

The Loan shall be in accordance with the following conditions/requirements:

(a) the maximum length of time over which schools may repay the loan will be three years. Schools' requests for loans will need to be supported by the School's Development Plan. At no stage will the loan period be extended beyond four years;

(b) Loans will only be agreed if they meet the criteria outlined in Central Bedfordshire Council's Asset Purchase Scheme;

(c) The maximum permitted value of a purchase shall not normally exceed 10% of a school's budget share.

(d) The minimum value of a purchase considered to be appropriate to the loan scheme is £10,000;

(e) No more than one third of the collective balances held by the LA will be used to back these arrangements.

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## **Asset Purchase Loan Scheme for Local Authority Maintained Schools**

### **Introduction**

1. This scheme is designed for the benefit of schools to provide a means of funding particular projects at a time when sufficient funds may not be available at an individual school level. The scheme provides for schools to take out a loan and pay back in instalments.

### **Qualifying Schools**

2. All LA schools within the scope of Central Bedfordshire's Scheme for Financing Schools.

### **Qualifying Purchase**

3. New asset purchases which the LA are satisfied are for a purpose in the interests of the school, with the overriding condition that the expenditure is for the enhancement, replacement, or provision of an asset which will have a life at least as great as the duration of the purchase agreement entered into with Central Bedfordshire.
4. Requests for asset purchase agreements will be considered only if the request is made by resolution of the full Governing Body, and projects must conform with the delegated powers of Governing Bodies.

### **Method Of Financing Asset Purchases**

5. The Council reserves the right to utilise funds held as schools' balances to finance specific capital projects which are the subject of agreements entered into by individual schools under the Asset Purchase Loan Scheme, but all schools have an overriding right to access their own unspent reserves at any time.

### **Availability Of Asset Purchase Loan Funds**

6. The annual volume of schools' total reserves will influence the total amount available annually for new asset purchases. The sum of Licence Deficit and Loans will not normally be more than 1/3 of schools' total unspent balances as at the previous 31 March.

### **Applications**

7. Loan applications must be made on the prescribed form and be supported by a resolution of the full Governing Body.

### **Approval Process**

8. Applications will be considered by the Director of Children's Services, the Council's Chief Finance Officer and a representative of School Forum, nominated by the Council's Executive Member for Children's Services.

9. Applications which meet the criteria but cannot be funded within the limit of available funds in the year in which the request is made will be recommended for approval as a priority in the following financial year.

#### **Approval For Financing The Purchase**

10. Agreement with a Governing Body for a Capital Loan will be entered into by Central Bedfordshire Council, provided all the criteria of this scheme have been met.

#### **Limitations On Value Of Purchase Loans**

11. The maximum permitted value of a purchase loan should not normally exceed 10% of a school's budget share..
12. The minimum value of a purchase considered to be appropriate to the scheme is £10,000.

#### **Interest**

13. Interest will be payable during the period over which the school spreads the cost of the purchase. The rate will be determined annually on 1 April by the Council's Chief Finance Officer.
14. An administration fee of £50 will be charged for processing each application and subsequently setting up the loan.

#### **Methods Of Making Annual Payments Under The Asset Purchase Loan Scheme**

15. Annual payments will be scheduled as an expenditure item in the annual school budget plan.
16. Schools entering into a loan agreement will be charged the repayment sum by invoice on 1 April following the date of the loan agreement and annually on the same date thereafter during the life of the agreement. The certification of the initial application form by the Headteacher and Chair of Governors will authorise the LA to invoice the school as per agreed repayments schedule until the loan has been repaid in full.

#### **Permitted Payment Periods Under Asset Purchase Loan Agreements**

17. The minimum payment period is twelve months, spanning two financial years.
18. The maximum payment period is three years from the first payment date.

#### **Early Payment**

19. Payment of any outstanding loan amount, and accrued interest, can be made at any time without penalty.

### **Payment Conditions In The Event Of Change Of School Status**

20. The loan agreement will be between the corporate Governing Body at the time of the purchase and the Council. The following conditions therefore apply:

#### **Reorganisation Of Schools**

21. A school will be required to fully repay any outstanding amounts under a loan agreement prior to the dissolving of its Governing Body where this is due to closure or amalgamation.

#### **Schools Leaving the Control of the LA**

22. If a school leaves the control of Central Bedfordshire Council for whatever reason, e.g. obtaining status as a Foundation School or as an Academy, full and immediate repayment of the outstanding amount will be made by the school in question, unless the liability can be voluntarily transferred to the successor Governing Body, i.e. to the Academy Trust, in the commercial transfer agreement.

#### **Multiple Asset Purchase Loan Agreements Entered Into By One Establishment**

23. A school can have as many asset purchase agreements as it wishes, subject to the caveat that the sum of the annual payment due under a new agreement and annual payment(s) being made under earlier agreements, does not exceed the credit rating described in paragraph 11 above, and subject to the value of each individual purchase being in excess of the minimum purchase price of £10,000.

### **Application Evaluation Criteria**

1. Capital loans must be for capital purposes with the overriding condition that the expenditure is for the enhancement, replacement, or provision of an asset which will have a life at least as great as the duration of the purchase agreement.
2. Evidence that the scheme is in the interests of the school.
3. In support of 2 (above) a copy of the School Development Plan.
4. Evidence that the school is able to meet the payments for the duration of the agreement.
5. The school must not be in an overspent position as at the previous 31 March when the application is made or have in force an overspend agreement with the LA.
6. Evidence of adherence to the Councils Standing Orders and Financial Regulations for Schools with reference to procurement.

**CHILDREN'S SERVICES FINANCE**

**APPLICATION FORM TO ACCESS THE ASSET PURCHASE  
SCHEME FOR LA MAINTAINED SCHOOLS**

School Name:

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Amount of  
Loan:

No of Yrs:

Projected start date:

Scheme  
Completion  
date:

£
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Please note: The maximum period is 3 years.

Brief Description of Proposal:

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Summary of Benefits to the School:

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Date and Minute of Resolution of Full Governing Body:

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I accept the terms and conditions of Central Bedfordshire capital loan scheme and will fully comply with Scheme for Financing Schools .

Signed: ..... Headteacher

..... Chair of Governors

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