

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



please ask for Sandra Hobbs
direct line 0300 300 5257
date 19 June 2009

NOTICE OF MEETING

CENTRAL BEDFORDSHIRE SCHOOLS FORUM

Date & Time

Monday, 29 June 2009 at 6.00 p.m.

Please note: a light buffet will be provided from 5.30 p.m.

Venue at

**Room 14, Priory House, Monks Walk, Chicksands,
Shefford SG17 5TQ**

Jaki Salisbury
Interim Chief Executive

To: The Chairman and Members of the CENTRAL BEDFORDSHIRE SCHOOLS FORUM:

**School
Members:**

Anne Bell, Headteacher, Willow Nursery School
Neil Bramwell, Headteacher, Stratton Upper School
Shirley-Anne Crosbie, Headteacher, Glenwood Special School
Malcolm Griffiths, Governor, Eaton Bray Lower School
Richard Holland, Governor, Harlington Upper School
Sue Howley, Governor, Greenleas Lower School
Sharon Ingham, Headteacher, Hadrian Lower School
Ian Mitchell, Headteacher, Etonbury Middle School
Jim Parker, Headteacher, Manshead Upper School
Ray Payne, Headteacher, Henlow Middle School
Jim Smart, Headteacher, Shelton Lower School

**Non-School
Members:**

Ian Greenley, Church of England Diocese Representative
Bill Hamilton, Roman Catholic Diocese Representative
Caroll Leggatt, PVI Early Years Providers Representative
Bill McCarthy, Teacher's Union Representative
Chris Vesey, 14-19 Partnership Sector Representative

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| AGENDA |
|---------------|

| No. | Item | Lead Person | Time |
|------------|--|---|-------------|
| 1 | Introduction, Welcome and Apologies . | Rob Mills, Committees Manager | 18:00 |
| 2 | Election of Chairman . | Rob Mills, Committees Manager | 18:05 |
| 3 | Election of Vice-Chairman . | Chairman | 18:10 |
| 4 | Minutes of 2 March 2009 and Matters Arising . | Chairman | 18:15 |
| 5 | Early Years Update (presentation) . | Bob Thompson, Early Years Consultant | 18:20 |
| 6 | Schools Capital Programme - Progress Report . | Roy Waterfield, Assistant Director Leisure & Culture, Libraries, Adult & Community Learning | 18:30 |
| 7 | Position Statement on Central Bedfordshire Council FMSiS Assessment . | Roger Willoughby, Audit Manager | 18:40 |
| 8 | Revision to Scheme for Financing Schools and Fully Funded Bank Account Scheme . | Dawn Hill, Finance Manager – Schools | 18:50 |
| 9 | 14 - 19 Funding Arrangements | | |
| | (a) 14-16 Practical Learning Options – DSG Devolved to Strategic Partnership | Kevin Green, Head of Business Finance | 19:00 |
| | (b) Diploma Funding – September 2009 Cohort | Kevin Green, Head of Business Finance | 19:10 |
| | (c) Children's Trust Progress and 14-19 Commissioning Progress | Edwina Grant, Deputy Chief Executive and Director of Children, Families and Learning | 19:20 |

| | | | |
|----|--|--|-------|
| 10 | Surplus Balances (Report to Follow) | Dawn Hill, Finance Manager – Schools | 19:30 |
| 11 | Allocation of Deprivation Funding (Oral Report) | Jim Smart, Headteacher, Shelton Lower School | 19:40 |
| 12 | Schools Forum Membership | Rob Mills, Committees Manager | 19:45 |
| 13 | Date of Next Meeting(s) and Forward Programme | Chairman | 19:50 |
| 14 | Close | Chairman | 19:55 |

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CENTRAL BEDFORDSHIRE SHADOW COUNCIL

Minutes of a meeting of the **CENTRAL BEDFORDSHIRE SCHOOL FORUM** held in Room 15, Priory House, Chicksands on Monday, 2 March 2009.

Present:

Malcolm Griffiths
Sharon Ingham
Jim Smart
Anita Lewis
Ray Payne
Richard Holland

Jim Parker
Shirley-Anne Crosbie
Anne Bell
Ian Greenley
Bill Hamilton
Carol Leggatt

Other in Attendance: Peter Skingley - Headteacher of Hillcrest Special School
Julie Mudd - Headteacher of Sunnyside Special School

Officers: Mr Bowmer, Mr Eighteen, Mr Fraser, Mr Green, Mr Heaphy, Ms Hill, Mrs Hobbs, Mr MacFarland, Ms O'Loughlin, Ms Redding, Mr Shevlin and Mr Thompson

1. ELECTION OF CHAIR AND VICE-CHAIR

It was proposed, seconded and

RESOLVED that Anita Lewis be elected as Chairman of the Central Bedfordshire Schools Forum.

It was proposed, seconded and

RESOLVED that Ray Payne be elected as Vice-Chairman of the Central Bedfordshire Schools Forum.

2. APOLOGIES

Apologies were received from Sue Howley, Ian Mitchell, Neil Bramwell, Bill McCarthy and Chris Vesey.

3. MINUTES AND MATTERS ARISING

RESOLVED to approve the Minutes of the meeting of the Central Bedfordshire Schools Forum held on 15 December 2008 as a correct record and to authorise the Chairman to sign them.

4. DIRECTOR OF CORPORATE RESOURCES - INTRODUCTION

Clive Heaphy, Director of Corporate Resources for Central Bedfordshire introduced himself explaining his role and the services his Directorate covered and the position relating to the Central Bedfordshire budget.

Central Bedfordshire Shadow Council on 26 February 2009 approved a net budget of £165.8m, which moved towards making the £11m saving as set out in the original bid. Council Tax increase would be 2.5% just below the average council tax increases proposed throughout England. Full Council also approved the Capital Programme proposals of up to £50m.

Mr Heaphy confirmed that he was working closely with the Director of Children, Families and Learning and in particular was looking at the Building Schools for the Future investment programme.

NOTED that the capital programme relating to Children Services be reported to the next Schools Forum meeting.

5. EXTENDED SCHOOLS FUNDING 2009-2011

Members received a report on the extended school services' funding that was provided to support schools in delivering the core offer of extended services which all schools had to provide access to by September 2010. The funding was split into two strands:

- Start Up
- Sustainability – this aimed to support every school to engage with the agenda but also ensure that services were supported to become sustainable.

Schools self-selected themselves to each pyramid, the aim of which was to provide equality of provision without disadvantaging schools. Appendix A to the report explored the easily calculated methodologies:

- number of pupils in the pyramid
- number of schools in the pyramid
- an average of these two amounts.

The Forum was advised that the Wootton/Sandy areas were split across Central Bedfordshire and Bedford Borough and would therefore receive a total of £120,000, depending on the methodology agreed.

A concern was expressed that the pyramids did not have an equal number of schools within them and in particular it was felt that the Samuel Whitbread Pyramid was at a disadvantage over its funding level. Members were advised that schools should consider bringing in additional resources and not rely on this funding as the driving force.

Members were also advised that extended service subsidy grant would be available from April 2010 which was expected to produce an increase in funding. This would aim to ensure that extended schools activities would be accessible to all children and young people, including those facing economic disadvantage and children in care.

The Forum agreed that Officers meet to examine the possibility of additional funding streams in relation to the Samuel Whitbread pyramid on an interim basis for 2009/10.

Reason for decision: Pyramids had already devised and submitted Development Plans, based on the 3 year funding previously agreed for 2008/11. Staff had been engaged on 3 year contracts, as part of these plans.

RESOLVED

- 1) to maintain the previously agreed funding at £120,000 and £110,000 per Upper school pyramid for 2009/10 and 2010/11, respectively
- 2) that further discussions take place regarding additional funding for the Samuel Whitbread pyramid and this be reported back to the next Schools Forum meeting.

6. EARLY YEARS DEVELOPMENT AND FUNDING APPROACHES

Members received a report on the Early Years Development and Funding Approaches. From September 2009 Central Bedfordshire was required to roll-out the Free Flexible Extended Offer to the authority's 25% most disadvantaged children and from September 2010 this would be offered to all 3 and 4 year old children. Members were advised that this was optional until September 2010.

Officers had been investigating the most appropriate way of identifying the 25% of the most disadvantaged children. This resulted in identifying the children by post code in the 30% most disadvantaged Super Output Areas (SOAs) using the Index of Multiple Deprivation (IMD) with settings being ranked according to the proportion of children attending from those areas and where another lower ranked setting was situated on the same campus or in the same village these had been included.

The Early Years Reference Group was proposing to offer the same funding mechanisms to both the maintained and private, voluntary and independent (PVI) sectors for the roll-out of the Free Flexible Extended Offer for the 25% most disadvantaged children from September 2009. It was also recommended that there was an increase of 3.45% to £3.60 in Nursery Education Funding for 3 and 4 year olds would mean that the amount available to support one-off bids in Central Bedfordshire would be £101,372.

Reason for decision: The Early Years developments and funding reforms being introduced in 2009/10 and 2010/11, as set out in the report and the Schools Forum agenda of 15 December 2008. The Director of Children, Families and Learning had a statutory responsibility to ensure “equity in the market” between all sectors i.e. maintained and the PVI Sectors.

RESOLVED

- 1) Central Bedfordshire uses the 30% Index of Multiple Deprivation (IMD) and same site/campus/village approach in the first case to identify settings for the Free Flexible Extended Offer roll-out and if further settings were required due to lack of uptake the bottom 20% Early Years Foundation Stage Profile (EYFSP) and same site/campus/village method is used
- 2) an increase of 3.45% to £3.60 per hour for Nursery Education Funding for Private, Voluntary and Independent (PVI) settings, which was close to the average for the local authorities researched. This increase was fully funded through the increase in the Dedicated Schools Grant (DSG). The recommended above inflation increase was due to the Holiday Entitlement for these settings being increased from 4.8 to 5.6 weeks, in addition to payroll and other cost increases. The increased holiday entitlement equates to a 2.05% increase.

7. REVIEW OF SPECIAL SCHOOLS’ FUNDING FORMULA

Members received a report which advised them of the review of the Special Schools’ Funding Formula. From 2009 Bedfordshire County Council had agreed to change the formula so that revenue funding will be targeted more appropriately on pupil need as special schools had reported an increase in the complexity of the needs of the pupils they had in their schools. Members were advised that outreach workers working within schools had proved very successful.

In developing the financial models, Officers and special school Headteachers looked at other authorities’ schemes before deciding on a new set of categories and funding bands for financial modelling. A preferred model for 2009/10, which was detailed to the Forum, was agreed, along with descriptors to define each category precisely.

Members were advised that whilst funding will be targeted more appropriately on pupil need, in some schools it may be necessary to increase the levels of staff, but in some schools, where places have been protected but numbers have reduced, a reduction in staffing in line with the number of pupils may be required.

Members were made aware of the shift of funding between the two new unitary authorities. The SEN Review Steering Group had agreed that there would need to be a cash transfer for 2009/10 and 2010/11 of around £200,000 from Central Bedfordshire to Bedford Borough as the dedicated schools grant (DSG) had been set on the basis of the frozen places of three years ago.

From 2011/12 a new formula for the national distribution of the DSG would be in place, which would negate the need for such a transfer.

Reason for decision: Report on the outcome of work by Officers and Special School Headteachers on a new formula for funding special schools.

RESOLVED that the proposed changes to the special school revenue funding formula should be implemented for 2009/10 and reviewed in time to agree any further changes for 2010/11.

8. SCHOOLS' FORUM BUDGET

Members received a report that set out that a budget of £10,000 would be available for each financial year for costs associated with operation of the Forum e.g. hiring a venue, expenses and clerking costs. The level of budget would be reviewed annually.

Members were advised that from experience of the Bedfordshire Schools Forum it is recommended that £5,000 would be sufficient.

Reason for recommendation: Paragraph 13 of the Constitution and Terms of Reference agreed by the Shadow Executive, allowed for the setting of an annual budget (up to £10,000) for the operation of the Forum e.g. meeting and travelling expenses.

RESOLVED to set a budget for the Schools' Forum for 2009/10 of £5,000.

9. F40 GROUP MEMBERSHIP

Members received a report on the F40 Group. The F40 Group was a non-political Pressure Group, which represents the lowest funded Local Authorities (LAs) in terms of per pupil funding. The Group is recognised by the Department of Children, Schools and Families in respect of the national review of the Dedicated Schools Grant distribution from 20011/12 onwards. The Group puts forward evidence based papers to the review body, through a retained consultant, who sits on the body.

Members were advised that it was recognised that there was differential funding for different needs but believes the size of the gap between the highest and lowest funded LAs was not fair and equitable.

Reason for decision: The F40 Group was a major stakeholder representative to the Department of Children, Schools and Families in respect of the review of the national distribution of the DSG from 2011.

RESOLVED that Central Bedfordshire becomes a member of the F40 Group, representing the lowest funded LAs and that £2,000 from the Schools Forum budget is utilised for the annual subscription.

10. REVIEW OF ATTENDANCE MANAGER POSTS

Members received a report reviewing the position of two Attendance Manager posts for Schools Based Staff across Bedfordshire, which were funded from the Schools Specific Contingency Fund in 2008/09. The objective of the posts was to ensure that there was robust and accurate reporting and recording of sickness absence in schools, reduce sickness rates, advise and train school staff on pre-employment screening and induction, review current practices etc. Two substantive members of the HR team took up the posts on a secondment basis until 31 March 2009.

Members received comparative statistical and financial data on absence levels for Schools Based Staff during 2007 and 2008. The number of cases supported and detailed feedback from Headteachers, through a questionnaire, on the qualitative data in relation to the service provided by the Attendance Managers. The statistics demonstrated that the recorded levels and the cost of sickness absence were increasing, but it was acknowledged that the quality of data previously held was poor with significant gaps and inaccuracies. Feedback from Headteachers indicated that they valued the service and would wish it to continue.

Members concluded that the Attendance Managers had been in post for a relatively short period of time so the longer term benefits had yet to be demonstrated. Members were also concerned that the data available was only for one full term and felt that it would be appropriate to extend the trial period for one year to enable further costs and benefits to be considered during December 2008. Members were advised that funding for the extension of the trial period would be provided from the schools £500k contingency fund.

Members were advised that the total cost for the Attendance Manager for Central Bedfordshire was approximately £40,000 per annum and the service would be included in the optional element of the buy back arrangements for schools.

Reason for decision: To enable further investigation into the costs and benefits of having Attendance Managers.

RESOLVED

- (1) to agree a further year's trial period for an Attendance Manager post for the Council for 2009/10 through a fixed term contract at a total cost of £40,000
- (2) that the Schools Specific Contingency Fund be used to underwrite any shortfall in costs for 2009/10 only as it intended that the post will be self-funding through the buy back arrangements for schools from 2010/11.

11. APPOINTMENT OF SUB-GROUP REVIEWING SCHOOLS' SURPOLUS BALANCES

RESOLVED that the following be appointed:

Ian Greenley – Church of England Diocese representative
Jim Smart – Headteacher, Shelton Lower School
Richard Holland – Governor, Harlington Upper School
Malcolm Griffiths – Governor, Eaton Bray Lower School
Shirley-Anne Crosbie – Headteacher, Glenwood Special School

12. DATE OF NEXT MEETING

RESOLVED that the next meeting be held on Monday, 29 June 2009 at 6.00 p.m. at Priory House, Chicksands.

Chairman

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Agenda Item: 6

Meeting: Schools Forum

Date: 29 June 2009

Subject: Schools Capital Programme – Progress Report

Report of: Deputy Chief Executive and Director of Children, Families and Learning

Summary: The report is for information. This report sets out the initial Central Bedfordshire Capital Programme for schools, details current progress and gives an indication of future issues.

Contact Officer: Stuart Freel, Interim Senior Education Officer (Planning)

Public/Exempt: Public

Wards Affected: Authority-wide

Function of: Council

RECOMMENDATIONS:

- 1. that the progress report be received.**

Background

1. The current capital programme was established before the Council came into existence in close liaison with the outgoing County Council.
2. Broadly, the work on implementing the programme and the processes for determining schemes within specific grants has followed that used by the County Council. The new Council is anxious to plan and develop the future Children, Families and Learning capital programme, alongside the Council's other capital programmes in an integrated way and will be developing new approaches to ensure that schemes meet priority needs, through the Learning Transformation Board, which has instituted a programme of considering Project Initiation Documents for each scheme/area.
3. The next section of the report sets out progress on particular current schemes. It does not cover schemes relating to the Voluntary Aided (VA) sector, for which separate processes are involved.

Programmes and schemes

School Condition Works (NDS modernisation funding) - £1.51k

4. Just over £900,000 urgent condition works, based on priorities from condition surveys identified by the County Council. This work is now commissioned from Mouchel and schools are contributing towards the costs, as previously. The schemes are set out in the table below:

| | |
|---------------------------|---|
| Brewers Hill Middle | Kitchen ventilation |
| Hadrian Lower | Boiler plant |
| Kings Houghton Middle | Replace fan convectors |
| Leedon Lower | Roofing (1 block) |
| Ardley Hill Lower | Roofing |
| Weatherfield Special | Part re-roofing |
| Parkfields Middle | Window replacement |
| Potton Lower | Replace windows and doors |
| Stondon Lower | Replace windows and doors |
| Burgoyne Middle | Replace windows and doors |
| Redborne Upper | Replace some heating distribution mains |
| Harlington Lower | Roofing |
| Linslade Lower | Roofing |
| Mary Bassett Lower | Window replacement |
| Dunton Lower | Damp-proof course |
| Lawnside Lower | Replace windows and doors |
| Gilbert Inglefield Middle | Roofing |

5. New condition surveys for Upper, Lower and special schools have recently been undertaken and will be completed for Middle Schools in the Summer Term. These survey results will be used to plan the use of the remaining funding in 2009/10 and future years' centrally funded programme. They are key to developing the PCP and BSF programmes too.

Temporary Accommodation/programme to Avoid use of Temporary Accommodation - £500k

6. No new requirements for additional mobile units have been identified currently this year and one case where mobiles can be removed is being explored. Further work will be undertaken during the Autumn Term with schools where mobiles could be replaced with permanent accommodation. This programme will be linked with identifying future priorities for the Primary Capital Programme (see below).

Devolved Formula Capital (DFC) and School-Managed Schemes

7. DFC has been distributed with school budgets and the termly opportunity to apply to use future years' funding has been offered to schools. A Panel had recently met to consider 7 applications, this involved a representative headteacher from the Schools' Forum.
8. The school-managed projects regime remains in place, and applications are currently being processed, with technical advice being obtained from Mouchel, as required. It has been identified that that operation of this scheme requires some review and further report(s) will come to the Forum in future.

Schools' Access Initiative - £579k

9. Schools have had an annual opportunity to bid for this funding, which is significantly oversubscribed. A Panel, involving a special school headteacher representative, who has been involved, in some cases in making moderation visits to schools, has considered the bids and a finalised programme is currently being issued to the schools involved.
10. Priority has had to be given to schools where children with particular access needs are currently placed or will be placed this coming Autumn.

Children's Centre Grant - £2.42m and Extended Services Grant - £313k

11. These capital funding streams are for three main purposes:
 - the development of children's centres: a series of 11 new schemes have been identified, based on national criteria, and feasibility studies are currently being undertaken in order to finalise budgets
 - extended services: specific projects are identified and commissioned, depending on local circumstances and current provision
 - delivering the increased and flexible entitlement for three and four year olds: potential providers are invited to bid for allocations, against set criteria, to a multi-agency Panel.

Primary Capital Programme (PCP)

12. An initial 2-year PCP allocation was agreed following Department for Children, Schools and Families (DCSF) acceptance of the readiness to deliver prepared by the County Council. This included a series of initial schemes at Roecroft, Tithe Farm, Greenfield/Pulloxhill, Hawthorn Park, Downside and Thornhill Lower Schools. (Figures given are for identified expenditure in 2009/10 only).

- the Roecroft scheme (£1.5m) involves relocating (and enlarging) the school to a new site in a new housing development. The scheme is fully designed and has been submitted for planning permission, with a view to implementation over the next two years. The project releases the current school site and its value can be used to augment the capital programme in future years
- the Greenfield/Pulloxhill scheme (£50k) will involve the amalgamation of these currently federated small schools on a new site as a single school. Work is currently being undertaken on site acquisition, planning and the desirable size of the replacement school. These two sites will be released to contribute towards the value of the scheme
- Tithe Farm, Hawthorn Park, Downside and Thornhill schemes are substantial refurbishments of current buildings. The scope and design of these schemes is underway and individual budgets will be agreed shortly.

13. Further work is needed to identify the next priority schools for PCP investment for 2010/11 onwards but the level of funding will not be known until the next national budget.

Oakbank Special School - £705k

14. This scheme has involved the provision of a new sports hall and improvements to teaching facilities at this special school for children with Behavioural, Emotional and Social Disorders.

Etonbury Middle School Additional Places and Arnold Middle School (phase 3)

15. Further discussions are needed to confirm the details and budgets of these schemes.

Future Issue

Building Schools for the Future (BSF)

16. The Forum will be aware that the Central Bedfordshire area was originally allocated to later 'waves' of the BSF programme. Latterly, the Government have reviewed the processes by which Authorities are prioritised for inclusion in the programme. The next key stage in this process is the development of a statement of readiness. The Learning Transformation Board is overseeing the development of BSF and the staffing structure of the new Directorate reflects the priority given to exploiting this significant national initiative.

Staffing

17. At the point of establishing the new Authority a number of vacancies in the BSF/school-planning team arose causing some capacity issues, partially resolved with consultant support. Interviews have recently been held and appointments have now been made to the posts of:
- Senior Education Officer (Planning)
 - Project Officer
 - Principal Assistant (School Places)
 - Senior Administrative Assistant (Capital Programme).
18. The new officers will take up post during July and August.

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Agenda Item: 7

Meeting: Schools Forum

Date: 29 June 2009

Subject: **Position Statement on Central Bedfordshire Council FMSiS Assessments**

Report of: **Deputy Chief Executive and Director of Children, Families and Learning**

Summary: To update the Schools Forum on the current position with regards to schools which have passed the Financial Management Standard in Schools (FMSiS).

Contact Officer: Roger Willoughby, Audit Manager – Internal Audit

Public/Exempt: Public

Wards Affected: Authority-wide

Function of: Council

RECOMMENDATIONS:

- 1. To discuss and comment on the position statement.**

Background

1. The Financial Management Standard in Schools (FMSiS) was introduced by the DCSF (then DfES) in 2004 and compliance was made statutory from 2006. The Standard consists of a series of criteria which, when combined, depict a model standard of best practice with regards to financial management in schools.
2. The assessment of schools against the Standard has been undertaken by Internal Audit and Schools Finance staff on a rolling programme since 2006-07, when all Bedfordshire schools were notified of the year in which they would be assessed. The schools scheduled for assessment in each financial year (for example, all Upper schools were assessed in 2006-07) are required to compile a portfolio of evidence which is submitted to the LA for assessment. Those that meet the Standard are reassessed every 3 years, and those that do not meet the Standard are reassessed to an agreed deadline, usually within a few months.

Current Position

3. The summary table below indicates the current status of Central Bedfordshire Council's schools in terms of passing the Financial Management Standard in Schools (FMSiS). The assessment process is managed by Internal Audit.

| Current Status | Number of Schools at this stage | As percentage of schools programmed for assessment | Comments |
|---|--|---|--|
| Pass | 46 | 42% | This includes some schools that have previously failed |
| Fail | 17 | 16% | Due for reassessment in 2009-10 |
| Assessments in progress | 46 | 42% | This includes some schools that have previously failed |
| Total schools programmed for assessment | 109 | 100% | Further 30 schools due for assessment in 2009-10 |

4. Problems have been encountered with many schools submitting their evidence portfolio for assessment at the very end of each financial year (e.g. March 2009 for 2008-09) which has contributed to a backlog of assessments. For example, all the assessments currently stated as 'in progress' are 2008-09 assessments, many of which could only be started once schools had submitted evidence in March 2009. A further issue has been non-submission of evidence by schools which results in an automatic fail, and a rescheduled deadline for assessment at a later date.
5. It should be noted from the above table that a large volume of assessments are currently in progress and are at various stages of completion. The assessment process can take several months in order to enable schools to supply as much evidence as possible to support their assessment against the Standard, and as noted above, historically many schools have tended to submit their evidence for assessment late in the financial year.

Schedule for 2009-10

6. The 2009-10 schedule of assessments includes a further 30 schools that have yet to be assessed. In addition to these 30 schools, assessments will also be completed for:
- schools that were scheduled for assessment in 2008-09 that are currently being completed
 - schools that failed during 2008-09 and require reassessment
 - schools that passed during 2006-07 and are due for reassessment.

7. It is anticipated that a revision of the guidance provided to schools combined with a more rigorous approach to the scheduling of assessments in 2009-10 will facilitate a prompt reduction in the current backlog. This will be essential given the reduced capacity of Internal Audit (relative to the number of schools) for completion of assessments following the Local Government Reorganisation. Failure on the part of schools to comply with the agreed deadlines will result in notification to the Head of Business Finance in Corporate Services and the Assistant Director- Learning & School Support.

Appendix

Appendix A - Schedule of Central Bedfordshire Council Schools and FMSiS status

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| School | Status at 10.6.09 | Notes / Comments |
|----------------------------|-------------------|------------------------------|
| BROOKLANDS MIDDLE | Pass | |
| CEDARS UPPER | Pass | Due for Reassessment 2009-10 |
| CHALTON LOWER | Pass | |
| EDWARD PEAKE MIDDLE | Pass | |
| GILBERT INGLEFIELD | Pass | |
| HAYNES LOWER | Pass | |
| LEIGHTON MIDDLE | Pass | |
| MILL VALE MIDDLE | Pass | |
| PRIORY MIDDLE | Pass | |
| SHILLINGTON LOWER | Pass | |
| ST LEONARDS LOWER | Pass | |
| STREETFIELD MIDDLE | Pass | |
| SWALLOWFIELD LOWER | Pass | |
| ALL SAINTS LOWER | Pass | |
| ARNOLD MIDDLE | Pass | |
| ARDLEY HILL LOWER | Pass | |
| ASHTON MIDDLE | Pass | |
| ASHTON ST PETERS | Pass | |
| BEECROFT LOWER | Pass | |
| BREWERS HILL | Pass | |
| GOTHIC MEDE LOWER | Pass | |
| HARLINGTON UPPER | Pass | |
| HENLOW MIDDLE | Pass | |
| HOLYWELL MIDDLE | Pass | |
| KINGS HOUGHTON MIDDLE | Pass | |
| KINGSMOOR LOWER | Pass | |
| LABURNUM LOWER | Pass | |
| LANGFORD LOWER | Pass | |
| MANSHEAD UPPER | Pass | |
| PARKFIELDS MIDDLE | Pass | |
| QUEENSBURY UPPER | Pass | Due for Reassessment 2009-10 |
| RAMSEY MANOR LOWER | Pass | |
| RAYNSFORD LOWER | Pass | |
| REDBORNE UPPER | Pass | Due for Reassessment 2009-10 |
| ROBERT BLOOMFIELD MIDDLE | Pass | |
| SAMUEL WHITBREAD | Pass | |
| SANDY UPPER | Pass | Due for Reassessment 2009-10 |
| SANDYE PLACE MIDDLE | Pass | |
| SOUTHCOTT LOWER | Pass | |
| ST GEORGE LOWER TODDINGTON | Pass | |
| ST MARYS LOWER STOTFOLD | Pass | |
| ST SWITHUNS LOWER | Pass | |
| STRATTON UPPER | Pass | |
| VANDYKE UPPER | Pass | Due for Reassessment 2009-10 |
| WESTONING LOWER | Pass | |
| WILLOW NURSERY | Pass | Discretionary compliance |
| Total | 46 | |

| | | |
|-----------------------|-------------|--|
| ASPLEY GUISE LOWER | In progress | |
| BEAUDESERT LOWER | In progress | |
| CALDECOTE LOWER | In progress | |
| CHURCH END LOWER | In progress | |
| CLIPSTONE BROOK LOWER | In progress | |
| CRANFIELD LOWER | In progress | |

| | | |
|-------------------------|-------------|-------------------------------------|
| DOVERY DOWN LOWER | In progress | |
| DOWNSIDE LOWER | In progress | |
| FULBROOK MIDDLE | In progress | |
| GREENFIELD LOWER | In progress | |
| GREENLEAS LOWER | In progress | |
| HADRIAN LOWER | In progress | |
| HARLINGTON LOWER | In progress | |
| HEATHWOOD LOWER | In progress | |
| HOCKLIFFE LOWER | In progress | |
| HOUGHTON REGIS LOWER | In progress | |
| ICKNIELD LOWER | In progress | |
| LANCOT LOWER | In progress | |
| LAWNSIDE LOWER | In progress | |
| MAPLE TREE LOWER | In progress | |
| MAULDEN LOWER | In progress | |
| POTTON LOWER | In progress | |
| PULFORDS LOWER | In progress | |
| ROBERT PEEL LOWER | In progress | |
| RUSSELL LOWER | In progress | |
| SOUTHLANDS LOWER | In progress | |
| ST ANDREWS LOWER | In progress | |
| STANBRIDGE LOWER | In progress | |
| STONDON LOWER | In progress | |
| TEMPLEFIELD LOWER | In progress | |
| THE FIRS LOWER | In progress | |
| TITHE FARM LOWER | In progress | |
| TOTTERNHOE LOWER | In progress | |
| WOODLAND MIDDLE | In progress | |
| ALAMEDA MIDDLE | In progress | |
| BURGOYNE MIDDLE | In progress | |
| CAMPTON LOWER | In progress | |
| LARK RISE LOWER | In progress | |
| LINSLADE MIDDLE | In progress | |
| MEPPERSHALL LOWER | In progress | |
| MOGGERHANGER LOWER | In progress | |
| NORTHFIELDS UPPER | In progress | Third Reassessment/ Academy Sept 09 |
| ROECROFT LOWER | In progress | |
| SHEFFORD LOWER | In progress | |
| SILSOE LOWER | In progress | |
| ST MARYS LOWER CLOPHILL | In progress | |

Total 46

| | | |
|------------------------|------------------|-------------|
| DUNTON LOWER | Not yet assessed | Due 2009-10 |
| EVERSHOLT LOWER | Not yet assessed | Due 2009-10 |
| EVERTON LOWER | Not yet assessed | Due 2009-10 |
| FAIRFIELD LOWER | Not yet assessed | Due 2009-10 |
| GLENWOOD SPECIAL | Not yet assessed | Due 2009-10 |
| GRAVENHURST LOWER | Not yet assessed | Due 2009-10 |
| HILLCREST SPECIAL | Not yet assessed | Due 2009-10 |
| HITCHMEAD SPECIAL | Not yet assessed | Due 2009-10 |
| HUSBORNE CRAWLEY LOWER | Not yet assessed | Due 2009-10 |
| JOHN DONNE LOWER | Not yet assessed | Due 2009-10 |
| KENSWORTH LOWER | Not yet assessed | Due 2009-10 |
| NORTHILL LOWER | Not yet assessed | Due 2009-10 |
| OAK BANK SPECIAL | Not yet assessed | Due 2009-10 |
| PULLOXHILL LOWER | Not yet assessed | Due 2009-10 |

| | | |
|-------------------------|------------------|---------------------------------------|
| RIDGMONT LOWER | Not yet assessed | Due 2009-10 |
| SHELTON LOWER | Not yet assessed | Due 2009-10 |
| SOUTHILL LOWER | Not yet assessed | Due 2009-10 |
| STUDHAM LOWER | Not yet assessed | Due 2009-10 |
| SUNDON LOWER | Not yet assessed | Due 2009-10 |
| SUNNYSIDE SPECIAL | Not yet assessed | Due 2009-10 |
| SUTTON LOWER | Not yet assessed | Due 2009-10 |
| WEATHERFIELD SPECIAL | Not yet assessed | Due 2009-10 |
| WOBURN LOWER | Not yet assessed | Due 2009-10 |
| WRESTLINGWORTH LOWER | Not yet assessed | Due 2009-10 |
| HOUGHTON CONQUEST LOWER | Not yet assessed | Deferred to 2009-10 from 2008-09 |
| MARY BASSETT LOWER | Not yet assessed | Deferred to 2009-10 from 2008-09 |
| ST CHRISTOPHERS LOWER | Not yet assessed | Deferred to 2009-10 from 2008-09 |
| ARLESEY NURSERY | Not yet assessed | Discretionary compliance- due 2009-10 |
| THE LAWNS NURSERY | Not yet assessed | Discretionary compliance- due 2009-10 |
| WESTFIELD NURSERY | Not yet assessed | Discretionary compliance- due 2009-10 |

Total 30

| | | |
|--------------------------|------------------------|--------------------------|
| THOMAS JOHNSON LOWER | Fail | Due 2009-10 Reassessment |
| WATLING LOWER | Fail | Due 2009-10 Reassessment |
| HOLMEMEAD MIDDLE | Fail | Due 2009-10 Reassessment |
| HAWTHORN PARK LOWER | Fail (non- submission) | Due 2009-10 |
| EATON BRAY LOWER | Fail (non- submission) | Due 2009-10 |
| ETONBURY MIDDLE | Fail (non- submission) | Due 2009-10 |
| FLITWICK LOWER | Fail (non- submission) | Due 2009-10 |
| CADDINGTON VILLAGE | Fail (non- submission) | Due 2009-10 |
| LEEDON LOWER | Fail (non- submission) | Due 2009-10 |
| LINSLADE LOWER | Fail (non- submission) | Due 2009-10 |
| SLIP END LOWER | Fail (non- submission) | Due 2009-10 |
| ST GEORGES LOWER | Fail (non- submission) | Due 2009-10 |
| ST MARYS LOWER DUNSTABLE | Fail (non- submission) | Due 2009-10 |
| ST VINCENTS LOWER | Fail (non- submission) | Due 2009-10 |
| THORNHILL LOWER | Fail (non- submission) | Due 2009-10 |
| DERWENT LOWER | Fail (non- submission) | Due 2009-10 |
| THOMAS WHITEHEAD LOWER | Fail (non- submission) | Due 2009-10 |

Total 17

Total number of schools 139

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Agenda Item: 8

Meeting: Schools Forum

Date: 29 June 2009

Subject: **Revision to Scheme for Financing Schools and Fully Funded Bank Account Scheme**

Report of: **Deputy Chief Executive and Director of Children, Families and Learning**

Summary: To formally consult on the revision to the Fully Funded Bank Account and Scheme for Financing Schools.

Contact Officer: Dawn Hill, Borough Hall, Bedford

Public/Exempt: Public

Wards Affected: All

Function of: Council

Reason for urgency (if appropriate) -

RECOMMENDATION:

- 1. To consult with Headteachers and Governing bodies on the revision of dates for Fully Funded Schools Financial Returns and amendments to the Scheme for Financing Schools.**

Proposed Changes to the Scheme for Financing Schools

1. The Fully Funded Bank Account Scheme currently requires updates for actual expenditure and revised budget to be received by the Local Authority (LA) by the 20th of each month for monthly returning schools and the 20th of each quarter end for quarterly returning schools.
2. The SAP period close is normally around the 5th/6th of the following month and year end timetables are set annually, corporately.
3. There is insufficient time for the returns to be reviewed and challenged in the current short time frame from receipt to monthly closure, especially at year end.

4. This was not an issue until the financial year 2008/09, where Fully Funded Schools increased from 21 to 75. There are currently 48 Fully Funded Schools in Central Bedfordshire.
5. The timing of receipt of returns (for the period Sept – March) have been analysed and attached (Appendix A). Schools were requested to send the year end returns by the 10th to enable the LA to meet the timetable – 55% of schools were able to meet this deadline.
6. **Proposal: Revise the due date for monthly/quarterly financial returns to the 10th of each month.**
7. There is need for clarity on the Governing Body of Schools responsibilities in respect of the submission and approval of the School Budget Plan:
 - The Scheme for Financing Schools (April 2008 – March 2011) page 13 paragraph 2.11 states *'Each school is required to submit a budget plan approved by the Governing Body to the authority no later than 31 May of each year.'*
 - Financial Regulations for Schools page 7 paragraph 35 states *'Each school is required to submit a multi year budget plan, approved and minuted by the Governing Body, to the Authority no later than 31st May of each year.'* And page 10 paragraph 58 states *'The Governing Body is responsible for approving the School's Budget Plan prior to its submission to the Director of Human and Financial Resources. Other financial responsibilities may be delegated to a sub committee'*.
8. The submission of the initial budget plan must be approved by the Full Governing Body each year. (Governing Body's are able to delegate financial responsibilities to a sub committee and if the terms of reference state finance committee may receive and approve subsequent virements during the financial year).
9. Comments have been received by schools that the above paragraphs in the scheme and financial regulations do not clearly state 'Full Governing Body and could be misinterpreted and the task of initial budget approval delegated to a committee.
10. **Proposal: Inserting the word 'Full' before Governing Body in each paragraph would clarify this.**
11. VA Schools 10% contribution from Revenue for Capital purposes. Schools as a matter of course have been transferring the contribution at the beginning of the financial year regardless of whether a project is taking place. Direction has been received from the Department for Children, Schools and Families (DCSF) Value for Money Unit that *'Revenue surpluses remain revenue until they are spent'*.
12. **Proposal: To insert a paragraph to add clarity to this transfer.**

13. Schools in Licensed Deficit are required as part of the agreement, to submit monthly monitoring reports. Section 4.10. No date currently exists for the receipts of these reports.
14. **Proposal: To require the reports to be received by the 20th of the following month.**
15. The Scheme has been generally updated to take account of Unitary status, Job Titles, Address, Revised appendix 'Earmarked Funds', List of Schools and Type.
16. **Proposal: To accept general updating changes.**

Appendices:

Appendix A - Analysis of Schedule of Returns 08/09

Appendix B - Extract from Fully Funded Bank Account Scheme (Table A and B) – Timetable for submission of Financial Monitoring Returns

Appendix C - Extracts Financial Regulations

Appendix D - Scheme for Financing Schools – tracked proposed changes

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Appendix A

Sept Returns 08 onwards

| | Sept | | Oct | | Nov | | Dec | | Jan | | Feb | | Year End | |
|----------------|-------------------|---------|-----------|---------|-------------------|---------|-------------------|---------|-----------|---------|-----------|-------------------|-------------------|-------------------|
| | Monthly/Quarterly | Monthly | Monthly | Monthly | Monthly/Quarterly | Monthly | Monthly/Quarterly | Monthly | Monthly | Monthly | Monthly | Monthly/Quarterly | Monthly/Quarterly | Monthly/Quarterly |
| Up to 10th | 20 | 27% | 2 | 9% | 9 | 41% | 9 | 12% | 1 | 5% | 9 | 41% | 41 | 55% |
| 11th - 15th | 20 | 27% | 9 | 41% | 3 | 14% | 20 | 27% | 8 | 36% | 1 | 5% | 13 | 17% |
| 16th - 20th | 26 | 35% | 6 | 27% | 6 | 27% | 26 | 35% | 8 | 36% | 8 | 36% | 9 | 12% |
| Late | 7 | 9% | 5 | 23% | 4 | 18% | 20 | 27% | 5 | 23% | 3 | 14% | 12 | 16% |
| No Date logged | 2 | 3% | 0 | 0% | 0 | 0% | 0 | 0% | 0 | 0% | 1 | 5% | 0 | 0% |
| | <u>75</u> | | <u>22</u> | | <u>22</u> | | <u>75</u> | | <u>22</u> | | <u>22</u> | | <u>75</u> | |

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Extract Fully Funded Bank Account Scheme

2. FINANCIAL MONITORING RETURNS

- 2.1 Schools operating their own accounting systems are required to submit financial monitoring returns to the LA. The LA reviews financial monitoring returns submitted by schools to ensure their financial viability and the proper use of public funds, whilst supporting their autonomy.
- 2.2 The deadlines for submission of financial monitoring returns are given in Tables A and B which are included at the end of this Section.
- 2.3 Table A covers those schools who are required to submit to the LA an annual budget package with quarterly updates of Income and Expenditure Statements and Cash Flow Forecasts
- 2.4 Table B covers those schools who are required to submit to the LA an annual budget package with monthly updates of Income and Expenditure Statements and Cash Flow Forecasts. Any variation to these requirements will be notified to the school in writing.
- 2.5 During the first year of Fully Funded Status monthly reporting as set out in Table B will be required. Quarterly returns only will be required after the first full year of satisfactory operation, unless the school's finances are of concern to the authority, in which case monthly returns will be required.
- 2.6 The returns must be signed and dated by two representatives of the school drawn from the Headteacher, and one of either the Chair of Governors or the Chair of the Finance Committee.
- 2.7 Completed financial monitoring returns should be submitted by post (not by facsimile) to:
- Schools Team
Children's Services Finance
Central Bedfordshire Council
Borough Hall
Cauldwell Street
Bedford
MK42 9AP
- 2.8 Please contact your School Financial Adviser if in doubt about any matter concerning these requirements.
- 2.9 Standard templates of the standard financial monitoring returns are contained at Appendix A to this Section.

Timetable for Quarterly Submission of Financial Monitoring Returns

Submission Date Financial Return

1. Initial Budgets

By 31 May Annual budget package comprising

Annual Profiled Income and Expenditure Budget (Appendix A1) for the current year.

Annual Detailed Cash Flow Forecast (Appendix A2) for the current financial year.

Budgeted Balance Sheet (Appendix A3) for the end of the current year.

Summary Income and Expenditure Budget (Appendix A4) for multi year period , (Financial Planning Software CFR Report is acceptable)

2. Actual Updates and Revised Budgets

By 10 July,
October, January
and April Quarterly Salary and Wages Return (Appendix A6)

By 20 July,
October, January
and April Quarterly Income and Expenditure Statement (Appendix A5) (supported by system print (RM Schools e.g. Budget vs Actual vs Committed including accruals OR SIMS Schools e.g. Trial Balance or User defined report)

Quarterly Cash Flow Forecast Update (Appendix A2)

1.Final Accounts

By 20 April See Closure of Accounts Section 8

Schools will be informed of specific requirements with regard to Final Accounts as part of the published Closure Programme issued by the Director of Finance.

Timetable for Monthly Submission of Financial Monitoring Returns

Submission Date Financial Return

1. Initial Budgets

By 31 May Annual budget package comprising
Annual Profiled Income and Expenditure Budget (Appendix
A1) for the current year.

Annual Detailed Cash Flow Forecast (Appendix A2) for the
current financial year.

Budgeted Balance Sheet (Appendix A3) for the end of the
current year.

Summary Income and Expenditure Budget (Appendix A4) for
multi year period , (Financial Planning Software CFR Report
is acceptable)

2. Actual Updates and Revised Budgets

By 20th of each Monthly Income and Expenditure Statement (Appendix A5)
subsequent month (supported by system print (RM Schools e.g. Budget vs
Actual vs Committed including accruals OR SIMS Schools
e.g. Trial Balance or User defined report)
Monthly Cash Flow Forecast Update (Appendix A2)

By 10 July,
October, January Quarterly Salary and Wages Return (Appendix A6)
and April

3. Final Accounts

By 20 April See Closure of Accounts Section 8

Schools will be informed of specific requirements with regard to Final
Accounts as part of the published Closure Programme issued by the Director
of Finance.

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**Extracts from the Scheme for Financing Schools April 2008
– March 2011**

2.11 Submission of Budget Plans

Each school is required to submit a budget plan approved by the Governing Body to the Authority no later than 31 May of each year.

**Extracts from the Financial Regulations for Schools –
September 2008**

35 Each school is required to submit a multi year budget plan, approved and minuted by the Governing Body, to the Authority no later than 31 May of each year. The budget analysis will be in the format required by the Director of Human and Financial Resources together with such supporting information as requested.

58 The Governing Body is responsible for approving the School's Budget Plan prior to its submission to the Director of Human and Financial Resources. Other financial responsibilities may be delegated to a sub committee; however, this sub committee needs to be a properly constituted committee.

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**Scheme for Financing Schools
June 2009 to March 2011**

**CENTRAL BEDFORDSHIRE COUNCIL'S
SCHEME FOR FINANCING SCHOOLS**

June 2009 to MARCH 2011

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**Scheme for Financing Schools
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June 2009 to March 2011**

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Appendix A – Schools to which the Scheme Applies

Appendix B – Consistent Financial Reporting – Approved Headings

Appendix C - Value for Money (VFM), Best Value and Schools

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Appendix D2 – Reasons for holding a surplus balance in excess of 5%/8% of School Budget Share

Appendix E – Licence Deficit Recovery Plan

Appendix F – Schedule of Works deemed Capital which are LA Responsibility

Appendix G – Extended School Activity – Flow Diagram (Decision Tree)

Appendix H – Monthly Monitoring Pro-forma

1. INTRODUCTION

1.1. The Funding Framework

Central Bedfordshire Council's Scheme for Financing Schools (formerly the Bedfordshire County Council's Local Management of Schools Scheme) is based on the legislative provisions in sections 45 – 53 of the School Standards and Framework Act 1998 (the Act) and the School Financing (England) Regulations 2008.

Under this legislation, the Department for Children, Schools and Families (DCSF) will determine on an annual basis, the minimum size of the Schools Budget, through the Dedicated Schools Grant (DSG). The Local Authority (LA) will determine the actual level of the Schools Budget and the LA 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 is all expenditure, direct and indirect, on the LA's maintained schools.

The LA may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under Section 45A of the Act. The amounts to be retained centrally are decided upon annually by the LA, subject to any limits or conditions prescribed by the Secretary of State and any amounts that have to be agreed by the Schools Forum. The balance of the Schools Budget remaining after deduction of centrally retained funds is termed the Individual Schools Budget (ISB).

Expenditure items in the LA budget must be retained centrally (although earmarked allocations may be made to schools).

The LA will not retain an unallocated reserve within the ISB but must distribute the ISB amongst all 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 (see Guide to Schools Funding Formula 2008-2011) 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 Section 51 of the Act.

The financial controls within which delegation works are set out in Central Bedfordshire Council's Financial Regulations for Schools in accordance with Section 48 of the Act and approved by the Secretary of State.

All revisions to this scheme must be approved by the Schools Forum or the Secretary of State. and must be subject to consultation with schools

Subject to the provisions of the scheme, governing bodies of schools are empowered to spend budget shares for the purposes of their schools. They

Scheme for Financing Schools June 2009 to March 2011

may Also spend budget shares on any additional purposes prescribed by the Secretary of State in regulations made under Section 50 of the Act.

The LA may suspend a school's right to a delegated budget if the provisions of this scheme have been substantially or persistently breached, or if the budget share has not been managed satisfactorily.

There is a right of appeal to the Secretary of State. A school's right to a delegated budget share may also be suspended for other reasons (Section 17 of the Act) but in that case there is no right of appeal.

The LA will publish each year a statement setting out details of its planned Schools Budget and LA Budget, showing the amounts to be centrally retained, the budget share for each school, the formula used to calculate those budget shares and the detailed calculation for each school. After each financial year the LA will publish a statement showing outturn expenditure at both central level and for each school, and the balances held in respect of each school.

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

1.2. The Role of the Scheme

This scheme sets out the financial relationship between the LA and the maintained schools, which it funds. A list of the schools covered by this scheme is attached at Appendix A.

This scheme and the requirements relating to financial management set out in Central Bedfordshire Council's Financial Regulations for Schools are binding on both the LA and its schools and must be complied with at all times.

1.2.1. Application of the Scheme

With effect from 1st April 2008 the following schools will be subject to the requirements of this scheme:

- Community Schools
- Community Special Schools
- Voluntary Schools
- Foundation Schools
- Foundation Special Schools
- Nursery Schools

Unless specifically stated otherwise, the provisions of this scheme apply to any nursery school maintained by the authority.

Scheme for Financing Schools June 2009 to March 2011

Any new schools opening after 1 April 2008 will be subject to the requirements of this scheme by virtue of Section 48 of the Act.

1.3. Publication of the Scheme

A copy of this scheme will be provided to every Headteacher and governing body of each school covered by this scheme. Additionally any approved revisions will be notified to each school.

A copy of the scheme will also be available for reference at all reasonable times and without charge, at each school maintained by the LA and at the offices of the Schools Finance Team , P.O. Box 1395, Bedford, MK42 5AN.

1.4. Revision of the Scheme

Any revisions to the Scheme for Financing Schools must be subject to consultation with all Headteachers and governing bodies. This will need to be approved by The Schools Forum or Secretary of State in accordance with regulation 27 of the Schools Finance (England) Regulations 2008.

1.5. Delegation of Powers to the Headteacher

The governing body is required to consider the extent to which it wishes to delegate its financial powers to the Headteacher and to record its decision (and any revisions) in the minutes of the governing body.

However, the school's Full governing body must approve the first formal school budget plan of each financial year.

1.6. Maintenance of Schools

The LA is responsible for maintaining the schools covered by this scheme, and this includes the duty of defraying all the expenses of maintaining them (except in the case of a Voluntary Aided School where some of the expenses are, by statute, payable by the governing body). Part of the way an authority maintains schools is through the funding system put in place under sections 45 to 53 of the Act.

2. FINANCIAL REQUIREMENTS AND AUDIT

2.1. Application of Financial Controls

Further to paragraph 1.2 above, all schools are required to comply with Central Bedfordshire Council's Financial Regulations for Schools at all times. These regulations encapsulate approved financial management procedures appropriate to all phases and categories of schools in Central Bedfordshire.

Scheme for Financing Schools June 2009 to March 2011

These regulations cover the accounting procedures approved for operation in Central Bedfordshire schools and associated banking arrangements, where appropriate.

2.2 The Financial Management Standard

The DCSF have developed a toolkit, which has been issued to all Central Bedfordshire schools, which is designed to help schools evaluate the quality of their financial management and train staff to become good financial managers. The Financial Management Standard (toolkit document G2) itself is a simple statement of what a school that is managed well financially would look like. Detailed guidance is given in the toolkit document G3. Good practice in a school, which meets the standard, can be analysed under the following headings:-

- Leadership and Governance
- People Management
- Policy and Strategy
- Partnership and Resources
- Processes

All maintained schools must demonstrate compliance with the DCSF's' Financial Management Standard in Schools in line with the timetable determined by the authority, and at any time thereafter. A risk based approach has been agreed, following consultation with the Schools Forum, taking into account size, funding type and current financial position. The original Bedfordshire County Council timetable is as follows:-

Mar-07

17 Upper Schools

Mar-08

39 Middle Schools

9 Fully Funded (remaining)

10 Licence Deficit Schools (not captured above)

2 Schools with concern regarding Financial Management and ability to deliver requirements of the Scheme for Financing Schools

20 Largest Partially Funded Schools (not captured above)

Mar-09

16 Ex-Partially Funded Schools (remaining) -15 Lower and 1 Special

65 Centrally Funded Lower Schools

Mar-10

26 Smaller Lower Schools

7 Special Schools

7 Nursery School

(Remaining Schools)
(Centrally Funded)
(Centrally Funded)
(Not compulsory at current time)

Mar-11

Upper Schools to be re-assessed

Scheme for Financing Schools June 2009 to March 2011

The authority will require schools to demonstrate compliance through the submission of evidence showing that the school has undergone an external assessment. External assessment must be carried out by the authority or by a third party that has been approved to carry out such assessment by either the DCSF or the local authority.

The toolkit includes a Self Assessment Tool (document G4), for schools to assess their progress and any gaps towards meeting the standard.

Schools will be required to complete a self-assessment each year. This will take the form of the Financial Management Standard In Schools (FMSiS) Self-Assessment Tool (document G4 of the FMSiS Toolkit). This will be required to be submitted to the LA by 30th June, each year.

An External Assessment Tool (document G5) is also included, which sets out the formal evidence an External Assessor would require, to validate and certify compliance.

2.3 Notice of Concern

The LA may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Finance Officer and the Chief Education Officer/Director of Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of 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

Scheme for Financing Schools June 2009 to March 2011

manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

2.4 Provision of Financial Information and Reports

Provision by schools of financial information and reports to the LA will be determined by the approved accounting procedures in operation in school. The

two approved arrangements for use in Central Bedfordshire Council schools are:

- (a) Use of the LA's Management Accounting System (SAP); and/or
- (b) Use of the school's own local accounting systems (RM, SIMS, Pegasus etc.)

Any requests from schools to alter their accounting arrangements must be made prior to 1 February in any year for commencement at the start of the following financial year.

2.4.1 Schools Operating the LA's Accounting System - Option (a) Centrally Funded Schools

Schools will receive from the LA monthly Income and Expenditure monitoring reports., Schools will be required to reconcile their local system with the LA provided reports on a monthly basis, and return evidence of the reconciliation with supporting system print to the LA by 20th of the following month.

2.4.2 Schools Operating Local Accounting Systems - Option (b) Fully Funded Schools

Schools must satisfy the minimum requirements with regard to financial controls, procedures and systems in operation so far as necessary for the discharge of the LA's Director of Corporate Resources responsibilities under Section 151 of the Local Government Act 1972. As this option involves all financial records being maintained in school, these documents become the prime record and, therefore, are subject to a more rigorous LA and external audit.

Schools are required to provide the LA with various financial reports in order for the LA to consolidate school expenditure onto its own accounting system. These reports shall be returned to the LA, on a quarterly basis, in line with a predetermined timetable. The LA will only require monthly returns where it believes a school's financial position warrants a more frequent return, or during

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the first financial year of the school is operating its own financial systems.

In order for the Director of Corporate Resources to prepare the annual accounts, schools will be required to provide financial information in accordance with the timetable determined by the Director of Corporate Resources in consultation with the authority's external auditor.

The content and frequency of returns to the LA are prescribed through Central Bedfordshire Council's Fully Funded Bank Account Scheme. Initially the LA will require monthly Income and Expenditure statements; Cash Flow forecasts and updates; budgeted and year end (actual) Balance Sheets as well as the Quarterly Wages and Salaries Return.

Quarterly returns only will be required after the first full year of satisfactory operation, unless the school's finances are of concern to the authority, in which case monthly returns will be required. This will include any school with a loan from the authority to cover a deficit situation. It does not include loans in respect of the Asset Loan Scheme.

2.5 Consistent Financial Reporting (CFR)

Consistent Financial Reporting (CFR) standardises, simplifies and streamlines the coding and reporting of school finances in all maintained schools in England. It applies to all budgets, forecasts, recovery plans and outturn returns. The Consistent Financial Reporting (England) Regulations 2003 established the approved headings, under the following sections:-

- Core income headings
- Core expenditure headings
- Capital income headings
- Capital expenditure headings
- Balance headings

Appendix B shows the approved headings per the legislation. Additional headings have been created to allow for reporting community facility activity, within extended schools (see sections 13 and 14).

The CFR data has been used to populate a website with a bank of benchmarked data, giving all maintained schools the opportunity to compare their incomes and expenditures with those of similar schools (see the Schools Financial Benchmarking tool on the TeacherNet website).

CFR increases the level of accountability of school managers whilst prompting schools to become more self-managing. The ideology that each school is in the position to make the best decisions about allocating resources is at the core of CFR. Access to benchmarked data will allow school managers to make better-informed decisions when deciding annual budgets, thus improving overall efficiency year on year. CFR will facilitate networking between schools and

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encourage 'Learning by looking': less efficient schools will be expected to look to more successful schools for advice on best practice.

An annual return, in CFR format, is required to be submitted to the authority in accordance with the timetable issued each year.

2.6 Payment of Salaries and Invoices

The procedures for these will vary according to the choices schools make about the holding of bank accounts and the buying back of the services.

Where the Authority's preferred payroll supplier is also used by schools, the Director of Corporate Resources will arrange for the completion and return of all payroll related financial statements which are required by law.

Where a school has elected to use an alternative provider of payroll services all associated responsibilities (e.g. effective administration, payments and submissions of returns) will rest with the school. Specific details of these requirements are included in Central Bedfordshire Council's Financial Regulations for Schools.

The procedures for the payment of invoices will depend upon the school's choice of banking arrangements and will be set out in Central Bedfordshire Council's Financial Regulations for Schools.

Irrespective of the banking arrangements, schools should use their best endeavours to ensure that payments can be made within 30 days of invoice date. This is both central government and council policy. Where an invoice is disputed, the query should be raised, with the supplier, as soon as is known. The invoice should be promptly cleared for payment, once the query is resolved, or credit note received. All invoices should be cleared, or query made, prior to major holiday periods.

2.7 Control of Assets

Each school must maintain an inventory of its moveable assets, in a form determined by the authority, setting out the basic authorisation procedures for disposal of assets. These procedures are set out in Central Bedfordshire Council's Financial Regulations for Schools. The prescribed format must be used and in the form of an electronic spreadsheet. (This is available from the Schools LA website) This should be printed off and completed at 31st March each year and signed off as verified and submitted to the LA as required. Schools are responsible for their own arrangements for keeping a register of assets worth less than £1,000.

2.8 Accounting Policies (including Year-End Procedures)

Schools must abide by the procedures and timetables issued by the LA in relation to accounting policies and year-end procedures. The year end procedures and timetable will be issued by the LA each year, during February.

2.9 Writing Off Debts

Governing Bodies are only authorised to write off debts up to £5,000.

In the case of larger debts the school must refer such cases to the Director of Corporate Resources or his nominated officer for approval.

2.10 Basis of Accounting

Central Bedfordshire Council's accounting policies are based on the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Local Authority Accounting in Great Britain and all accounts are prepared on an accruals basis. Schools operating the LA's accounting system (option a, as outlined in paragraph 2.4.1 above) are required to provide the authority with details of year end accruals.

Schools operating local accounting systems (option b, as outlined in paragraph 2.4.2 above) are required to provide the authority with reports and accounts on an accruals basis in accordance with an agreed timescale.

2.11 Submission of Budget Plans

Each school is required to submit a budget plan approved by the FULL Governing Body to the Authority no later than 31 May of each year.

The budget plan must show the school's intentions for expenditure in the current and the following financial year and details of any assumptions made underpinning the budget plan e.g. expected income. In determining the budget plan schools are required to take into account estimates of any surplus or deficit projected for the previous year financial end.

In addition, the LA may require schools to submit a budget plan covering each year of a multi-year period for which schools have been notified of budget shares beyond the current year.

The format of the budget plan and any supporting documents shall comply with that provided by the LA when distributing individual school budgets.

The authority may also require the submission of revised plans where the authority deems it necessary.

The LA will supply schools with all income and expenditure data that it holds and which is necessary for efficient planning by schools.

2.12 Budget Management

As part of budget management Schools are required to undertake regular forecasts of outturn against budget. The LA needs access to this information

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and Schools are required, therefore, to provide at least one forecast outturn return to the LA, once the October income and expenditure reports have been issued.

2.13 Best Value

Given the very high proportion of local authority spending which flows through delegated budgets, it is a requirement of this Scheme and of the DCSF that schools should demonstrate that they have applied the principles of best value in their expenditure. To meet this intention, when submitting the annual budget plan, the governing body of each school shall submit a statement setting out what steps it will be taking in the course of the year to ensure that expenditure, particularly in respect of large service contracts, will reflect the principles of the best value regime. To assist schools in doing this the principles of 'best value' are set out in Appendix C.

2.14 Virements

Schools are free to vire between budget headings identified in the school's budget plan and governors are required in their Schemes of Delegation to establish criteria for virements and financial limits above which the approval of the governors is required. Decisions should be recorded in governing body minutes.

2.15 Audit: General

Schools are required to co-operate both with auditors employed by the local authority (**internal audit**) and auditors appointed by the Audit Commission to audit the local authority itself (**external audit**).

With regard to **internal audit**, all schools are within the scope of the audit regime determined by the LA.

The internal audit of schools is an obligation imposed upon the Council by the Accounts and Audit Regulations 1996 which require the maintenance of an adequate and effective system of internal audit of the accounting records and systems of the council. The responsibility for Internal Audit has been delegated to the Director of Corporate Resources.

To enable the Council's auditors to carry out their duties schools must allow the auditors full access at all times to all papers and records of the school and provide explanations the auditors consider necessary. School must pass on to auditors any information that the auditors should be aware of to carry out their audit.

In relation to **external audit** all schools are within the scope of the LA external audit regime as determined by the Audit Commission. The governing body must bear in mind that whilst external auditors must plan, perform and evaluate their audit work to have a reasonable expectation of detecting material

misstatements arising from error or fraud, the duty to deter and detect fraud rests primarily with the governing body.

2.16 Self Assessment

This is in the form of the Financial Management Standard in Schools (FMSiS) Self Assessment G4, please see section 2.2.

2.17 Separate External Audits

Where a school wishes to seek an additional source of assurance at its own expense; a governing body is permitted to spend funds from its budget share to obtain external audit certification of its accounts, separate from any LA internal or external audit process. Where a school chooses to seek such an additional audit it does not remove the requirement that the school must also be subject to and co-operate with the LA's internal and external auditors. In the event of a difference of opinion between the LA's external auditors and a governing body appointed auditor the views of the LA's external auditor will prevail.

2.18 Audit Of Voluntary And Private Funds

In addition to the normal internal and external audits, schools must provide annual audit certificates to the LA in respect of any voluntary and private funds they hold and of the accounts of any trading organisations controlled by the school. Where a school wishes to establish a trading organisation it must consult with the LA regarding the nature of the trading activity.

The procedures for providing the audit certificates and advice on the handling of such voluntary and private funds are set out in Central Bedfordshire Council's Financial Regulations for Schools.

2.19 Register Of Business Interests

The governing body of each school is required to maintain a register which lists for each member of the governing body, the Headteacher, and any member of staff involved in any way in the selection of suppliers, any business interests they or any member of their immediate family have, to keep the register up to date with notification of changes and through annual review of entries, and to make the register available for inspection by governors, staff, parents and the LA.

More detailed guidance on the maintenance of such a register can be found in Central Bedfordshire Council's Financial Regulations for Schools.

2.20 Purchasing, Tendering and Contracting Requirements

Schools are required to abide by Central Bedfordshire Council's Financial Regulations for Schools and Standing Orders in purchasing, tendering and contracting matters. Notwithstanding this, schools are required to assess in

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advance, where relevant, the health and safety competence of contractors, taking account of Central Bedfordshire Council's policies and procedures.

The policies and procedures **will not** require schools:-

a) to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive;

b) to seek LA Officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;

c) to select suppliers only from an approved list;

d) to seek fewer than three tenders in respect of any contract with a value exceeding £10,000 in any one year.

2.21 Application of Contracts to Schools

Schools have the right to opt out of any contracts arranged by the LA except for those contracts (whenever started) where they have lost that right in accordance with a specified written procedure. In such cases, schools would remain bound into the contract for its duration e.g. service contracts let in consultation with schools.

This opt out facility excludes contracts which schools have agreed to be covered by in respect of services for which funding was delegated by the LA prior to 1 April 1999; for contracts which schools agree to be covered by in respect of services for which funding is delegated by the LA after 1 April 1999; and for certain contracts approved by the Secretary of State for services for which funding is delegated after 1 April 1999, irrespective of the agreement of schools.

Where governing bodies 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. However, other contracts may be made solely on behalf of the governing body, when the governing body has clear statutory obligations e.g. contracts made by aided or foundation schools for the employment of staff.

2.22 LA Central Funds and Earmarking

The LA is authorised to make sums available to schools from central funds in the form of allocations which are additional to and separate from the schools' budget shares e.g. Standards Fund. Such allocations shall be subject to conditions setting out the purpose for which the funds may be used and while these conditions need not preclude virement (except, of course, where the funding is supported by a specific grant which the LA itself is not permitted to vire). This should not be carried to the point of assimilating the allocations into the school's budget share.

The declaration of Earmarked Funds (appendix D2) section B01 must include any unspent revenue grant and balances held for capital projects, where

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written contracts have been entered into. Supporting evidence must be submitted for the LA to authorise such earmarking. Schools must maintain and present accounting records in support of such expenditure.

2.23 Spending for the Purposes of the School

Governing bodies are free to spend budget shares 'for the purposes of the school', subject to any provisions of this scheme in accordance with Section 50 (3) of the Act.

2.24 Capital Spending from Budget Shares

Governing bodies are permitted to use their budget shares to meet the cost of capital expenditure on the school premises¹ in accordance with the Councils accounting procedures. However, schools are not permitted to use their budget shares to contribute to capital works

- (a) if this results in a revenue deficit or
- (b) existing devolved formula capital balances are held by the school for the current or previous financial years.

The governing body must notify the LA in advance of any such expenditure in excess of £10,000.

If the expected capital expenditure from the budget share in any one year will exceed £10,000 the governing body must additionally take into account any advice from the authority's designated Director of Children, Families and Learning as to the merits of the proposed expenditure.

Where the premises are owned by the LA, or the school has voluntary controlled status, then the governing body shall seek the consent of the LA to the proposed works. However, consent for building work can only be withheld by the LA on Health and Safety grounds.

2.25 Devolved Formula Capital (DFC)

DFC is delegated to schools, however, this must only be used in line with the LA capital guidance and definition and not for revenue purposes e.g. repairs and maintenance.

Schools are required to return to the LA, on a timely basis as prescribed by the LA, control schedules identifying actual capital spend, supported by copy invoices.

DFC must be spent within the three and a half year time frame or claw back may be applied.

¹ 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 Act.

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Direct Revenue Finance entries are not permitted where a school has a Licence Deficit agreement or where sufficient Capital balances are held. Exception will be made where earmarked funds authorised by the LA in a previous financial year have detailed a capital contribution. (DRF)

Voluntary Aided (VA) Schools must ensure a separate bank account is held for DFC and only the contribution from the school budget share is shown in the LA School accounts. VA Schools must ensure that they follow LA guidance and definitions for capital. It is the responsibility of the school to comply with deadlines and returns as prescribed by the Diocese or the DCSF.

VA Schools must only transfer the 10% contribution from revenue to the capital account when invoices need to be paid and not as a lump sum each year. Schools should submit back-up to their School Financial adviser, consisting of copy invoices to this transfer of funds.

3 INSTALMENTS OF THE BUDGET SHARE AND BANKING ARRANGEMENTS

3.1 Choice of Banking Arrangements

Schools have the choice of banking arrangements subject to the approval of the Director of Corporate Resources as follows:

Option (a): Fully Funded Schools: The entire school's budget share will be made available to the governing body on a monthly basis; that is, subject to an initial advance and consequent year end adjustment, the school's budget share will be transferred into the schools bank account in equal instalments. However schools may adjust the proposed instalments by writing to the Head of Children's Services Finance, with a supporting cashflow, demonstrating the schools requirements. Any accelerated instalments will be deducted from future instalments. The operation of the bank account will be subject to the Fully Funded Bank Account Scheme.

Option (b): Centrally Funded Schools: Schools may opt to use the authority's main bank account by way of central processing (where available) and will, therefore, not be subject to the instalment arrangements included in this scheme. These schools may also have a bank imprest account, which will be subject to the Bank Imprest Scheme.

Any requests from schools to alter their banking arrangements must be made prior to 1 February in any year for commencement at the start of the following financial year.

Schools applying to go fully funded must complete and return the Fully Funded Bank Account Readiness Self Assessment form along with their application. This is available on the schools website to download.

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This document has been developed as part of an ongoing programme of assistance and support to those schools considering moving to a Fully Funded bank Account. It should inform the Governing Body making, or intending to make, application for a Fully Funded Bank Account. as to the school's state of readiness to properly perform the financial management process appropriate to this particular Bank Account Scheme.

It will assist the Council's Director of Corporate Resources to complete his duties under the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988 in relation to the proper maintenance of the Councils financial affairs.

The criteria for not allowing schools to move to being fully funded will include:

- Timeliness and accuracy of returns.
- Latest audit opinion. If this was within the current academic year the audit opinion must be at least 'Adequate Assurance'. If the audit report was undertaken in the previous academic year then an agreed action plan must be in place.
- If the FMSiS is not achieved by the due date and no agreed action plan is in place.

3.2 Proportion of Budget Share Payable at each Instalment

The proportion of the school budget made available to the school are as outlined in 3.1 above. Any re-determinations of school budget will result in amendments to the amounts lodged in the schools bank account.

3.3 Interest on late payments

Where there is a delay in part or all of a scheduled payment, due to an error by the LA, interest will be paid on the unpaid amount at the relevant Bank of England base rates for the period.

3.4 Budget Shares for Closing Schools

Budget shares of schools for which approval for discontinuation has been secured will be made available until closure on a basis agreed by the LA. This may either reflect the existing banking arrangements or an alternative arrangement that suits both the LA and the school concerned.

3.5 Bank and Building Society Accounts

All schools may have an external bank account into which their budget shares will be paid in accordance with the provisions contained at paragraph 3.1 of this scheme. Where schools have such accounts they shall be allowed to retain all interest payable on the account and be subject to any bank charges arising.

New bank account arrangements may only be made with effect from the

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beginning of each financial year and any such change must be requested prior to 1 February preceding the start of the new financial year.

Where a school transfers to full funded status the LA will transfer an estimate of any surplus balance at the year-end, as agreed with the school, by the date fully funded status commences, or as soon as the bank account is operable. This initial transfer will be subject to adjustment following a full reconciliation of the schools financial position as at the financial year-end.

3.5.1 Restrictions on Accounts

Accounts may only be held at either a bank or building society that has been approved by the LA's Director of Corporate Resources, and as such appears on the approved list. Notwithstanding this, any existing GM or GM Special School in being at 31 March 1999 can continue with their existing banking arrangements.²

Any school closing an account used to receive its budget share and opening another must select the new bank or building society from the approved list, even if the closed account was not with an institution on that list.

Schools are allowed to have accounts for budget share purposes which are in the name of the school rather than the LA³. Where a school opens such an account, i.e. in its own name, the school shall ensure that the bank mandate states the LA is the owner of school budget share funds. In this context the mandate shall ensure that the LA is entitled to receive statements where it so wishes and that it can take control of the account should the school's right to a delegated budget be suspended by the LA.

3.6 External Borrowing By Schools

Governing bodies may borrow money externally only with the written permission of the Secretary of State⁴ following consultation with the LA. This does not apply to approved Licensed Deficits and the authority's Asset Loan Scheme (See paragraph 4.9 below).

3.7 Other Provisions

Central Bedfordshire Council's Financial Regulations for Schools sets out in

² GM and GM special schools, and schools formerly in those categories, are allowed to nominate as the account for budget share payments the account used in 1998-99 for payments of AMG by the FAS, even if it is not on the Chief Finance Officers list.

³ Money paid by the LA and held in such accounts remains LA property until spent (s.49(5) of the Act).

⁴ This does not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. These debts may not be serviced directly from the delegated budgets, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing. Governing bodies do not act as agents of the LA when repaying loans.

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further detail the operational requirements of the banking schemes outlined in 3.1 above. In addition the Regulations include information on the Bank Imprest Scheme, which can be used in conjunction with centralised payments.

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

4.1. The Right to Carry Forward Surplus Balances

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

4.2 Reporting On The Intended Use Of Surplus Balances

Surplus balances held by schools as permitted under this scheme are subject to the following restrictions with effect from 1 April 2008:

- a. the Authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework;
- b. the Authority shall deduct from the calculated balance any amounts for which the school has a prior year commitment to pay from the surplus balance and any unspent Standards Fund grant for the previous financial year;
- c. the Authority shall then deduct from the resulting sum any amounts which the governing body of the school has declared to be assigned for specific purposes permitted by the authority, and which the authority is satisfied are properly assigned. To count as properly assigned, amounts must not be retained beyond the period stipulated for the purpose in question, without the consent of the Authority. In considering whether any sums are properly assigned the Authority may also take into account any previously declared assignment of such sums but may not take any change in planned assignments to be the sole reason for considering that a sum is not properly assigned.
- d. if the result of steps a-c is a sum greater than 5% of the current year's budget share for secondary schools, 8% for primary and special schools, or £10,000 (where that is greater than either percentage threshold), then the Authority shall deduct from the current year's budget share an amount equal to the excess, subject to the review by the Sub Group of the Schools Forum,

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set out below.

Funds deriving from sources other than the Authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.

Funds held in relation to a school's exercise of powers under s.27 of the Education Act 2002 (community facilities) will not be taken into account unless added to the budget share surplus by the school as permitted by the Authority.

The total of any amounts deducted from schools' budget shares by the Authority under this provision are to be applied to the Schools Budget of the authority.

To assist the LA in carrying out its financial monitoring role, Governing bodies are required to report to the LA on the use which the school intends to make of surplus balances – after taking account of any earmarked funds, as per the annual CFR return - in cases where the total balance exceeds the threshold's set out in d. above.

Where schools have a surplus balance that exceeds the above thresholds of the School's Budget Share at the financial year end, the Governing Body are required to put in place a financial plan to reduce the surplus to below the threshold.

The plan will be reviewed and agreed by a Sub Group of the Schools Forum, each year and monitored to ensure such surpluses are used appropriately for the benefit of the school.

If the Sub Group of the Schools Forum is minded to believe that a school is not retaining the balance for appropriate reasons, then a process will be started to recycle the funds in excess of the threshold.

The calculation of the excess balance will be notified by a letter in the format of Appendix D1, Schools will also be required to complete the Declaration of Earmarked Funds and Surplus Balances(appendix D2), which must be submitted to the LA and supported by relevant evidence..

Relevant evidence must support B02 Uncommitted Revenue Balances and be in written form and may comprise of:-

- Finance Governors Minutes
- Three year plans
- Projected Pupil Numbers
- Correspondence with Contractors
- Any other relevant information

4.3 Interest on Surplus Balances

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Balances held by the Authority, on behalf of schools, do not attract interest. Balances held by schools in their own bank accounts, option (a) or referred to in paragraph 3.1 above is used, may attract interest for the school depending on the type of account.

4.4 Obligation to Carry Forward Deficit Balances

Deficit balances will be carried forward by the deduction of the relevant amounts from the following year's budget share (see also 4.9).

4.5 Planning for Deficit Budgets

Schools may only plan for a deficit budget in accordance with the terms of paragraph 4.9 below.

4.6 Charging of Interest on Licensed Deficit Balances

The LA does not charge interest on school licensed deficits arising at the end of any financial year to those schools operating bank account option (b). Schools operating their own bank account option (a) are not permitted to allow their account to become overdrawn.

4.7 Writing off Deficits

The LA has no power to write off the deficit balance of any school.

4.8 Balances of Closing and Replacement Schools

When a school closes, any balance (whether surplus or deficit) shall revert to the LA; it cannot be transferred as a balance to any other school, even where the school is a successor to the closing school.

However, the LA may, if they wish, make allocations to schools, which have the effect of giving them the benefit of additional sums that are equal to or less than the surplus balances of relevant closing schools.

The LA may also recognise the deficit of the preceding school by reducing the amount of extra funding allocated to a new school, by an amount equal to the deficit from the previous school. Any deficit cannot be set against the 'normal' elements of funding the new school – that is the elements of funding it would receive anyway if it were not new.

4.9 Borrowing for Agreed Purposes

The general provision in paragraph 3.6 above forbidding Governing bodies to borrow money shall not apply to schemes run by the Authority as set out below:

4.10 Licensed Deficits

The LA will permit schools which do not have a deficit at the start of a financial year to plan for a deficit budget in particular circumstances subject to the approval of the Director of Children, Families and Learning and the Director of Corporate Resources, or their nominated representative. The funding to allow such a deficit budget shall be provided from the collective surplus of school balances held by the authority on behalf of schools⁵.

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

(a) The normal maximum length of time over which schools may repay the deficit (i.e. to reach at least a zero balance), will be three years. Schools' requests for licensed deficits will need to be supported by a detailed recovery plan. Progress against the plan will be reviewed formally each month and schools are required to submit a formal outturn by 20th of the following month. - This must be in the format as prescribed in appendix H and supported by a system print confirming spend to date. Should the financial position of the school deteriorate then schools will need to adjust their plans accordingly to achieve the terms of their agreed Licensed Deficit. If the school forecasts that the approved LD recovery cannot be met they should submit in writing a request for additional funds, supported by a revised recovery plan, as soon as possible.

In exceptional circumstances the recovery period may be extended, up to maximum of seven years, but only with the express approval of the Director of Corporate Resources and the Director of Children, Families and Learning.

(b) Licensed Deficits will normally only be agreed where circumstances affecting the school change in ways which could not have reasonably been foreseen and the school concerned needs a period in excess of one financial year in order to effect a reduction in its annual level of expenditure and/or an increase in its annual level of income sufficient to eliminate the budget deficit;

(c) Licensed Deficits shall not normally exceed 10% of a school's budget share;

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

(e) The format of the Financial Recovery Plan is shown in Appendix E1. This is in excel spreadsheet format and available electronically from the schools website, to accompany this plan, detailed notes are required to be submitted to support the recovery plan.

⁵ although it is open to the LA, in circumstances where there is no such surplus, to make alternative arrangements if it can do so within the relevant local authority finance legislation.

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The Financial Planning Software (FPS) format is acceptable, in the form of the Consistent Financial Reporting (CFR) report.

If the recovery period is less than three years, the plan only needs to cover the recovery period i.e. an additional one or two years. If exceptionally a longer period has been agreed, as set out above, the plan must be extended to the financial year of recovery.

Schools operating Bank Account option (a) are excluded from licensed deficits as they hold all of their funds in their own bank accounts (unless the account is a sub account of the LA's bank account). Schools operating Bank Account options (b) are eligible for licensed deficits as the LA holds all, of, their funds.

The LA may extend deficit arrangements to schools operating Bank Account option (a) but the arrangement will be in the form of a loan for which interest will be chargeable. The current rate of interest charged on such loans is the 7 day London Interbank Bid Rate. This facility will be subject to the availability of funds as outlined in sub paragraph (d) above. Details of the loan conditions can be found in Central Bedfordshire Council's Financial Regulations for Schools.

Schools with a Licensed Deficit may use the School Standards Grant on purposes other than reducing the Licensed Deficit, unless in the view of the LA the proposed expenditure is unreasonable in the school's financial circumstances.

4.11 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 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 four 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 will be such that in the period over which the school elects to spread the cost, each annual payment (comprising both principal and interest) will not exceed one per cent of the total budget share (formula allocation excluding balance brought forward), as calculated in the year in which the agreement commences;

(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.

4.12 Credit Union Approach

Schools may wish to group together to utilise externally held balances for a Credit Union approach to loans. Where schools choose to borrow money through such a scheme the LA will require audit certification of the running of the scheme, unless the LA itself acts as the administrator of the arrangement. Details of the arrangements can be found in Central Bedfordshire Council's Financial Regulations for Schools.

5 INCOME

Schools shall be able to retain income except in certain specified circumstances.

5.1 Income from Lettings

Schools may retain income from lettings of the school premises which would otherwise accrue to the LA, subject to alternative provisions arising from any joint use or PFI agreements. Schools are permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to the budget share. Schools whose premises are owned by the LA shall be required to have regard to directions issued by the LA as to the use of school premises.

5.2 Income from Fees and Charges

Schools may retain income from fees and charges except where a service is provided by the LA from centrally retained funds. Schools are required to have regard to any policy statements on charging produced by the LA.

5.3 Income from Fund-Raising Activities

Schools may retain income from fund-raising activities.

5.4 Income from the Sale of Assets

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

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

5.5 Administrative Procedures for the Collection of Income

Schools are required to comply with the LA's guidance on VAT as expressed in Central Bedfordshire Council's VAT Guide.

The LA will inform schools of any changes to approved procedures, which may arise from time to time in the light of advice from HM Customs and Excise.

5.6 Purposes for which Income may be used

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

6 THE CHARGING OF THE SCHOOL BUDGET SHARES

6.1 General Provision

6.1.1 The budget share of a school may be charged by the LA without the consent of the governing body only in circumstances set out in 6.2 below.

The LA shall consult a school as to the intention to so charge, and shall notify a school when it has been done.

Schools are reminded that the LA cannot act unreasonably in the exercise of any power given by this scheme, or it may be the subject of a direction under s.496 of the Education Act 1996.

Should a school wish to challenge such a charge then they must set out their objections in writing to the Director of Corporate Resources who shall make the final determination.

6.1.2 The LA will 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 LA to bear such costs (the amount chargeable being the excess over any amount agreed by the LA).

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

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

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the LA's advice. In framing its advice the LA will ensure that it has taken proper account of the role of aided school governing bodies under section 60 (5) of the Act.

- 6.2.4** Expenditure by the LA in carrying out building repairs and maintenance, health and safety work or capital expenditure for which the LA 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 LA incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the LA or the school has Voluntary Controlled status.
- 6.2.6** Expenditure incurred by the LA in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the LA. In each particular case the LA will first have considered that it has an insurable interest.
- 6.2.7** Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement, and the result is that monies are owed by the school to the LA.
- 6.2.8** Recovery of penalties imposed on the LA by HMRC, the Contributions Agency, HM Customs and Excise, Teachers Pensions or regulatory authorities as a result of school negligence.
- 6.2.9** Correction of LA errors in calculating charges to a budget share (e.g. pension deductions).
- 6.2.10** Additional transport costs incurred by the LA 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 are incurred by the LA because the governing body did not accept the advice of the LA (see also section 11).
- 6.2.12** Costs of necessary health and safety training for staff employed by the LA, where funding for training has 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-LA payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory

obligations.

- 6.2.15** Costs incurred by the LA in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of that statement.
- 6.2.16** Costs incurred by the LA due to submission by the school of incorrect or late data.
- 6.2.17** Recovery of amounts spent from specific grants on non eligible purposes.
- 6.2.18** Costs incurred by the LA as a result of the governing body being in breach of the terms of a contract.

6.3 General Teaching Council Fees

Fees to be deducted from teachers' salaries and remitted to the General Teaching Council for England

The General Teaching Council for England (Deduction of Fees) Regulations 2001 ("the Regulations", S.I. 2001 No. 3993) came into force on 10 January 2002. The Regulations apply to teachers at maintained schools registered with the General Teaching Council for England ("the GTC") or required to be so registered by the Teachers (Compulsory Registration) (England) Regulations 2001 (S.I. 2001 No. 1266). The Regulations place a duty on the employer of such teachers to deduct and remit the GTC fee in respect of a teacher who has not already paid the fee to the GTC where the GTC has notified the employer to deduct and remit the fee of that teacher. This includes teachers who have indicated to the GTC that they wish to pay the fee by a salary deduction as well as teachers who have not indicated how they wish to pay the fee. In addition the School Teachers' Pay and Conditions Document (STPCD) requires every "relevant body" (i.e. the governing body in the case of schools) to pay the sum specified as the GTC's fee allowance to all teachers who are required to be registered with the GTC, in respect of the annual registration fee. Furthermore the governing body is required to take reasonable steps to satisfy itself that the teacher has not received a payment in respect of the current year from any other relevant body.

In order to ensure the performance of the duties to pay, deduct and remit the fee imposed on employers by the Regulations and the STPCD 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 and come into effect on 28 February 2002.

(1) By virtue of section 46 of the School Standards and Framework Act 1998 and the regulations made under that section (at present the Financing of Maintained Schools (England) Regulations 2001 (S.I. 2001 No. 475, Part II and Schedule 1) the costs of payroll administration for teachers in the Authority's maintained schools fall to be met from the budget shares which are allocated to

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governing bodies pursuant to section 47 of the Act, and which are delegated to them pursuant to sections 49 – 50. Accordingly, by virtue of Chapter IV of Part II of that Act and this Scheme, governing bodies of maintained schools are responsible for making suitable arrangements (or ensuring that such arrangements are made) for the administration of payroll services in respect of their teachers.

(2) A governing body of a community school, community special school or a voluntary controlled school, though not the employer of the teachers at such a school, shall:-

- (a) where the governing body has entered into any arrangement or agreement with the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the payment of fees to teachers and the deduction and remittance of fees by the Authority to the GTC. The governing body shall meet any consequential costs from the school's budget share; and
- (b) where the governing body has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the payment of fees to teachers and the deduction and remittance of fees by that person to the Authority or directly to the GTC, where this has been agreed between the GTC and the Authority. The governing body shall meet any consequential costs from the school's budget share; and
- (c) where the governing body directly administers the payroll, pay fees to teachers and deduct and remit the fees to the Authority or directly to the GTC where this has been agreed between the GTC and the Authority. The governing body shall meet any consequential costs from the school's budget share.

(3) A governing body of a foundation school, a foundation special school or a voluntary aided school, as the employer of its teachers, is by virtue of the Regulations under a duty to deduct (or arrange for the deduction of) the fee and to remit the fee to the GTC. Accordingly, a governing body shall:-

- (a) where the governing body has entered into any arrangement or agreement with the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the payment of fees to teachers and the deduction and remittance of the fees by the Authority to the GTC on the governing body's behalf. The Authority shall agree to any such amendment. The governing body shall meet any consequential costs from the school's budget share;
- (b) where the governing body has entered into any arrangement or agreement with a person other than the Authority to provide payroll services, ensure that any such arrangement or agreement is amended to allow for the payment of fees to teachers and the deduction and remittance of the fees by that person

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to the GTC or to the governing body for onward transmission to GTC. The governing body shall meet any consequential costs from the school's budget share; and

(c) where the governing body directly administers the payroll, pay fees to teachers and deduct and remit the fees to the GTC. The governing body shall meet any consequential costs from the school's budget share.

(4) All this shall be done whether the funding for the salary payments is paid to the Authority by the school from budget share instalments which have been held by the school in an independent bank account, or the salary costs are directly charged by the Authority to the school's budget share account.

7 TAXATION

7.1 Value Added Tax

The LA has established procedures to enable schools to utilise the Authority's ability to reclaim VAT on expenditure relating to non-business activity. These procedures are outlined in the Bedfordshire VAT Guide, published on the Schools' website.

Accounting for VAT is additionally included in the LA's Bank Account Schemes.

7.2 CIS (Construction Industry Scheme)

After negotiations between Industry and HMRC a major change was agreed for Local Authority schools with delegated budgets which came into effect from 5th April 2007. This new exemption means that **where a contract is between the school/governing body and the subcontractor i.e. not with the Local Authority) CIS reporting is not required.** This means that fully funded schools can pay the subcontractor direct and do not have to report these invoices via the Tax Officer (as per previous scheme). Schools without their own bank accounts will continue to pass invoices centrally for payment, but they will not be flagged as CIS.

Where there are major **Capital Works** the contract is usually (but not in all cases) between the subcontractor and the Local Authority. Where this is the **case invoices are paid by the Local Authority and will be reported for CIS purposes.**

The new exemption should mean a lot less reporting for schools. However, schools retain the responsibility for checking Employment Status for payments to all individuals.

8 THE PROVISION OF SERVICES AND FACILITIES BY CENTRAL BEDFORDSHIRE LA

8.1 Provision of Services from Centrally Retained Budgets

The LA shall determine on what basis services and payments, including PRC and redundancy payments, from centrally retained funds will be provided to schools. The LA is debarred from discriminating in its provision of services on the basis of categories of schools except where:-

- (a) funding has been delegated to some schools only or
- (b) such discrimination is justified by differences in statutory duties.

8.2 Timescales For The Provision Of Services Bought Back From The LA 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 LA shall be limited to a maximum of three years from the inception of the scheme or the date of the agreement, whichever is the later, and periods not exceeding five years for any subsequent agreement relating to the same services.

In the case of catering contracts the contract period may be up to seven years in duration.

The provision of services or facilities by the LA, which are bought back using delegated budgets, must be offered at prices that are intended to generate income that is no less than the cost of providing those services. The total cost of the service must be met by the total income.

Centrally arranged premises and liability insurance are excluded from these requirements.

8.3 Packaging

The LA may provide any service for which funding has been delegated. But where the LA is offering the service on a buyback basis it will do 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.

8.4 Service Level Agreements

If services or facilities are provided 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.

Where the LA utilises Service Level Agreements, schools must be provided with, at a minimum, one month to consider the terms of any new Agreement prior to approval by the school.

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Services, if offered at all by the LA, shall be available on a basis which is not related to an extended agreement, as well as on the basis of such agreements.

Centrally arranged premises and liability insurance are excluded from these requirements.

8.5 Teachers Pensions

In order to ensure that the performance of the duty on the LA to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the LA and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares and come into effect on 1 November 2002.

The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the LA to provide payroll services and/or personnel 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 LA to provide payroll and/or personnel services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the LA which the LA requires, to submit the annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

The LA will advise schools each year of the timing, format and specification of the information required. A governing body shall ensure that any such arrangement or agreement is varied to require the Additional Voluntary Contributions (AVCs) are passed to the LA within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the schools' budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data the LA which the LA requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

The LA 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 LA within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

9 PRIVATE FINANCE INITIATIVE/PUBLIC/PRIVATE PARTNERSHIP (PFI/PPP)

The LA shall have the power to issue regulations from time to time relating to PFI/PPP projects. Amongst other issues these may deal with the reaching of agreements with the governing bodies of schools as to the basis of charges

relating to such schemes; and the treatment of monies withheld from contractors due to poor performance.

10 INSURANCE

If a school does not buy back cover for insurance from the LA, then the school is required to demonstrate that cover relevant to an LA's insurable interests, under a policy arranged by the governing body, is at least as good as the relevant minimum cover arranged by the LA.

Those Schools who do not buy back insurance from the LA must produce evidence to the LA that the appropriate level of cover has been arranged prior to 1 April of the financial year for which delegation of insurance funds is sought.

The LA is required to take due regard to actual risks which might reasonably be expected to arise at a school wishing to make their own insurance arrangements. This is to ensure that an appropriate level of insurance is arranged.

11 GOVERNING BODIES

11.1 Right of Access to Information

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

11.2 Liability of Governors

Because the governing body is a corporate body⁶, 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 LA shall have the power to delegate to the governing body of a school yet to receive a delegated budget, funds to meet governors' expenses.

Only allowances in respect of purposes specified in regulations⁷ may be paid to governors from a school's delegated budget share. Schools are expressly forbidden from paying any other allowances to governors.

Schools are also barred from payment of expenses duplicating those paid by the Secretary of State to additional governors appointed by him to schools under special measures.

⁶ and because of the terms of s.50(7) of the Act

⁷ Schedule 11 of the Act.

11.4 Responsibility for Legal Costs

Legal costs incurred by the governing body, although the responsibility of the LA 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.

It may, very occasionally, be the case that there is a conflict of interest between the governing body and the LA where the governing body would wish to obtain separate legal advice and in such a situation the Legal Services section of the LA would be available to advise the governing body as to practitioners with the necessary expertise.

11.5 Health and Safety

In expending the school's budget share governing bodies are required to have due regard to duties placed on the LA in relation to health and safety, and the Authority's policy on health and safety matters in the management of the budget share.

Under Section 39(3) of the School Standards and Framework Act the LA may issue directions to the governing body and Headteacher of a community, community special or voluntary controlled school on health and safety matters.

These directions are enforceable, so far as governing bodies are concerned, via S.497 of the Education Act 1996 if not complied with.

11.6 Right of attendance for Director of Corporate Resources

Governing bodies are required to permit the Director of Corporate Resources, or his representative, to attend meetings of the governing body at which any agenda items are relevant to the exercise of her or his responsibilities.

The attendance of the Director of Corporate Resources' or his representative shall normally be limited to items which relate to issues of probity or overall financial management of the school and shall not be regarded as routine.

The LA will give prior notice of such attendance, unless it is impracticable to do so.

12. RESPONSIBILITY FOR REPAIRS AND MAINTENANCE

Illustrative examples of capital expenditure items in line with DCSF' interpretation of the CIPFA code of practice are included at Appendix F For voluntary aided schools, the liability of the LA for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools, and no separate list of responsibilities is necessary

for such schools. However, eligibility for capital grant from the Secretary of State for capital works as voluntary aided schools depends on the *de minimis* limit applied by DCSF to categorise such work, not the *de minimis* limit used by Central Bedfordshire LA.

13 EXTENDED SCHOOL ACTIVITY

To establish and maintain sustainable extended services, schools, whether working individually or in clusters, must have a clear funding strategy.

The potential sources of funding will depend on the type of extended activity. These fall into two key categories: activities that can be funded from schools delegated budgets and those that are non eligible for funding from schools delegated budgets.

In order to plan for the sustainability of all extended activities, schools need to make an assessment of the ongoing costs of delivery. For activities that may be funded from the delegated budget, a school must establish whether part or all of this is affordable from the delegated budget alone and/or what alternative sources of funding are both available and appropriate, on an ongoing basis.

For activities that are non eligible for funding from the delegated budget, a school must secure alternative sources of funding, which will usually include charging, but may also include funding held at local authority level targeted on the requirements of children, young people and their families, and specific grants.

It is the responsibility of the Governing Body to determine the use of school budget share in respect of Extended Services and the decision be minuted accordingly. The CFR framework must be adhered to in the recording of the income and expenditure.

13.1 Use of Delegated Budgets

A schools budget share, or delegated budget, is ring-fenced, in statute, “for the purposes of the school”. This covers all the activities that the school is required to deliver in respect of the teaching and Learning of the pupils registered at the school. This specifically excludes the provision of community facilities (see section 14). The DCSF view the main test of an activity that is “for the purposes of the school” is that it brings an educational benefit to the pupils registered at the school or at other maintained schools.

To assist a school to decide whether an activity can be funded from its delegated budget, the decision tree at Appendix G may be helpful.

Possible examples of activities eligible for funding from delegated budgets (“eligible activities”) are:-

- parenting class-helps parents/carers of pupils to support their learning.

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- term-time breakfast club-ensures pupils are in class on time and ready to Learn.

Possible examples of activities not eligible for funding from delegated budgets (“community facilities”) are:-

- adult fitness class-no educational benefit to pupils
- school holiday play scheme-purpose childcare and therefore a community facility

It is important for schools to clearly distinguish between eligible activities and community facilities, as this has implications for the way that spending on various activities are managed and reported (see section on financial management and accounting procedures, below).

13.2 Other Sources of Funding

Community facilities and eligible activities where delegated funding cannot meet part or all of the required funding, alternative/additional sources of funding will need to be secured.

The following are potential alternative/additional sources of funding:-

- Grant Funding available to Schools and the Local Authority
 - Standards Fund grant for Extended Schools
 - General Sure Start Grant allocations

This funding is aimed at “start up” funding for projects that will become sustainable from other sources of funding, including charging

- Schools Standard Grant (SSG)
 - From April 2006, schools will be able to use their SSG allocation to support the full range of extended activities, including community facilities.
- Charging and Voluntary Contributions
 - It is considered likely that charging will be the main source of ongoing funding for many extended services, particularly those providing community facilities. Schools will need to establish an appropriate charging regime. It is a key requirement that community facilities are not subsidised from the delegated budget, including the covering of any appropriate cost apportionments e.g. staff and premises.
- Cross-subsidies
 - It is permissible for cross-subsidies between community facilities. This will enable schools to provide facilities considered a priority, even if not self-financing and cannot draw on the delegated budget. Activities and services that generate an income can be used to support other programmes. Equally, charges can be subsidised for individual users of

services who may be unable to pay to participate, but would benefit from the activity or service. This should be dealt with by way of the charging regime's remission policy.

-For eligible activities where the delegated budget cannot sustain part or all of the activity, schools should consider if it is appropriate to make a charge or request voluntary contributions, from participants. Note, charges cannot be made for certain activities, such as delivery of the National Curriculum and the preparation of pupils for a public examination.

-For schools to introduce a charging regime, the Board of Governors must have a charging policy that includes a remissions policy setting out the circumstances in which they would remit, in whole or part.

13.3 Financial Management and Accounting Procedures

Schools' accounting records need to distinguish between eligible activities and community facilities. Community facilities must be accounted for separately. If the facility is under the management of the Governing Body and included within the schools financial management, a separate bank account is not permitted.

Schools financial management and reporting should identify separately spending on community facilities. This may be achieved within the main school account through the use of separate coding arrangements.

Where the community facilities are significant, or varied, largely free standing and **separately managed**, then a separate bank account would be appropriate, and will help with the accounting for VAT.

Expenditure on eligible activities should be treated alongside other core school activities and do not require separate identification.

Since expenditure incurred by the governing body in respect of community facilities may not be met from the school's budget share, the school's budget share will not be increased to include increased rates costs or floor area allocations relating to the community facilities so provided. Headteacher and Boards of Governors will need to ensure that due care is taken not to compromise the financial position of a school's delegated budget, whilst extending the provision of services. In particular schools need to ensure that:-

- They can demonstrate a clear audit trail confirming their decisions to undertake individual extended activities and their sources of funding, including whether such
- activities are eligible or non eligible. The decision tree at Appendix G may be useful for this purpose.

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- There is a robust process for fully costing all extended activities, including the apportionment of schools' fixed costs or overheads. The following costs will need to be covered:-
 - Heating and lighting
 - Water costs (especially swimming pools)
 - Equipment and materials
 - Refreshments
 - Staffing
 - Cleaning
 - Maintenance
 - Wear and tear
 - Programme management and administrative support
- That there is a clear and transparent process for agreeing and making all relevant charges.
- They have all the appropriate systems, processes and controls in place, to support a charging regime.
- Existing systems, processes and controls are robust enough to support the financial management and accountability of extended services. When reviewing its existing policies and procedures schools need to consider the following;-
 - Changes and additions required to existing reporting, including a review of current income and cost coding structures.
 - Invoicing procedures, including system and VAT implications.
 - Policies and procedures for collecting money, including any automated banking requirements.
 - Cash handling and banking procedures.
 - Management of debtors and creditors and their respective ledgers.
 - Audit provision-both internal audit and the audit requirements of external funding body.
 - Where a school wishes to establish a trading organisation it must consult with the LA regarding the nature of the trading activity.

14. COMMUNITY FACILITIES – Further Regulations

Community facilities are defined in the Education Act 2002 as “any facilities or services whose provision furthers any charitable purpose for the benefit of – (a) pupils at the school or their families, or (b) people who live or work in the locality in which the school is situated.”

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 including: -

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- Expenditure incurred in the exercise of the power may not be met from the school budget share, including any accumulated surplus on the budget share.
- Regulations made by the Secretary of State under s.26 (2), if any, which can specify activities which may not be undertaken at all under the main enabling power.
- Schools' legal obligations to consult and have regard to advice from the LA.

However, under s.28 (1) of the Education Act 2002, the main limitations and restrictions on the power will be:

- a) those contained in the schools' own instruments of government, if any; and
- b) those contained in the Bedfordshire Scheme for Financing Schools.

This section of the Scheme for Financing Schools does not extend to joint-use agreements, transfer of control agreements, or agreements between the LA and schools to secure provision of adult and community Learning.

14.1 Existing Community Arrangements

Where a school is already carrying out any of the activities covered by this power, under the terms of an existing funding or management agreement with the LA, then the terms of that agreement continue to apply.

14.2 Consultation with the LA

Section 28(4) of the Education Act 2002 requires that before exercising the community facilities power, governing bodies must consult the LA and have regard to the advice given to them.

Informal contact between schools and officers with the relevant professional expertise well before the formal consultation commences is likely to be beneficial to all parties. It would also be helpful to all parties if schools gave the LA notice of their intent to exercise the power in advance of the formal consultation itself.

Formal consultation with the LA about proposed community facilities will commence when the full consultation material has been submitted in writing and the response period will begin from receipt of the full material. Major uses of the power where community facilities have an annual revenue turnover in excess of £100,000 or capital schemes costing more than £100,000 are involved will lead to the LA providing formal advice in writing (which may be e-mail) within eight weeks of receipt of the formal consultation material. In the case of more minor uses, advice will be provided within six weeks.

Subsequently the governing body should inform the LA of the action taken in response to this advice.

The school should provide the following information in the formal consultation document:

- a business plan for the provision of the proposed community facilities or services covering the first three years of operation;
- in the case of capital projects effecting the existing buildings on the school site and/or the construction of new buildings then the full plans and costing of the works proposed ;
- details of any planning and environmental considerations and evidence of discussions with relevant regulatory agencies;
- expressions of support from potential user groups, district and parish councils, local community groups, neighbouring schools, business representatives, as appropriate;
- details as to how the facility will be managed and how this relates to the management of the school;
- a statement that the proposed activities will not interfere with the overriding purpose of the school in achieving higher standards for pupils [section 26(3) of the Act];
- details of any proposed funding agreements with third parties;
- the insurance arrangements proposed.

14.3 Funding Agreements

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

Any funding agreements with third parties (as opposed to funding agreements with the LA itself) should be submitted to the LA for comment and advice. Such draft agreements should form part of the consultation with the LA (as per section 3). Schools must have regard to the advice.

However, schools are reminded that if an agreement has been or is to be concluded against the wishes of the LA, or has been concluded without informing the LA, which is judged to be seriously prejudicial to the interests of the school or the LA, that may constitute grounds for suspension of the right to a delegated budget.

14.4 Other Prohibitions, Restrictions and Limitations

Where a school makes a proposal for a community facility which carries significant financial risks, the LA may require that the governing body shall make arrangements for the activity concerned to be carried out through the vehicle of a limited company formed for the purpose, or obtain appropriate indemnity insurance.

14.5 Treatment of Surpluses

Schools may retain all surpluses derived from community facilities except where otherwise agreed with a funding provider. When a surplus has been derived after the charging of all relevant costs and crediting of all relevant income, then that surplus may be carried over from one financial year to the next. This must be shown in the Declaration of Earmarked Funds and Surplus Balances (appendix D2) B06. The recommended practice would be to account for this as a separate community fund surplus. Schools must take all appropriate action to ensure that no deficit arises from the operation of the community facility.

If the school is a community or community special school and the school ceases to be maintained by the LA, any accumulated retained surpluses obtained from the exercise of the community facilities power reverts to the LA, unless otherwise agreed with a funding provider.

Liabilities to third parties incurred in the exercise of this power are a charge on surpluses retained from these activities.

14.6 Audit

Schools are 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. This will include the audit requirements of any external funding body.

In concluding funding agreements with third parties, schools must ensure that such agreements contain adequate provision for access by the LA to the records and other property of those parties which are held on the school premises, or held elsewhere in so far as they relate to the activity in question. Access is required in order for the LA to satisfy itself as to the propriety of expenditure on the community facilities in question.

14.7 Health and Safety Matters

The health and safety provisions of the main body of the Scheme for Financing Schools (see particularly Section 11.5) will also apply to the use of the community facilities power.

The governing body has a responsibility for the costs of securing Criminal Records Bureau clearance for all adults involved in community activities taking place during the school day. Governing bodies are free to pass on such costs to a funding partner as part of an agreement with that partner.

14.8 Insurance

It is the responsibility of the governing body to make adequate arrangements for insurance against risks arising from the exercise of the community facilities power. Details of these arrangements should be included in the formal

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consultation material sent to the LA. Such insurance arrangements should not be funded from the school budget share.

A school proposing to provide community facilities should, as an integral part of its plans, undertake an assessment of the insurance implications and costs, seeking professional advice if necessary.

The LA will 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. This is particularly to safeguard the LA against possible third party claims.

14.9 Taxation

Value Added Tax

Schools should seek the advice of the LA's Tax Officer on any issues relating to the possible imposition of VAT on expenditure in connection with community facilities.

The VAT rules in this area are complicated and VAT should be considered before the implementation of any new scheme to ensure that there are no adverse consequences for the school.

Employee Costs

If any member of staff employed by the school or LA in connection with community facilities at the school, is paid from funds held in a school's own bank account the school will be held liable for the payment of income tax and national insurance, in line with Inland Revenue rules.

Construction Industry Scheme

Schools who exercise the community facilities power are required to follow the procedures issued by the LA in connection with the Construction Industry Scheme.

14.10 Banking

The regulations relating to bank and building society accounts, as detailed in section 3.5 and 3.5.1 of the main body of the Scheme for Financing Schools also apply to the community facilities power.

Schools must ensure that adequate internal accounting controls are in place to maintain separation of funds, where separate accounts are kept.

15. MISCELLANEOUS

15.1. Delegation To New Schools

The LA is empowered to delegate selectively and optionally to the governing bodies of schools which have yet to receive delegated budgets. By virtue of section 49 (1) - (3) of the Act a new school must receive a delegated budget not later than the date on which it opens (that is to say, the date on which it first admits pupils), unless the LA has obtained the Secretary of State's approval to a postponement beyond that date (which will only be given in exceptional circumstances). Section 49 (3) (a) also enables the LA to give a delegated budget to a new school in advance of its opening date.

15.2. Optional Delegated Funding

Where a school exercise an option to receive delegated funding for an item that is not fully delegated (i.e. retained centrally by the LA) the option to do so may only be made prior to the start of the financial year in question. Once taken this decision will hold for the financial year.

15.3. Special Educational Needs (SEN)

When spending their budget share, schools must ensure that they meet all the requirements of the SEN Code of Practice.

15.4. Interest on Late Payments

Schools are required to ensure compliance at all times with legislation in relation Interest on Late Payments. Further guidance on this issue is provided in the LA's Bank Account Schemes.

15.5. Confidential Reporting

Any person working at a school who wishes to raise any issue of financial impropriety shall do so in accordance with the Confidential Reporting Policy as set out in the School Personnel Handbook

15.6 Child Protection

Schools are encouraged to release staff as appropriate in relation child protection case conferences and other related events. Costs in relation to this are borne by the School Budget Share.

15.7. School Meals

The Bedfordshire Council contract with Eden Food Services and the specification there within, stands as the statement of School Meals policy, updated as necessary for the statutory nutritional standards, required by September 2006.

APPENDIX A

**THE CENTRAL BEDFORDSHIRE SCHEME FOR FINANCING
SCHOOLS**

SCHOOLS TO WHICH THIS SCHEME APPLIES

NURSERY

ARLESEY
THE LAWNS
WESTFIELD
WILLOW

ARLESEY
BIGGLESWADE
DUNSTABLE
DUNSTABLE

COMMUNITY
COMMUNITY
COMMUNITY
COMMUNITY

LOWER

ALL SAINTS

CLIFTON

VOLUNTARY AIDED

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| | | |
|-------------------|-------------------|----------------------|
| ARDLEY HILL | DUNSTABLE | COMMUNITY |
| FAIRFIELD | ARLSEY | COMMUNITY |
| ASHTON ST PETER'S | DUNSTABLE | VOLUNTARY AIDED |
| ASPLEY GUISE | ASPLEY GUISE | COMMUNITY |
| BEAUDESERT | LEIGHTON BUZZARD | COMMUNITY |
| BEECROFT | DUNSTABLE | COMMUNITY |
| CALDECOTE | CALDECOTE | VOLUNTARY CONTROLLED |
| CAMPTON | CAMPTON | COMMUNITY |
| CHALTON | CHALTON | COMMUNITY |
| CHURCH END | MARSTON MORETAINE | COMMUNITY |
| CLIPSTONE BROOK | LEIGHTON BUZZARD | COMMUNITY |
| CRANFIELD | CRANFIELD | VOLUNTARY CONTROLLED |
| DERWENT | HENLOW | TRUST |
| DOVERY DOWN | LEIGHTON BUZZARD | COMMUNITY |
| DOWNSIDE | DUNSTABLE | COMMUNITY |
| DUNTON | DUNTON | VOLUNTARY CONTROLLED |
| EATON BRAY | EATON BRAY | COMMUNITY |
| EVERSHOLT | EVERSHOLT | COMMUNITY |
| EVERTON | EVERTON | COMMUNITY |
| FAIRFIELD | ARLESEY | COMMUNITY |
| FLITWICK | FLITWICK | COMMUNITY |
| GOTHIC MEDE | ARLESEY | COMMUNITY |
| GRAVENHURST | GRAVENHURST | COMMUNITY |
| GREENFIELD | GREENFIELD | VOLUNTARY CONTROLLED |
| GREENLEAS | LINSLADE | COMMUNITY |
| HADRIAN | DUNSTABLE | COMMUNITY |
| HARLINGTON | HARLINGTON | COMMUNITY |
| HAWTHORN PARK | HOUGHTON REGIS | COMMUNITY |
| HAYNES | HAYNES | COMMUNITY |
| HEATHWOOD | LEIGHTON BUZZARD | COMMUNITY |
| HOCKLIFFE | HOCKLIFFE | COMMUNITY |
| HOUGHTON CONQUEST | HOUGHTON CONQUEST | COMMUNITY |
| HOUGHTON REGIS | HOUGHTON REGIS | COMMUNITY |
| HUSBORNE CRAWLEY | HUSBORNE CRAWLEY | COMMUNITY |
| ICKNIELD | DUNSTABLE | COMMUNITY |
| JOHN DONNE | BLUNHAM | VOLUNTARY AIDED |
| KENSWORTH | KENSWORTH | VOLUNTARY CONTROLLED |
| KINGSMOOR | FLITWICK | COMMUNITY |
| LABURNUM | SANDY | COMMUNITY |
| LANCOT | DUNSTABLE | COMMUNITY |
| LANGFORD | LANGFORD | TRUST |
| LARK RISE | DUNSTABLE | COMMUNITY |
| LAWNSIDE | BIGGLESWADE | COMMUNITY |
| LEEDON | LEIGHTON BUZZARD | COMMUNITY |
| LINSLADE | LINSLADE | COMMUNITY |
| MAPLE TREE | SANDY | COMMUNITY |
| MARY BASSETT | LEIGHTON BUZZARD | COMMUNITY |
| MAULDEN | MAULDEN | COMMUNITY |
| MEPPERSHALL | MEPPERSHALL | VOLUNTARY AIDED |
| MOGGERHANGER | MOGGERHANGER | FOUNDATION |
| NORTHILL | NORTHILL | VOLUNTARY AIDED |
| POTTON | POTTON | COMMUNITY |
| PULFORD'S | LEIGHTON BUZZARD | VOLUNTARY AIDED |
| PULLOXHILL | PULLOXHILL | COMMUNITY |

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| | | |
|-------------------------|-------------------|----------------------|
| RAMSEY MANOR | BARTON | COMMUNITY |
| RAYNSFORD | HENLOW | VOLUNTARY CONTROLLED |
| RIDGMONT | RIDGMONT | COMMUNITY |
| ROBERT PEEL | SANDY | COMMUNITY |
| ROECROFT | STOTFOLD | COMMUNITY |
| RUSSELL | AMPTHILL | COMMUNITY |
| SHEFFORD | SHEFFORD | COMMUNITY |
| SHELTON | MARSTON MORETAINE | COMMUNITY |
| SHILLINGTON | SHILLINGTON | COMMUNITY |
| SILSOE | SILSOE | VOLUNTARY CONTROLLED |
| SLIP END | CADDINGTON | COMMUNITY |
| SOUTHCOTT | LINSLADE | COMMUNITY |
| SOUTHILL | SOUTHILL | FOUNDATION |
| SOUTHLANDS | BIGGLESWADE | COMMUNITY |
| ST ANDREW'S | BIGGLESWADE | VOLUNTARY CONTROLLED |
| ST CHRISTOPHER'S | DUNSTABLE | COMMUNITY |
| ST GEORGE'S | LEIGHTON BUZZARD | COMMUNITY |
| ST LEONARDS | HEATH | VOLUNTARY AIDED |
| ST MARY'S | CLOPHILL | VOLUNTARY AIDED |
| ST MARY'S | STOTFOLD | VOLUNTARY CONTROLLED |
| ST MARY'S | DUNSTABLE | VOLUNTARY AIDED |
| ST SWITHUN'S | SANDY | VOLUNTARY CONTROLLED |
| ST VINCENT'S | HOUGHTON REGIS | VOLUNTARY AIDED |
| STANBRIDGE | STANBRIDGE | COMMUNITY |
| STONDON | LOWER STONDON | COMMUNITY |
| STUDHAM | STUDHAM | VOLUNTARY CONTROLLED |
| SUNDON | SUNDON | TRUST |
| SUTTON | SUTTON | VOLUNTARY AIDED |
| SWALLOWFIELD | ASPLEY HEATH | COMMUNITY |
| TEMPLEFIELD | FLITWICK | COMMUNITY |
| THE FIRS | AMPTHILL | COMMUNITY |
| THOMAS JOHNSON | LIDLINGTON | COMMUNITY |
| THOMAS WHITEHEAD | HOUGHTON REGIS | VOLUNTARY AIDED |
| THORNHILL | HOUGHTON REGIS | COMMUNITY |
| TITHE FARM | HOUGHTON REGIS | COMMUNITY |
| TODDINGTON ST GEORGE | TODDINGTON | VOLUNTARY CONTROLLED |
| TOTTERNHOE | TOTTERNHOE | COMMUNITY |
| | | |
| WATLING | DUNSTABLE | COMMUNITY |
| WESTONING | WESTONING | FOUNDATION |
| WOBURN | WOBURN | COMMUNITY |
| WRESTLINGWORTH | WRESTLINGWORTH | VOLUNTARY CONTROLLED |

MIDDLE

| | | |
|--------------|------------------|----------------------|
| ALAMEDA | AMPTHILL | COMMUNITY |
| ARNOLD | BARTON | TRUST |
| ASHTON | DUNSTABLE | VOLUNTARY AIDED |
| BREWERS HILL | DUNSTABLE | COMMUNITY |
| BROOKLANDS | LEIGHTON BUZZARD | COMMUNITY |
| BURGOYNE | POTTON | COMMUNITY |
| EDWARD PEAKE | BIGGLESWADE | VOLUNTARY CONTROLLED |
| ETONBURY | ARLESEY | COMMUNITY |
| CADDINGTON | CADDINGTON | COMMUNITY |

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| | | |
|--------------------|------------------|----------------------|
| FULBROOK | ASPLEY GUISE | COMMUNITY |
| GILBERT INGLEFIELD | LEIGHTON BUZZARD | COMMUNITY |
| HENLOW | HENLOW | VOLUNTARY CONTROLLED |
| HOLMEMEAD | BIGGLESWADE | COMMUNITY |
| HOLYWELL | CRANFIELD | VOLUNTARY AIDED |
| KINGS HOUGHTON | HOUGHTON REGIS | COMMUNITY |
| LEIGHTON | LEIGHTON BUZZARD | COMMUNITY |
| LINSLADE | LEIGHTON BUZZARD | COMMUNITY |
| MILL VALE | DUNSTABLE | COMMUNITY |
| PARKFIELDS | TODDINGTON | TRUST |
| PRIORY | DUNSTABLE | COMMUNITY |
| ROBERT BLOOMFIELD | SHEFFORD | TRUST |
| SANDYE PLACE | SANDY | COMMUNITY |
| STREETFIELD | DUNSTABLE | COMMUNITY |
| WOODLAND | FLITWICK | COMMUNITY |

UPPER

| | | |
|------------------|------------------|-----------------|
| CEDARS | LEIGHTON BUZZARD | COMMUNITY |
| HARLINGTON | HARLINGTON | TRUST |
| MANSHEAD | DUNSTABLE | VOLUNTARY AIDED |
| NORTHFIELDS | DUNSTABLE | COMMUNITY |
| QUEENSBURY | DUNSTABLE | FOUNDATION |
| REDBORNE | AMPTHILL | COMMUNITY |
| SAMUEL WHITBREAD | SHEFFORD | TRUST |
| SANDY | SANDY | COMMUNITY |
| STRATTON | BIGGLESWADE | COMMUNITY |
| VANDYKE | LEIGHTON BUZZARD | COMMUNITY |

SPECIAL

| | | |
|--------------|------------------|-------------------|
| GLENWOOD | DUNSTABLE | COMMUNITY SPECIAL |
| HILLCREST | DUNSTABLE | COMMUNITY SPECIAL |
| HITCHMEAD | BIGGLESWADE | COMMUNITY SPECIAL |
| OAK BANK | LEIGHTON BUZZARD | COMMUNITY SPECIAL |
| SUNNYSIDE | BIGGLESWADE | COMMUNITY SPECIAL |
| WEATHERFIELD | DUNSTABLE | COMMUNITY SPECIAL |

APPENDIX B

CONSISTANT FINANCIAL REPORTING - APPROVED HEADINGS

| |
|---|
| <i>Income Data</i> |
| I01 (Funds delegated by the LA) |
| I02 (Funding for sixth form students) |
| I03 (Special educational needs funding) |
| I04 (Funding for minority ethnic pupils) |
| I05 (Standards Fund) |
| I06 (Other Government grants) |
| I07 (Other grants) |
| I08 (Income from facilities and services) |

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| |
|---|
| I09 (Income from catering) |
| I10 (Receipts from supply teacher insurance claims) |
| I11 (Receipts from other insurance claims) |
| I12 (Income from contributions to visits etc) |
| I13 (Donations and/or private funds) |
| I14 (SSG – pupil focused) |
| I15 (Pupil focused extended school funding and/or grants) |
| I16 (Community focused extended school funding and/or grants) |
| I17 (Community focused extended school facilities income) |

| |
|--|
| <i>Expenditure Data</i> |
| E01 (Teaching staff) |
| E02 (Supply teaching staff) |
| E03 (Education support staff) |
| E04 (Premises staff) |
| E05 (Administrative and clerical staff) |
| E06 (Catering staff) |
| E07 (Cost of other staff) |
| E08 (Indirect employee expenses) |
| E09 (Staff development and training) |
| E10 (Supply teacher insurance) |
| E11 (Staff related insurance) |
| E12 (Building maintenance and improvement) |
| E13 (Grounds maintenance and improvement) |
| E14 (Cleaning and caretaking) |
| E15 (Water and sewerage) |
| E16 (Energy) |
| E17 (Rates) |
| E18 (Other occupation costs) |

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| |
|--|
| E19 (Learning resources) |
| E20 (ICT Learning resources) |
| E21 (Examination fees) |
| E22 (Administrative supplies) |
| E23 (Other insurance premiums) |
| E24 (Special facilities) |
| E25 (Catering supplies) |
| E26 (Agency supply staff) |
| E27 (Bought in professional services - curriculum) |
| E28 (Bought in professional services - other) |
| E29 (Loan interest) |
| E30 (Direct revenue financing) |
| E31 (Community focused extended school staff) |
| E32 (Community focused extended school costs) |

Capital Income Data

| |
|---------------------------------|
| C101 (Capital income) |
| C103 (Private income) |
| C104 (Direct revenue financing) |

Capital Expenditure Data

| |
|---|
| CE01 (Acquisition of land and existing buildings) |
| CE02 (New construction conversion and renovation) |
| CE03 (Vehicles, plant, equipment and machinery) |
| CE04 (Information and communication technology) |

**Scheme for Financing Schools
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| |
|---|
| <i>Balances</i> |
| BO1 (Standards Fund Balance (revenue)) |
| BO2 (Other Revenue Balances) |
| BO3 (Devolved Formula Capital Balance) |
| BO4 (Other Standards Fund Capital Balances) |
| BO5 (Other Capital Balances) |
| BO6 (Community Focused Extended Schools Balances) |

APPENDIX C

VALUE FOR MONEY (VFM), BEST VALUE AND SCHOOLS

..... SCHOOL

BEST VALUE STATEMENT 200X

Introduction

The governing body is accountable for the way in which the school's resources are allocated to meet the objectives set out in the school's development plans. Governors need to secure the best possible outcome for pupils, in the most efficient and effective way, at a reasonable cost. This will lead to continuous improvement in the school's achievements and services

What Is Best Value?

Governors will apply the four principles of *best value*:

- **Challenge** - Is the school's performance high enough? Why and how is a service provided? Do we still need it? Can it be delivered differently? What do parents want?
- **Compare** - How does the school's pupil performance and financial performance compare with all schools? How does it compare with LA schools? How does it compare with similar schools?
- **Consult** - How does the school seek the views of stakeholders about the services the school provides?
- **Compete** - How does the school secure efficient and effective services? Are services of appropriate quality, economic?

The Governors' Approach

The Governors and school managers will apply the principles of *best value* when making decisions about:

- the allocation of resources to best promote the aims and values of the school.
- the targeting of resources to best improve standards and the quality of provision.
- the use of resources to best support the various educational needs of all pupils.

Governors, and the school managers, will:

- make comparisons with other/similar schools using data provided by the LA and the Government, e.g. PANDA, quality of teaching & learning, levels of expenditure
- challenge proposals, examining them for effectiveness, efficiency, and cost, e.g. setting of annual pupil achievement targets, expansion to 3-form entry,
- require suppliers to compete on grounds of cost, and quality/suitability of services/products/backup, e.g. provision of computer suite, redecoration
- consult individuals and organisations on quality/suitability of service we provide to parents and pupils, and services we receive from providers, e.g. Sex and Relationships Education, pupil reports, assigned inspector, Ofsted, maintenance consultant, borough Energy Group

This will apply in particular to:

- staffing
- use of premises
- use of resources
- quality of teaching

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- quality of learning
- purchasing
- pupils' welfare
- health and safety

Governors and school managers:

- will not waste time and resources on investigating minor areas where few improvements can be achieved
- will not waste time and resources to make minor savings in costs
- will not waste time and resources by seeking tenders for minor supplies and services

The pursuit of minor improvements or savings is not cost effective if the administration involves substantial time or costs. Time wasted on minor improvements or savings can also distract management from more important or valuable areas.

Staffing

Governors and school managers will deploy staff to provide best value in terms of quality of teaching, quality of learning, adult-pupil ratio, and curriculum management.

Use of Premises

Governors and school managers will consider the allocation and use of teaching areas, support areas and communal areas, to provide the best environment for teaching & learning, for support services, and for communal access to central resources, e.g. the library.

Use of Resources

Governors and school managers will deploy equipment, materials and services to provide pupils and staff with resources which support quality of teaching and quality of learning.

Teaching

Governors and school managers will review the quality of curriculum provision and quality of teaching, to provide parents and pupils with:

- a curriculum which meets the requirements of the National Curriculum, National Literacy Strategy and National Numeracy Strategy, the LA Agreed RE Syllabus, and the needs of pupils
- teaching which builds on previous learning and has high expectations of children's achievement

Learning

Governors and school managers will review the quality of children's learning, by cohort, class and group, to provide teaching which enables children to achieve nationally expected progress, e.g. setting of annual pupil achievement targets, 2 national curriculum levels between Years 3 and 6,

Purchasing

Governors and school managers will develop procedures for assessing need, and obtaining goods and services which provide "best value" in terms of suitability, efficiency, time, and cost.

Measures already in place include:

- competitive tendering procedures (e.g. for goods and services above £5,000)
- procedures for accepting "best value" quotes, which are not necessarily the cheapest (e.g. suitability for purpose and quality of workmanship)
- procedures which minimise office time by the purchase of goods or services under £1000 direct from known, reliable suppliers (e.g. stationery, small equipment)

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Pupils' Welfare

Governors and school managers will review the quality of the school environment and the school ethos, in order to provide a supportive environment conducive to learning and recreation.

Health & Safety

Governors and school managers will review the quality of the school environment and equipment, carrying out risk assessments where appropriate, in order to provide a safe working environment for pupils, staff and visitors.

Monitoring

These areas will be monitored for best value by:

1. In-house monitoring by the Headteacher and curriculum managers, e.g. classroom practice, work sampling
2. Termly target setting meetings between the Headteacher and curriculum managers
3. Annual Performance Management
4. Annual Budget Planning
5. Headteacher's monthly financial review
6. Termly visits by the LA Assigned Inspector
7. Monthly visits by the LA Finance Adviser
8. Analysis of school pupil performance data, e.g. SATs results, standardised test results, 11+ results against all schools, LA schools, similar schools
9. Analysis of LA pupil performance data, e.g. CRISP reports
10. Analysis of LA financial data, e.g. ORACLE reports, against bench mark data for all schools, LEA schools, similar schools
11. Analysis of DCSF pupil performance data, e.g. PANDA
12. Ofsted Inspection reports
13. Governors' termly classroom observations
14. Governors' termly committee meetings
15. Governors' full termly meetings
16. Governors' Annual Finance Review
17. Governors' Annual SATs Target Setting Meeting
18. Governors' Annual Development Plan Meeting
19. Governors' Annual Report to Parents

In the next three years the Governing Body will:

- hold an annual performance plan meeting to set targets for improving pupil achievement.
- hold an annual development plan meeting.
- discuss "Best Value" at each Autumn Term meeting of the Finance Committee.
- review their "Best Value" statement at each Spring Term meeting.
- consider best value when arranging internal and external redecoration contracts.
- employ a maintenance consultant to advise on maintenance of the schools' buildings.
- obtain tenders and a consultant's advice on the installation of an IT suite, and any large scale refurbishment of the premises.
- obtain assessment management surveys .

**Confirmation the Best Value Statement in respect of
School has been discussed by the Governing Body**

Signed by:

Chair of Governors: Date:

**Scheme for Financing Schools
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Headteacher: Date:

Agreed at the Governing Body Meeting on: Minute Reference:

This example policy is based on material provided by Woodcote Infant and Junior School and was made available by NCSL. It was provided by NCSL for illustrative purposes only and may not be endorsed by them. It provides a framework to review, evaluate or write a school's own policy.

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APPENDIX D1

your reference
our reference
please ask for
direct line
e-mail
web-site
date

**Please reply to:
Schools Finance
Central Bedfordshire
Council
P.O. Box 1395
Bedford
MK42 5AN**

The Head Teacher
SCHOOL

Tel: 0300 300 8000

Dear Colleague

200*/200* Confirmation of School Budget Surplus / Deficit Balances

I am writing to confirm your final position for _____, which should correspond to that previously reported to you in your Period 13 report and your Final CFR return.

Your school had a balance of £ _____ (including earmarked funds) as at 31st March 200*.

| | | |
|--------------------------------|----------|---------------------|
| Committed Revenue (B01) | - | Per your CFR Return |
| Uncommitted Revenue (B02) | | Per your CFR Return |
| Devolved Formula Capital (B03) | - | Per your CFR Return |
| Standard Fund Capital (B04) | - | Per your CFR Return |
| Other Capital (B05) | - | Per your CFR Return |
| Extended School Balance (B06) | - | |
| Total Reserves | £ | |

The above balances will be paid in on your SAP statement, as per your final CFR. Please note there maybe a small difference due to roundings.

These balances are subject to Section 4 The treatment of Surplus Balances in the Scheme for Financing Schools and maybe subject to further scrutiny by the Schools Forum.

If you have any queries please contact your School Financial Adviser.

Yours sincerely,

**Scheme for Financing Schools
June 2009 to March 2011**

**APPENDIX D2
Reasons for holding a surplus balance in excess of 5%/8% of
200*/200* School Budget Share**

DECLARATION OF EARMARKED FUNDS & SURPLUS BALANCES

SCHOOL _____ SCHOOL BUDGET SHARE £ _____

| | | |
|--|----------|----------|
| Balance carried forward to 200*-200* as per Period 13 print | A | £ |
|--|----------|----------|

| | | |
|------------|---|------------|
| B01 | Committed Revenue Balance (Deemed Earmarked) | £ |
| | 1. Capital Projects (where written contract entered into for the forthcoming year – supporting evidence must be attached) 2. Unspent Revenue Grants (copies of documentation from awarding body supporting by detail of spend to date, - this is only permitted to be earmarked for one financial year, unless longer time frame has been agreed by awarding body) 3. Consultancy Fees earned by a Headteacher or Senior Staff (copies of documents with amount of income to school required as back up) | |
| | TOTAL | B £ |

| | | |
|------------|---|----------|
| B03 | Devolved Formula Capital | £ |
| B04 | Other Standards Fund Capital (ICT) | £ |
| B05 | Other Capital Balances (e.g. Travel Plan) | £ |
| B06 | Community focused Extended Schools Balance | £ |
| | | £ |
| | TOTAL | C |

| | | |
|------------|--|----------|
| B02 | Uncommitted Revenue Balances *DFES Guidelines state that this amount should not exceed 8%(Nursery/Special/Lower) & 5% (Middle & Uppers) of the schools budget Share* | £ |
| | A-B-C=D | |
| | E = | £ |

| | |
|---|-------------------------------|
| B01 - Details of Earmarked Funds Planned Use | Anticipated Time Frame |
| (Attach a further sheet as required) | |

| | |
|---|-------------------------------|
| B02 – Uncommitted Revenue Balances Planned Use (If B02 exceeds amount in Box E explanation required) | Anticipated Time Frame |
| (Attach further sheet as required) | |

| |
|---|
| <p>Declaration</p> <p>We certify that the Balances noted above were reported to the full Governing Body meeting held on the _____, and that the minutes of this meeting recorded the planned use of these Balances.</p> <p>Chair of Governors _____ Head _____</p> <p>Date _____</p> |
|---|

This form should be completed & returned to Children’s Services Finance by 5th **June 2009**, for reason of accuracy the form should not be completed until your month 14 SAP print has been received and should accompany your preliminary CFR Report.

This document must be support by the relevant evidence as detailed in paragraphs 2.22 and 4.2 of the Scheme for Financing Schools.

Scheme for Financing Schools June 2009 to March 2011

APPENDIX E

Licence Deficit Recovery Plan

| CFR Code | Details | 2008/09 | 2009/10 | 2010/11 | 2011/12 |
|----------------|--|----------|----------|----------|----------|
| REVENUE | | | | | |
| | INCOME | | | | |
| I01 | Funds Delegated by the LA | 0 | 0 | 0 | 0 |
| I02 | Funding for Sixth Form Students | 0 | 0 | 0 | 0 |
| I03 | SEN Funding | 0 | 0 | 0 | 0 |
| I04 | Funding for Ethnic Minority Pupils | 0 | 0 | 0 | 0 |
| I05 | Standards Fund | 0 | 0 | 0 | 0 |
| I06 | Other Government Grants | 0 | 0 | 0 | 0 |
| I07 | Other Grants | 0 | 0 | 0 | 0 |
| I08 | Income from Facilities and Services | 0 | 0 | 0 | 0 |
| I09 | Income from Catering | 0 | 0 | 0 | 0 |
| I10 | Supply Insurance Claims | 0 | 0 | 0 | 0 |
| I11 | Other Insurance Claims | 0 | 0 | 0 | 0 |
| I12 | Contributions to Educational Visits | 0 | 0 | 0 | 0 |
| I13 | Voluntary Funds | 0 | 0 | 0 | 0 |
| I14 | SSG Pupil Focused | 0 | 0 | 0 | 0 |
| I15 | Pupil focused ext. school funding and/or grants | 0 | 0 | 0 | 0 |
| I16 | Community focused ext. sch funding and/or grants | 0 | 0 | 0 | 0 |
| I17 | Community focused ext. school facilities income | 0 | 0 | 0 | 0 |
| | TOTAL REVENUE INCOME | 0 | 0 | 0 | 0 |
| | EXPENDITURE | | | | |
| E01 | Teaching Staff | 0 | 0 | 0 | 0 |
| E02 | Supply Staff | 0 | 0 | 0 | 0 |
| E03 | Education Support Staff | 0 | 0 | 0 | 0 |
| E04 | Premises Staff | 0 | 0 | 0 | 0 |
| E05 | Administration Staff | 0 | 0 | 0 | 0 |
| E06 | Catering Staff | 0 | 0 | 0 | 0 |
| E07 | Other Staff | 0 | 0 | 0 | 0 |
| E08 | Other Employee Costs | 0 | 0 | 0 | 0 |
| E09 | Training and Development Costs | 0 | 0 | 0 | 0 |
| E10 | Supply Teacher Insurance | 0 | 0 | 0 | 0 |
| E11 | Other Staff Related Insurance | 0 | 0 | 0 | 0 |
| E12 | Building Maintenance | 0 | 0 | 0 | 0 |
| E13 | Grounds Maintenance | 0 | 0 | 0 | 0 |
| E14 | Cleaning & Catering | 0 | 0 | 0 | 0 |
| E15 | Water & Sewerage | 0 | 0 | 0 | 0 |
| E16 | Energy | 0 | 0 | 0 | 0 |
| E17 | Rates | 0 | 0 | 0 | 0 |
| E18 | Other Occupational Costs | 0 | 0 | 0 | 0 |
| E19 | Learning Resources (not ICT) | 0 | 0 | 0 | 0 |
| E20 | ICT Learning Resources | 0 | 0 | 0 | 0 |
| E21 | Exam Fees | 0 | 0 | 0 | 0 |
| E22 | Administrative Costs | 0 | 0 | 0 | 0 |
| E23 | Other Insurance Premiums | 0 | 0 | 0 | 0 |
| E24 | Special Facilities | 0 | 0 | 0 | 0 |
| E25 | Catering | 0 | 0 | 0 | 0 |
| E26 | Agency Supply | 0 | 0 | 0 | 0 |

**Scheme for Financing Schools
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| | | | | | |
|-----|--|----------|----------|----------|----------|
| E27 | Bought in Professional Services – Curriculum | 0 | 0 | 0 | 0 |
| E28 | Bought in Professional Services – Other | 0 | 0 | 0 | 0 |
| E29 | Loan Interest | 0 | 0 | 0 | 0 |
| E30 | Revenue Contributions to Capital | 0 | 0 | 0 | 0 |
| E31 | Extended School Staff Costs | 0 | 0 | 0 | 0 |
| E32 | Extended School Costs | 0 | 0 | 0 | 0 |
| | TOTAL REVENUE EXPENDITURE | 0 | 0 | 0 | 0 |

| | | | | | |
|--|------------------------------------|----------|----------|----------|----------|
| | IN YEAR SURPLUS / (DEFICIT) | 0 | 0 | 0 | 0 |
|--|------------------------------------|----------|----------|----------|----------|

| | | | | | |
|--|----------------------------------|----------|----------|----------|----------|
| | SURPLUS / (DEFICIT) B/FWD | 0 | 0 | 0 | 0 |
|--|----------------------------------|----------|----------|----------|----------|

| | | | | | |
|------------------------|---|----------|----------|----------|----------|
| BO1 BO2 BO6 | CUMULATIVE SURPLUS / (DEFICIT) C/FWD | 0 | 0 | 0 | 0 |
|------------------------|---|----------|----------|----------|----------|

CAPITAL

| | | | | | |
|------|-----------------------------|----------|----------|----------|----------|
| | INCOME | | | | |
| CI01 | Capital Income | 0 | 0 | 0 | 0 |
| CI03 | Private Capital Income | 0 | 0 | 0 | 0 |
| CI04 | Contributions from Revenue | 0 | 0 | 0 | 0 |
| | TOTAL CAPITAL INCOME | 0 | 0 | 0 | 0 |

| | | | | | |
|------|--|----------|----------|----------|----------|
| | EXPENDITURE | | | | |
| CE01 | Acquisition of Land and Existing Buildings | 0 | 0 | 0 | 0 |
| CE02 | New Construction, Conversion & Renovation | 0 | 0 | 0 | 0 |
| CE03 | Vehicles, Plant, Equipment and Machinery | 0 | 0 | 0 | 0 |
| CE04 | Information & Communication Technology | 0 | 0 | 0 | 0 |
| | TOTAL CAPITAL EXPENDITURE | 0 | 0 | 0 | 0 |

| | | | | | |
|--|------------------------------------|----------|----------|----------|----------|
| | IN YEAR SURPLUS / (DEFICIT) | 0 | 0 | 0 | 0 |
|--|------------------------------------|----------|----------|----------|----------|

| | | | | | |
|--|----------------------------------|----------|----------|----------|----------|
| | SURPLUS / (DEFICIT) B/FWD | 0 | 0 | 0 | 0 |
|--|----------------------------------|----------|----------|----------|----------|

| | | | | | |
|------------------------|---|----------|----------|----------|----------|
| BO3 BO4 BO5 | CUMULATIVE SURPLUS / (DEFICIT) C/FWD | 0 | 0 | 0 | 0 |
|------------------------|---|----------|----------|----------|----------|

AUTHORISED BY
HEADTEACHER.....

DATE...../...../.....

AUTHORISED BY CHAIR OF
GOVERNORS.....

DATE...../...../.....

APPENDIX F

SCHEDULE OF WORKS DEEMED CAPITAL WHICH ARE LA RESPONSIBILITY

Works which can be classified as capital are those where a whole and total replacement is required to the following building elements:

Demolition

Demolition works of whole building structures including taking down, removal and clearance of sites or buildings, sealing off all drains and engineering services, when undertaken as part of a construction project.

Foundations (below top of ground floor slab)

All structural work to walls or wall supports below and including damp-proof courses, underpinning, propping, piles, ground beams, piers, bases and brick or concrete footings (includes internal ducts and duct covers).

Structural Frames

All structural members in steel, timber, or concrete frame including ties, bracing, connection, bolts base plates and wedging. Internal structural walls.

Floor structures

Floor structures and ducting together with their screeds but **excluding** bonded woodblock and all other floor finishes, soffits and ceiling finishes.

Roofs, structures

Roof structures including top floor ceiling timbers, eaves and verge construction, and catwalks. This includes glazing structures.

Roofs, coverings

Roof weather proof coverings, including eaves and verge finishing and catwalks. **Excludes** all applied rainwater goods above ground and roof glazing.

External Walls

Load bearing, structural, framed, panelled and curtain walls, chimney stacks and flues, including refractories, masonry stonework, heads, sills, strings, steps etc. Applied surface finishes, i.e.: renderings, tile pointing, balcony rails; and cavity wall insulation.

Staircase and Landing Structures

Staircase and landing structures but **excluding** handrails, balustrades and finishes.

Whole elevation windows and external doors

Complete replacement of external windows and doors, including associated ironmongery, architraves and shutters.

Ceiling structures

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Suspended ceiling structures (grids and wires) including fire stops and insulation (**excluding** all finishing).

Roads, Playgrounds, Car parks, and Paths

Complete reconstruction of patios, drying areas, steps, fire appliance hard stands, car parking, garage approaches and roads including rebuilding foundation layers. Access paths, courts and playgrounds where not vehicle damage.

Underground Drainage

Drains, gullies, grease traps and manholes between buildings and sewers. Includes all internal floor gratings, channels, covers etc. (**excludes** cleansing).

Asbestos Removal or Encapsulation

Except where works are instigated by the user/tenant. Including fees for testing etc.

Main Electrical Switchgear

All switchgear and interconnecting cables, protective conduits and trunking and fixings, including labels and circuit lists.

Electrical Power and Lighting Circuits

Fixed sub-circuit wiring and conduit, trunking or other means of mechanical protection including fixings, wiring accessories and conduit boxes. All interconnecting wiring and control equipment, time switches, photo-electric cells to external lighting including columns, floodlights and road lighting.

Intruder, Security and Fire Alarm Systems

All battery units including batteries, inter-connections, cabinets and control equipment used for Emergency Lighting, Fire Detection and Alarm Systems, Intruder Alarm Systems (except resulting after activating), Master Clock Systems and Call Bell Systems. All wiring systems associated with these systems including Low Voltage types. All emergency lighting luminaires including self contained types, operating relays and associated controls. All Call Bell systems including pushes, reset units, meter and indicator boards, sounders, relays, hand sets. All Intruder Alarm Systems including detectors, sounders, alarm lights, control panels, electric override switches and wiring, including CCTV installations, cameras and monitors. All door access systems including pushes, card readers, power supply, electric door releases and wiring.

Boilers

LP and MPHW heating and HWS boilers including cleaning access doors, door seals, hinges, fasteners, boiler casing and flue clean brushes. Boiler house steel flues including dampers, explosion relief doors, draught diverters and flue stabilisers.

Forced Draught and Atmospheric Gas Fired Burners

Forces draught and atmospheric gas fired heating and HWS burners including burner train, flame failure controls, thermostats, gas booster sets and refractories.

Pressure Jet Oil Fired Burners

Pressure jet oil fired heating and HWS burners including burner train, flame failure controls, thermostats and refractories.

Automatic Coal Fired Stoking Equipment

Automatic coal fired heating and HWS stoking plant including direct controls, thermostats, feed works/tubes, gearboxes, fans, motors, transfer boxes, tuyers, draught tubes, induced draught fans, fuel delivery tubes and refractories.

Automatic Controls and Boiler Plant Electrics

Heating and HWS heating controls, including zone controls, optimum start controls, energy management controls, control panels, detectors, motorised valves and actuators.

Automatic Controls and Boiler Plant Electrics

Smoke density alarms, including sensors and control panels. Gas detectors, including sensors, control panels, thermal safety devices, thermal links, emergency stop switches and solenoid valves. Mains signalling systems controlling heating and HWS systems. General mains power, low voltage and lighting in boiler house.

Steel Chimneys

Main steel chimney structure, including basis, guy ropes, holding down bolts, flanges, webs and gussets, cladding and insulation, trims and cowls, access doors and condense drain points and external protective finishes.

Water storage tanks and cylinders and associated pumps

Water storage tanks (**excludes** cleaning). Heating circulating pumps, HWS primary and secondary pumps and sump pumps. HWS storage cylinders and calorifiers, isolating valves, pipework and fittings, thermal insulations, temperature/altitude and oil tank contents gauges. Oil storage tanks, including emergency shut-off devices, valves and thermal linkages, trace heating devices and associated electrical wiring, heating elements, control panel, thermostats and detectors. (Including oil storage tanks for electrical generators).

Repair and maintenance of kitchens and kitchen equipment

The LA can retain monies centrally for the repair and maintenance of kitchens and kitchen equipment in schools which have not had school meals delegated.

Heating - Water, Gas and Oil Distribution Systems

LP and MPHWH heating, hot and cold water, gas and oil distribution services including mild steel, copper, polyethylene, ABS and PVC pipework, valves and fittings at tap, appliance or service point. Feed expansion tanks, remote HWS storage cylinders and calorifiers, thermal insulation, radiators, natural convector emitters, pipe coils and heated towel rails. All external mains distribution services (gas, water, etc.).

Direct Gas Fired Hot Water Units

Scheme for Financing Schools June 2009 to March 2011

Replacement of direct gas fired hot water heating units including flues where appropriate.

Air Conditioning Equipment

All equipment including electrical controls

Direct Fired Air Handling Unit Room Heaters

Direct oil or gas fired heater units including guards, flues, controls, thermostats, dedicated oil storage tanks, oil contents gauges, oil pipework services and fittings.

Lifts, Hoists, Barrier, Lifting Aids

The whole of the passenger or goods lift installation including wiring, controls, doors, guides, motor, gearbox, pulleys, cables, safety equipment, and lift car finishes Window cleaning cradles, beams, cables and winches.

Under floor heating installations

Underfloor heating cables, ceiling heating systems including all elements, wiring, controls, isolators thermostats.

In addition, the Authority will make good any consequential damage it causes that affects the areas for which the Governing Body is responsible, and will undertake other directly associated and beneficial improvements which may sensibly be implemented at the time of a capital repair and maintenance project, subject to the availability of funding.

De Minimis Level (further clarification)

Replacement works identified as capital expenditure by inclusion in the above list but which cost less than £10,000 will be the responsibility of the school Governors. However, such works may be considered for LA funding, but:-

- ONLY in the event of total replacement; AND,
- where applicable to the whole school.

Partial replacement/repair/maintenance works are a revenue item and are, therefore, a governors' responsibility.

However, where such works:-

- are expected to cost in excess of £10,000;
- cannot be phased in two or more stages;
- comply with the CIPFA Code of Practice for the definition of capital maintenance;
- are included in the above list as a LA responsibility for total replacement; AND,
- can be justified by the school as being a more cost effective solution to replace rather than undertake partial repairs, then the LA may consider funding the works as a capital item, as soon as resources are available, on the following basis:-
 - a) The school funds the first £10,000
 - b) Amounts above £10,000 are funded 50% by the school and 50% by the LA, up to the utilisation of 50% of the current year's formula capital allocation.
 - c) Once the limit at b) above is reached, the LA will fund 100%.

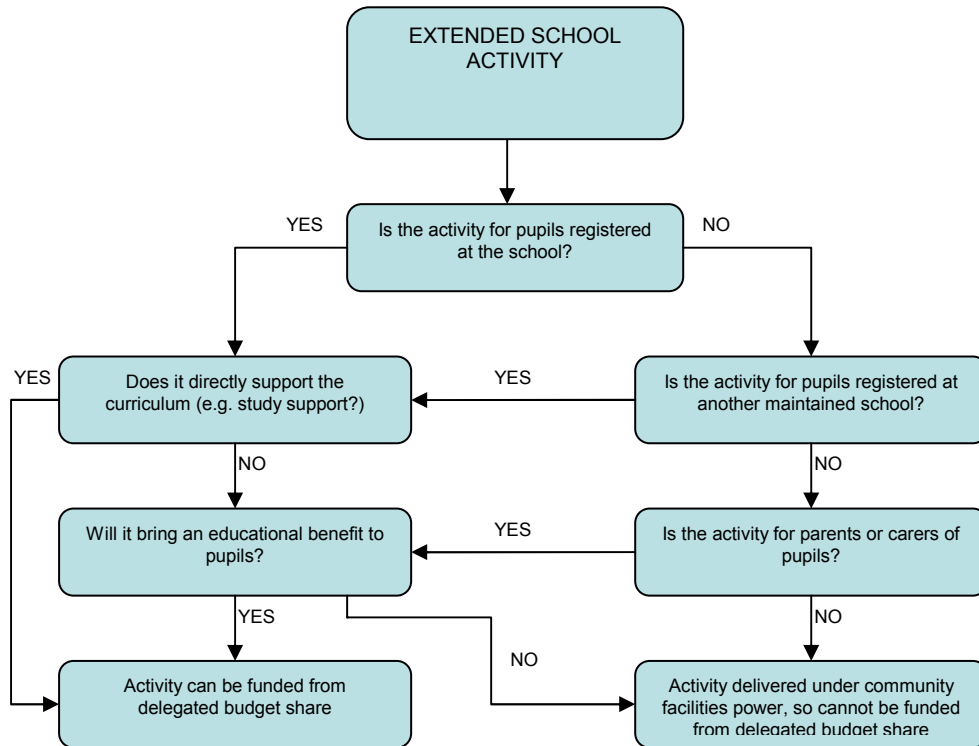
Scheme for Financing Schools June 2009 to March 2011

The New Framework for schools

The above detailed breakdown of retained responsibilities is to be applied to all County Controlled Schools (Community and Foundation Schools) but will additionally identify those areas applicable to the LA for Voluntary Aided schools (Aided Schools) and should be read in conjunction with the DfES letter and responsibilities list of 1st July 1998. Those items identified as "LA" which are not covered by the above will be deemed to have been delegated to the school and Governors.

Voluntary Aided governors continue to be eligible for grant from the DfES in respect of their statutory responsibilities. The Voluntary Aided and Special Agreement Schools - Determination of Financial Liability List will be used to establish responsibility for payment of liabilities. In addition, Voluntary Aided schools will have responsibility for other repair and maintenance items on the same basis as Community and Foundation schools.

APPENDIX G

EXTENDED SCHOOL ACTIVITY – FLOW
DIAGRAM

Agenda Item: 9 (a)

Meeting: Schools Forum

Date: 29 June 2009

Subject: 14-16 Practical Learning Options – DSG Devolved to Strategic Partnerships

Report of: Deputy Chief Executive and Director of Children, Families and Learning

Summary: To brief the Schools Forum on the devolved funding of the DSG Practical Learning Options.

Contact Officer: Kevin Green (01234 228744)

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

1. that the amount of DSG assigned to Practical Learning Options be devolved to the 14-19 Strategic Partnership, with reports on its usage back to the Schools Forum as diplomas develop.

1. Since the introduction of the Dedicated Schools Grant (DSG), from April 2006, the schools funding has included an amount for 14-16 Practical Learning options. For Bedfordshire (including Bedford Borough) this totals £980k for 2009-10, after allowing for annual DSG increases.
2. The Schools Forum agreed that this funding be allocated to the three 14-19 area groups (defined by the old district boundaries).
3. Subsequent to this original decision there have been a number of changes:
 - the area groups were divided into two consortia 1. Mid/North – with the Bedford Borough, Mid-Beds Upper Schools, Bedford and Shuttleworth Colleges and 2. South –with the Leighton/Dunstable Upper Schools and Dunstable College. These consortia remain in place, although the Mid/North cuts across the two new unitary authorities

- each area in the country has set up a mandatory 14-19 Partnership, including representatives of LAs, the LSC, Schools, FE Colleges. This is generally by upper tier LA area. However, Bedfordshire has retained a joint partnership for the two new unitary authorities
- the 14-19 Partnership is the strategic lead for 14-19 provision and is statutory sub-group of the Children's Trust. Appendix 6.2 sets out an extract from the latest DCSF guidance "14-19 Partnerships and planning", relating to the 14-19 Partnership's strategic role.

Extract from Minutes of Bedfordshire Schools Forum – 12 January 2006

PRACTICAL LEARNING OPTIONS AT 14-16

The Forum considered a report from Paula Tansley, Assistant Director, Learning Standards. It was reported that Bedfordshire had been allocated £333,000 for 2006/07 and an additional £585,000 earmarked Dedicated Schools Grant (DSG) for 2007/08 to increase practical learning opportunities for 14-16 year olds. The funding was not ring fenced and was intended to enable secondary schools to secure a broader range of practical and specialist provision at Key Stage 4.

It would help to ensure that schools were prepared for the roll out of specialist diplomas from 2008, as set out in the 14-19 White Paper and in the forthcoming 14-19 implementation Plan. It was intended to cover the additional costs of delivery including teaching, curriculum planning, resources and equipment and relevant fees.

The Forum considered three options as set out in DFeS guidance for the allocation of the funds and agreed option 3 as set out in the submitted report. They agreed that the funds be allocated to Bedfordshire's three 14-19 area groups for the reasons detailed in the submitted report.

RESOLVED:

- 1 That the Dedicated Schools Grant (DSG) be allocated to Bedfordshire's Three – 14-19 area groups to enable them to develop and fund provision across each area.
- 2 That approval to the proposal in 1 above be confirmed with the LSC and by the Upper School Headteachers at their meeting on 17 January 2006 but that, in the event of a difference of view, the matter be reported back to this Forum for further consideration.

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**Extract from the DCSF Guidance “14-19 Partnerships and planning” Section 2
“Strategic leadership role of 14-19 Partnerships” – Issued January 2009**

2.1 The 14-19 Partnership works within the wider Children’s Trust and is the strategic body that:

- Agrees the long-term vision for delivering the 14-19 entitlement;
- Develops and evaluates area-wide strategies for the full range of 14-19 priorities based on a robust understanding of the needs of learners and the quality of provision and services; and
- Has oversight of the local consortia’s delivery of a local curriculum offer, including Diplomas, to ensure this fits with the longer term strategy.

2.2 14-19 Partnerships need to be well connected with developments in integrated youth support and positive activities even where these are planned through other partnership arrangements. Partnerships may have several consortia operating in local areas or they may also function as the delivery consortium. But it is important to make clear the Partnership’s and consortia’s distinct strategic and operational roles.

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Agenda Item: 9 (b)

Meeting: Schools Forum

Date: 29 June 2009

Subject: Diploma Funding – September 2009 Cohort

Report of: Deputy Chief Executive and Director of Children, Families and Learning

Summary: To brief the Schools Forum on the process of funding the introduction of Diplomas from September 2009 in respect of the first cohort of students.

Contact Officer: Kevin Green (01234 228744)

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

1. The Schools Forum to note the decisions and recommendations of the 14-19 Strategic Partnership and the Upper School head teachers, especially the use of the element of Dedicated Schools Grant (DSG) relating to Practical Learning Opportunities.

1. The introduction of Diplomas begins for 14-16 year olds in Upper Schools in Central Bedfordshire from September 2009.
2. The intention of the government is that there will be a total of at least 14 lines of study at Diploma level nationally for students to choose by September 2013. Local authorities are moving progressively forward introducing a number of Diploma lines each September in order to meet the offer in full for all students from September 2013, working through the local 14-19 Strategic Partnership.
3. The Bedfordshire 14-19 Strategic Partnership represents Bedford Borough and Central Bedfordshire Councils, its Upper Schools, the LSC and FE Colleges (Bedford, Dunstable and Shuttleworth). Within this partnership are two area based consortia a) The North/Mid Bedfordshire comprising the Bedford Borough and five Central Bedfordshire Upper Schools and b) South Bedfordshire, comprising the other five Central Bedfordshire Upper Schools (including Northfields).

4. There are intended to be 4 lines of study in Upper schools in the North/Mid Beds Consortium from September 2009, namely Construction & the Built Environment, Creative & Media, Engineering and Hair & Beauty.
5. A number of authorities introduced some lines of study from September 2008 (Gateway 1). Central Bedfordshire is introducing its first lines of study from September 2009 (Gateway 2) in the North/Mid Beds Consortium and there will be further lines of study introduced in September 2010 (Gateway 3) in both consortia.
6. The government pays the authority Diploma Grant for each student commencing a study line in September. The grant is based on the academic year and is fixed for the two years of study. The grant amount depends on the line and level of study. In Central Bedfordshire for the academic year 2009-10 the amount per student per year is some £1,320 including enhancements for Area Cost Adjustment and a Sparsity factor.
7. Courses will be provided at Bedford College as well as at some Upper schools.
8. At the time of writing this report it is projected that there will be a total of 23 students, from Upper schools in Central Bedfordshire, across the 4 subject lines, pursuing the Diploma programme in September 2009. There will also be a projected total of 15 students from Upper schools in Bedford Borough following the same Diploma programme.
9. The costs to the providers, and the fees paid to them are being finalised, and together with transport costs, exam fees, accreditation etc. the costs, per participating student, will exceed the amount of Diploma Grant received.
10. There will therefore need to be a form of subsidy to enable this programme to proceed. The 14-19 Strategic Partnership and the Upper school headteachers have considered this matter and have resolved to accept a principle of cost neutrality, whereby any schools which have Diploma students should not contribute more, per student, than the appropriate element of the AWPU for that Key Stage of student. This equates to £1,400 based on a two day a week course and an AWPU at Years 10 and 11 of some £3,500.
11. The government recommendation is that as well as the Diploma Grant the DSG Practical Learning Opportunities funding is used to enable the financing of Diplomas to be delivered. These two funding streams, along with the £1,400 contribution from participating schools, can be used to enable Diplomas to operate from September 2009.
12. The DSG Practical Learning Opportunities provision totals some £601,000 in financial year 2009-10 and after a contribution from the participating schools of £1,400 per Diploma student, there would then be a partnership contribution per pupil by all Upper schools sufficient to meet the net cost of the Diploma programme.

13. After all net Diploma costs are met; together with commitments around vocational courses, the balance of the DSG Practical Learning Opportunities provision is allocated to all Upper schools on the basis of the total number of Yr 10 and Yr 11 students. It is anticipated that 75% of the estimated balance for financial year 2009-10, allowing for revenue/costs carried forward for the balance of the academic year, will be issued early in the autumn term. The remaining balance will be issued once all the revenues and costs are known, but in advance of the financial year end.
14. This method of funding accords with the views of the 14-19 Strategic Partnership and has been accepted by the Upper schools headteachers, who attended a meeting in May, after noting the possible financial implications for each Upper school.
15. It is also a clear principle that this proposed method of funding the Diploma programme is only for the two year course of the cohort commencing the programme in September 2009. Because there will probably be a wider programme with more students in the second cohort commencing in September 2010 there will need to be a fresh look at how this second year will be funded, and this will need to start soon in the autumn, learning something from this year's experiences.
16. The Schools Forum is asked to note the situation over the operation of Diplomas from September 2009, the endorsement of the funding principles contained within this report by the 14-19 Strategic Partnership and the Upper school headteachers, and the proposed use of the DSG Practical Learning Opportunities provision in financial year 2009-10 and subsequent years.

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Presentation to School's Forum

The logo for Central Bedfordshire, consisting of a green circle with the text "Central Bedfordshire" inside, rotated 90 degrees counter-clockwise.

Central
Bedfordshire

Edwina Grant

Director of Children, Families &
Learning/Deputy Chief Executive

Children's Trust Progress & 14-19
Commissioning Progress

June 2009

Children's Trusts

- Established in Children Act 2004
- Three roles: Commissioning, Delivery & Joint Accountabilities plus statutory responsibility to develop Children's Plan
- Statutory Body with statutory partners and often used as themed group for LSP
- Feature in Laming recommendations as accountable body for Local Safeguarding Board's Annual Plan

Immediate Questions:

- Changes to NHS Bedfordshire
- Voluntary Sector organised and able to move fast quickly
- Head Teachers & Governors keen to take a lead on reforms
- Some resistance to change – how do we change manage?
- We need to embed Laming proposals without causing anxiety
- Are we putting sufficient focus on economic wellbeing?
- Do we understand the full implications of the Commissioning Agenda?
- How does the School Forum feed into the budget discussions of the Children's Trust

Developing 16 – 19 Commissioning across the 14-19 agenda

The logo for Central Bedfordshire, consisting of a green circle with the text "Central Bedfordshire" inside in white.

**Central
Bedfordshire**

- Statutory 14 – 19 partnership reporting to the Children’s Trust but money comes into the Council
- Local authorities to provide strategic leadership but appeals to Sub-Regional Commissioning Board in the case of dispute
- Focus on priority employment sectors and links to economic and skills agendas

Process

- Joint Commissioning Team – negotiations, cross border discussions, contract management, developing common practice (Central Bedfordshire)
- Strategic Regional Group – Luton, Herts, Central Bedfordshire, Bedford – strategic decision making, joint commissioning decisions, moderation of consistency of 14-19 and 16-19 plans (aggregated)
- Regional Planning Group – membership Directors of Children’s Services, Government Office staff, young people’s learning agency staff, etc. Strategic Policy Forum (role of Members on regional groups still subject to discussion between Government and the Local Government Association)
- Final sign off by individual Councils to validate the process

N.B. Councils have a statutory duty to participate in shadowing this activity so that they can go live April 2010

Agenda Item: 12

Meeting: Schools Forum

Date: 29 June 2009

Subject: Schools Forum Membership

Report of: Assistant Director Learning and School Support

Summary: The report (a) reminds members of the expiry of their current term of office on 31 August 2009 and the need for the Council to seek nominations to the Forum for a new three-year term; and (b) proposes extending members' current terms of office until 31 December 2009, to enable the required nomination and election process to take place during the autumn term.

Contact Officer: Rob Mills, Committee Services Manager

RECOMMENDATIONS:

- 1. That the Forum notes the Council's intention:**
 - (a) to seek fresh nominations for membership of the Schools Forum for a new term beginning 1 January 2010 and expiring on either 31 August 2012 or 31 December 2012; and**
 - (b) meanwhile to extend members' current terms of office until 31 December 2009 to enable the required nomination and election process to take place during the autumn term 2009.**

1. The Schools Forum was appointed in November 2008 in accordance with the membership structure set out in the Forum's constitution and terms of reference, as approved by the Executive of the then Shadow Central Bedfordshire Council. To ensure as much continuity of experience as possible, nominations were invited direct from those members of the former Bedfordshire Schools Forum who represented schools in Central Bedfordshire. Where there were vacancies, nominations were invited either by open invitation to the schools themselves, or from representatives of the different schools groups. As none of the vacant places was contested, no election process was required and all places were filled in time for the Forum's first meeting in December.
2. Given that the Forum was established as part of the transition process to the new unitary authority, all appointments were made initially until 31 August 2009, on the basis that nominations would then be invited for election for a full three-year term, in compliance with the relevant regulations and the government's best practice guidance. The current membership is attached.

3. In view of the impending summer holidays, we propose to follow a fresh nomination process during the autumn term for the Forum's membership, which will entail seeking nominations for all the 'schools members' (head teachers and governors) from each of the schools in the particular group. If any of the places are contested, an election process will be required, based on best practice. As before, nominations will be invited from the relevant bodies for the 'non-schools members'. The aim will be to confirm the new appointments at the earliest opportunity, although the timing of this will depend on whether any of the places are contested.
4. As the current appointments have been notified as expiring on 31 August 2009, we propose to extend the term of office of all members who wish to continue until 31 December 2009, to allow time for completion of the process. New terms of office will then run from 1 January 2010. The Forum may have a view on whether it would be better that they expire on 31 December 2012, or earlier on 31 August 2012 before the start of the new school year.
5. The only exception will be the appointment of Councillor Mrs Anita Lewis, appointed last November as a governor representing middle schools, who is now the Council's Portfolio Holder for Children's Services. The Portfolio Holder may attend the Forum's meetings as an observer but cannot be a voting member. This position will remain vacant until filled in the autumn.

CENTRAL BEDFORDSHIRE SCHOOLS FORUM – MEMBERSHIP

A. SCHOOL MEMBERS

Lower Schools

| | First Name | Surname | Position | School/ Organisation |
|---------------|------------|-----------|-------------|-------------------------|
| Headteacher 1 | Jim | Smart | Headteacher | Shelton Lower School |
| Headteacher 2 | Sharon | Ingham | Headteacher | Hadrian Lower School |
| Governor 1 | Malcolm | Griffiths | Governor | Eaton Bray Lower School |
| Governor 2 | Sue | Howley | Governor | Greenleas Lower School |

Middle Schools

| | | | | |
|---------------|-------|----------|-------------|------------------------|
| Headteacher 1 | Ian | Mitchell | Headteacher | Etonbury Middle School |
| Headteacher 2 | Ray | Payne | Headteacher | Henlow Middle School |
| Governor 1 | Anita | Lewis | Governor | Burgoyne Middle School |

Upper Schools

| | | | | |
|---------------|---------|----------|-------------|-------------------------|
| Headteacher 1 | Neil | Bramwell | Headteacher | Stratton Upper School |
| Headteacher 2 | Jim | Parker | Headteacher | Manshead Upper School |
| Governor 1 | Richard | Holland | Governor | Harlington Upper School |

Special Schools

| | | | | |
|---------------|--------------|---------|-------------|-----------------|
| Headteacher 1 | Shirley-Anne | Crosbie | Headteacher | Glenwood School |
|---------------|--------------|---------|-------------|-----------------|

Nursery Schools

| | | | | |
|---------------|------|------|-------------|-----------------------|
| Headteacher 1 | Anne | Bell | Headteacher | Willow Nursery School |
|---------------|------|------|-------------|-----------------------|

B. NON-SCHOOL MEMBERS

Church of England Diocese

Representative 1

Ian Greenley

Roman Catholic Diocese

Representative 1

Bill Hamilton

Teachers' Unions

Representative 1

Bill McCarthy

PVI (Early Years) Providers

Representative 1

Carol Leggett

14 - 19 Partnership Sector

Representative 1

Chris Vesey

Principal
Dunstable College

Stratton Upper School
Potton Woodentops Pre-school

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Agenda Item: 13

Meeting: Schools Forum

Date: 29 June 2009

Subject: Outline Forward Programme – Schools Forum

Report of: Deputy Chief Executive and Director of Children, Families and Learning

Summary: To update the School Forum on the likely programme for the next year.

Contact Officer: Kevin Green (01234 228744)

Public/Exempt: Public

Wards Affected: All

Function of: Council

RECOMMENDATIONS:

1. To discuss and comment on the programme.

1. Set out in the table below are the likely agenda items for the Schools Forum for the next academic year. The programme will need to be flexible, to respond to national and local policy issues and the actual timings of preparatory work, including that of any sub-groups:-

| Subject | Sept 2009 | Jan 2010 | June 2010 | Sub-Group? |
|--|------------------|-----------------|------------------|-------------------------|
| Early Years Reform–common EY formula | Y | Y | Y | Early Years Ref. Group |
| 14-19 Reforms–Machinery of Government | | Y | Poss | 14-19 Partnership |
| 14-19 Diploma Funding–Sept 2010 onwards | | Y | Poss | 14-19 Partnership |
| Surplus Balances 2008-09 (appeals) | Y | | | Surplus Balances Group |
| Surplus Balances 2009-10 | | | Y | Surplus Balances Group |
| Proposed Formula Changes | Y | Poss | | Technical Funding Group |
| National Review of DSG | Y | Poss | Poss | |
| 2010-2011 DSG/Standards Fund allocations | | Y | | |
| Schools Contingency/School Forum Budgets | Y | Y | Y | |
| Special School Funding Review | | Y | | Special School Heads |
| S52 Benchmarking Statistics | | Y | | |
| Capital Programme/BSF | Poss | Y | Poss | |

Sub-Groups

2. The Early Years Reference Group is already established as a sub-group to the Schools Forum on early years reform.

3. It is proposed that the 14-19 Partnership effectively acts as a sub-group to the Schools Forum for 14-19 funding decisions, in its strategic capacity within the authority and the Children's Trust.
4. The Surplus Balances Group is already established as a sub-group to the Schools Forum on early years reform.
5. It is proposed that a Technical Funding Sub-Group is established to look at specific areas of formula funding changes. It is further proposed that this group initially reviews the following, with any proposals to be brought to the Schools Forum:-
 - a factor where a significant number of armed forces pupils are present and have significant mobility, outside of natural transition stages
 - a review of "ghost funding" to establish whether this factor needs a tapering element
 - a review of the thresholds for deprivation funding and whether this should also include a tapering element.