

Schools Forum

Wednesday, 7 December 2016

2.00 pm

Kingston Centre, Fairway, Stafford ST16 3TW

John Tradewell
Director of Strategy, Governance and Change
29 November 2016

A G E N D A

Part One

1. **Apologies**
2. **Minutes of the Schools Forum meeting held on 4 October 2016** (Pages 1 - 8)
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Report of the Director of Finance
5. **Progress on the Development of Proposals for More Effective Engagement and Support from Local Support Teams, for Schools in the Secondary Sector** (Pages 21 - 26)
Report of the Deputy Chief Executive and Director for Families and Communities
6. **Notices of Concern and Review of Protocol** (Pages 27 - 50)
Report produced by Entrust on behalf of the Deputy Chief Executive and Director for Families and Communities
7. **Work Programme** (Pages 51 - 52)



8. **Fairer Funding**

Oral Report of the Director of Finance

9. **Date of next meeting**

The next Schools Forum is scheduled for Wednesday 27 March 2017, 2.00 pm, Kingston Centre, Stafford.

Part Two

The Chairman to move:

'That the public be excluded from the meeting for the following items of business which involve the likely disclosure of exempt information as defined in the paragraph of Part 1 of schedule 12A of the Local Government Act 1972 indicated below'

Membership

Wendy Whelan	Ally Harvey
Lesley Wells	Sara Bailey
Philip Siddell	David Ellison
Richard Redgate	Chris Wright
Claire Shaw	Jonathan Jones
Alison Gibson	Steve Barr (Chairman)
Stuart Jones	Kevin Allbutt
Philip Tapp (Vice-Chairman)	Linda James
Simon Turney	Steve Swatton
Kirsty Rogers	Derek Watson
Sharron Cartwright	Judy Wyman
Karen Dobson	Claire Evans
Wendy Horden	
Shelley Sharpe	

Local Authority Observers

Ben Adams (Observer)	John Francis (Observer)
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Core Officers

Alison Wood	Julie Roberts
Sara Pitt	Andrew Marsden
Alison Barnes	Tim Moss
Will Wilkes	

Minutes of the Schools Forum Meeting held on 4 October 2016

Present: Steve Barr (Chairman)

Attendance

Lesley Wells	Kevin Allbutt
Philip Tapp (Vice-Chairman)	Linda James
Wendy Horden	Steve Swatton
Ally Harvey	Judy Wyman
Sara Bailey	Claire Evans
David Ellison	
Chris Wright	
Jonathan Jones	

Observers: Ben Adams and John Francis

Also in attendance: Andrew Marsden, Tim Moss, Sarah Pitt, Alison Barnes, Will Wilkes and Julie Roberts

Apologies: Philip Siddell, Alison Gibson, Stuart Jones, Karen Dobson and Shelley Sharpe

PART ONE

Welcome

The Chairman welcomed the new representative for secondary academies, Ms Wendy Whelan, and the new Clerk to the Forum, Mrs Julie Roberts.

16. Election of Chairman and Vice Chairman

On nominations being requested, Mr Kevin Allbutt proposed and Ms Judy Wyman seconded that Mr Steve Barr be elected Chairman for the ensuing year and Mr Steve Barr proposed and Ms Judy Wyman seconded that Mr Philip Tapp be elected as Vice Chairman for the same period.

There being no other nominations it was:

RESOLVED – That Mr Steve Barr and Mr Philip Tapp be elected as Chairman and Vice Chairman respectively for the ensuing year.

17. Declarations of Interest

The Chairman, Steve Barr, and Judy Wyman both declared an interest in minute 23 being in receipt of some facilities time funding.

18. Minutes of the Schools Forum meeting held on 5 July 2016

RESOLVED – That the minutes of the Schools Forum meeting held on 5 July 2016 be confirmed and signed by the Chairman.

19. Matters Arising and Decisions taken by the Chairman

In relation to the SEND (Special Educational Needs and Disability) assessment and planning process members again expressed concern over transfers where the local authority was required to transfer appropriate statements of Special Educational Need to Education, Health and Care Plans. There had been cases where these had been inaccurate or did not reflect the needs of the child. The Cabinet Member for Learning and Skills informed the Forum that this matter had been reported to the Prosperous Staffordshire Select Committee and suggested that a copy of the report be circulated to Forum members.

[Jason Woodruff, Deputy Head of Human Resources in attendance for discussion on this item of "Matters Arising"]

At their meeting of 5 July the Chairman informed members that he had requested a report on the County Council's review of redundancy arrangements. The Deputy Head of Human Resources had been invited to the meeting to provide an oral update on the current position. Members were informed that following preparatory work in 2015 by Human Resources in regard to redundancy payments and wider salary spend and then subsequent discussions with Cabinet Members and the Senior Leadership Team, a savings target of £1.98m was included within the Medium Term Financial Strategy, specifically related to the authority's salary spend.

The review had focused on redundancy payments, pay protection and redeployment mileage, subject to consultation with trade unions, with a view to reaching a new collective agreement. Although outside of the scope of the savings target, school budgets would be directly affected by any changes to payments that applied to school staff. Trade Unions had shared the proposals with their members and Teaching Unions were about to do so, it was anticipated that they would feed back in mid-October. In response to a query on timescales it was confirmed that a new agreement would be implemented as soon as possible, at least within the current financial year.

It was made clear that the update to the Forum was for information only and not in any way part of the consultation process. Following legal advice and in line with the authority's collective bargaining position, formal consultation was only able to be undertaken with the recognised trade unions and not employees or the wider workforce.

20. Schools Budget 2015-16: Final Outturn

The final outturn position for 2015-16 was a £0.506m under spend. This under spend had been combined with the unused DSG reserve from previous years resulting in a reserve balance of £8.233m.

There was an overspend of approximately £500k within the provision for two year old which had been identified as being caused by issues with the census data populated in

January 2016, as there were significant variations in the returns from providers. This issue was being investigated.

Members also received details on individual schools balances. Overall these had increased, mainly in primary and special schools and Pupil Referral Units. Members were reassured that where a school was giving cause for concern and had significant revenue balances, then a conversation would be held between the school and the local authority as to how balances were being used to improve outcomes for learners.

Members questioned why details on Academies were not included in the list. The response was that they did not have to provide this information, and there was also the risk that they may present the information in a different way, making comparison very difficult.

The Chairman queried the lateness of the submission of the Outturn report to Forum and was informed that this was due to particular issues this year and that in future it would be reported to the July meeting.

RESOLVED – That the intended application of the under spend be noted.

21. Behaviour Support Service

[Lesley Calverley, Senior Commissioning Manager - SEND and Deborah Barnes, Senior Teacher Consultant – Inclusion and Wellbeing in attendance for this item.]

Voting Forum Members had agreed that the current Behaviour Support model should remain for 2016-17, but had requested a further report detailing the impact of changes made to the Behaviour Support Service within Entrust over the last twelve months. This would help to inform the de-delegation vote for the 2017-18 financial year.

The Behaviour Support Service for Primary Schools was a centrally retained service until 2012-13, when it became a de-delegated service under Exception 1 of the Funding Reform requirements. The maintained primary schools had since voted annually to agree that the service should be provided centrally. The service is available to Primary Academies at a cost and can be purchased case by case or as a combined package of Behaviour Support and Inclusion Officer support.

Members were informed that a focus group of approximately 25 representatives of Staffordshire primary schools, special schools and pupil referral units had been established in February 2015. The group had identified several factors which they felt were contributing to an increase in challenging behaviour in schools, as demonstrated by an increase in the rate of primary permanent exclusions. Commissioners within the County Council were supporting a variety of initiatives in response to these concerns and the Primary Behaviour Support Service had been enhanced with specialists who could provide a high level of expertise and intervention.

The number of referrals to the service from both maintained and academy schools had increased in 2015-16. Members were informed that this increased uptake reflected the confidence of schools that the service could provide effective intervention in response to a higher number of pupils demonstrating challenging behaviour. Regular questionnaires

were sent to all maintained Staffordshire schools in order to evaluate the support provided via the Entrust Special Educational Needs and Inclusion Service. These questionnaires were issued in December 2015 and April 2016. Comments regarding the Primary Behaviour Support Team were very positive and frequently mentioned how valuable and professional the support provided was.

RESOLVED – That the positive impact of changes to the Entrust Primary Behaviour Support Service during the academic year 2015-16 be noted.

22. School Quality Assurance and Intervention - School Categorisation

At their meeting of 5 July Forum members had requested a report on the revised process for school categorisation, quality assurance and intervention.

In communication with schools in May 2016 the local authority set out the future policy direction for the organisation. This included the movement away from the direct involvement in the governance and accountability of schools. There was a commitment to maintaining an appropriate infrastructure for remaining local authority maintained schools, however the local authority is fully supportive of proposals for all schools to become academies.

Following changes to the service, the authority was developing strategies with Entrust to utilise available funding within the current service delivery agreement to continue to support schools through the categorisation process, which sets out how, working together with all mainstream school, the authority aimed to identify, support and challenge schools about which there were concerns.

Members questioned the capacity of the greatly reduced School Improvement Team. However, they were reassured that the process was done differently, and did not always involve individual visits to schools. It was agreed that whilst quality assurance sat with the authority, responsibility to deliver improvement lay with the school, where there was a lot of expertise.

Mrs Lesley Wells put forward the following proposal, and requested that it be included on the work programme:

“It is proposed that Schools Forum consider asking the local authority to devolve the funding for school improvement to elected groups of heads in the districts.

This arose from a recent meeting of 200 heads and chairs of governors where there was support for exploring this model further. We recognise that there will need to be time to debate how this would work in practice and to consider the relative strengths and issues of such an approach.”

The Chairman suggested that Forum could request a report setting out alternative models for devolving the funding for school improvement. The Cabinet Member for Learning and Skills commented that in the light of the White Paper which proposed that responsibility for school improvement to be withdrawn and also that de-delegation be taken away from Schools Forums it would be sensible to look at alternatives for the future.

RESOLVED – That the content of the report be noted.

23. Facilities Time Funding 2017-18

[Mr Philip Tapp, Vice Chairman, in the Chair for this item. Mr Steve Barr and Ms Judy Wyman took no part in the item having declared an interest as being in receipt of some facilities funding.]

At their meeting of 5 July the Forum members had agreed to allocate, on a one-off basis, £32,039 to maintain the level of facilities time for trades union representation in maintained schools, provided the central underspend was more than this amount in the 2015-16 financial year. This sum matched that taken out of the allocation for Unison following the local authority's decision not to fund union activities undertaken on behalf of schools.

Maintained school members were asked to consider two options for the funding which they wished to allocate to the recognised trades unions for facilities they provide for their members who work in schools in 2017-18, as follows:

Options	
Option 1 - existing	£202,320
Option 2	£234,320

Variance between options	
Primary (210 place)	£63.80
Secondary (900 place)	£259.20

It was noted that if option 2 was approved it would increase the budget for Union Duties and reduce the School Specific Contingency by the amount requested, to be divided proportionately between the primary and secondary sector.

RESOLVED – That option 2 be approved.

24. 2017-18 De-Delegation Vote

Under the government's current funding rules there is an assumption of delegation for a number of budget areas which are currently held centrally for maintained schools and are delegated for academies. Maintained schools' representatives on the Schools Forum vote, by phase and on behalf of the schools they represent, to de-delegate these areas where it is proposed by the local authority. The outcome of the vote is binding for all maintained schools of that phase.

The authority proposed the option of de-delegation for all of these areas for 2017-18 to enable the Schools Forum to vote on each area, with the vote carried out at this time to enable schools and services time to plan for their budgets and responsibilities for 2017-18. Areas proposed for de-delegation for 2017-2018 were:

Budget Area	Primary	Secondary (including middle)
	£m	£m
Insurances (mainly premises related)	1.834	2.479

Staff costs (Maternity Pay)	1.189	1.010
Staff costs (Union Duties)	0.142	0.060
School Specific Contingency	0.390	0.185
Support for ethnic minority pupils or under-achieving groups	0.877	0.319
Licences and Subscriptions	0.505	0.205
Behaviour Support Services	0.507	Delegated

As requested at their meeting in October 2015 members received a more detailed explanation in the background report to help them in their consideration of each category.

Having considered these areas, the voting Forum Members for each phase agreed that the decision taken last year for each phase and for each area should stand again for 2017-18, that being that all but the secondary behaviour support services remain centrally funded as shown above.

Members noted that, following their earlier approval of the Facilities Time Funding, the budget for Union Duties would be increased to £234,320 and that the School Specific Contingency will be reduced by the amount of the increase (£32,000), to be divided proportionately between the primary and secondary sector.

RESOLVED – That the results of the vote taken by maintained schools members on each area for 2016-17 are agreed again for 2017-18, subject to the budget for Union Duties being increased to £234,320 and the School Specific Contingency being reduced by the amount requested, divided proportionately between the primary and secondary sector.

25. Update on the Work of Local Support Teams and their Impact on Outcomes for School-Age Children and Young People

[Karl Hobson, County Manager - Targeted Services, and Nicky Crookshank, Headteacher, Cheslyn Hay Sport and Community High School in attendance for this item.]

At their meeting on 5 July 2016 the Forum received an update from the Schools and Local Support Working Partnership Group on the work of Families First Local Support Teams and school representatives in the last 12 months to address issues raised by schools through consultation in Spring/Summer 2015. Forum had agreed to receive a further report from the Group in October and to consider their recommendations, which were made in the light of the outcomes of a county-wide satisfaction survey conducted in July 2016. This was a repeat of the survey conducted in September 2015 and was designed to explore the views of school leaders in the quality and effectiveness of the work of Families First Local Support Teams (LSTs).

The survey results showed a positive direction of travel overall in terms of school satisfaction with the quality and effectiveness of the work of LSTs. Areas remained where improvements needed to be either secured or accelerated, but schools on the Working Group agreed that the increase in satisfaction was encouraging.

In relation to membership of the Working Group members were encouraged to extend invitations to head teachers, heads of pastoral care or special needs co-ordinators. Members noted that there were no representatives for the Lichfield and Newcastle areas, and Judy Wyman and Wendy Whelan agreed to pursue this matter.

In recognising the difference in the level of satisfaction between the primary and secondary sector it was acknowledged that the funding needed to be spent differently, and that new ways of working across children's services would be explored. Members expressed concern at the high level of dissatisfaction in the secondary sector. Members commented that in the light of the White Paper it would be important to set up appropriate timescales and have a plan in place moving towards the forthcoming changes. Forum was assured that a lot of work was being done investigating different ways of working and that the LSTs were heavily involved in a number of pilots. Having acknowledged and listened to the concerns raised, funding for an additional year would allow for a considered and properly supported transition to take place. The Chairman requested that a further report be brought to the December meeting outlining possible solutions to resolve the issues with the secondary sector. Members felt that they needed to see firm proposals to improve the service to secondary schools to increase satisfaction levels.

Members queried the percentage of referrals which were "stepped up", as there were concerns that Education Funding could be being used to supplement the Social Care budget. Karl Hobson pointed out that a protocol was in place to settle any disagreements over thresholds, but undertook to request further information on top tier three complex cases.

RESOLVED – That:

- a) the progress made by Families First in partnership with Head Teacher representatives since the report to the Forum in December 2015 be noted;
- b) the outcomes of the repeated survey to school leaders on their views of the effectiveness of Local Support Team work to support school aged children and their families be noted; and
- c) the proposal for continued funding for Local Support Team services from the Dedicated Schools Grant for 2017/18 be approved.

26. Notices of Concern

[Ian Wilkie, Principal Business Partner, Entrust, in attendance for this item]

There were no new notices of concern reported at this meeting. Following the amendment to the protocol for issuing of Notices of Concern at the last meeting work was currently being undertaken to establish an objective criterion by which to assess whether a school judged as Requiring Improvement was also causing financial concern. A further update, along with any resulting Notices would be reported at the next meeting.

27. Work Programme

Members requested the following additions/amendments to their work programme:

- a) that a report be brought to the December Forum meeting on alternative models for devolving the funding for School Improvement;
- b) that an update on the progress of the Local Support Teams, specifically on proposals for possible solutions to resolve issues with the secondary sector, be brought to the December meeting; and
- c) that an update on the establishment of an objective criterion by which to assess whether a school judged as Requiring Improvement was also causing financial concern be reported to the December meeting.

28. Fairer Funding

The Forum received an oral report on Fairer Funding. There had been a consultation on Early Years funding in August, with a deadline of 22 September. Indicative figures were not as high as had been hoped for as an area cost adjustment had been applied. Concern had been raised in response to this, and also the Government's proposal to flatten the rate.

RESOLVED – That the oral report be noted.

29. Date of next meeting

RESOLVED – That the next Schools Forum meeting be scheduled for 7 December 2016, 2.00 pm, Kingston Centre, Stafford.

Chairman

Schools Forum – 7 December 2016

Schools Budget 2017-18: Central Expenditure

Recommendation

1. That the Schools Forum note the content of this report and approve the indicative budget amounts set out below.
2. That the Director of Finance and Resources, in consultation with the County Commissioner for School Quality Assurance and Intervention, be authorised to adjust the central expenditure budgets in accordance with any further regulations produced by the Education Funding Agency.
3. That the Schools Forum approve delegating the budget of £1.4m for Termination of Employment Costs to schools to reduce the risk of losing this funding.
4. That the Schools Forum approve delegating the budget of £2.3m for Capital Expenditure from Revenue (CERA) to schools to reduce the risk of losing this funding.

Report of the Director of Finance and Resources

PART A

Why is it coming here – what decision is required?

5. The Schools Forum has oversight of the Schools Budget and is required by the Finance Regulations to annually approve the amounts for particular budget headings within the central expenditure.
6. Recent guidance issued by the Department for Education (DfE) on the New National Funding Formula has outlined precisely what is permitted as a historical commitment and can therefore be held centrally. In light of this we are asking Schools Forum to approve delegation of the budgets for Termination of Employment costs and Capital Expenditure from Revenue (CERA) to schools.

Reasons for recommendation

7. The budget settlement for 2017-18 is not yet known and for that reason the budget amounts shown in this report are indicative. Final figures will be presented to the Schools Forum at the March meeting. The local authority is, however, required to submit its final school funding formula to the Education Funding Agency (EFA) in mid-January and at that point will need to have set the planned central expenditure for 2017-18. As a result we are seeking in principle approval to the amounts set out in this report which, in total, would not be exceeded when budgets are set following the settlement.

8. The discussions and decisions on these issues will enable the authority to set budget plans for 2017-18 once the settlement is known and submit the school funding formula proforma to the EFA in January. It will also enable affected service areas to plan for 2017-18.
9. From 2018-19 a new National Funding Formula will be used to allocate funding to schools. The details of this formula are not currently known. As part of the transition process, the local authority has completed a historical commitments exercise which detailed and justified current levels of central expenditure to the Education Funding Agency. The outcome of this exercise is unknown at this stage and therefore the ongoing nature of these central budgets may be at risk of clawback from the DFE.
10. The central expenditure budget headings that we believe are at greatest risk of clawback are the Termination of Employment Costs to schools and Capital Expenditure from Revenue Account. As such it is proposed to delegate these budgets in 2017-18 in order to protect funding for Staffordshire schools.

PART B

Background

11. The funding reforms, first introduced in 2013, brought in some changes in how the Schools Budget is set each year. Whilst some of these changes enabled budgets to be set earlier, the arrangements for finalising the budget settlement and funding for high needs pupils actually make the setting of budgets more challenging than they were under the old system.
12. The Schools Budget is notionally allocated in three blocks:
 - a. Early Years
 - b. High Needs
 - c. Schools
13. The basis of allocations to the local authority is different for all three blocks. The Early Years block is based on an estimate and adjusted twice during the financial year for actual uptake. The High Needs block is initially set on historic spend, with DfE decisions on additional funding for growth in both pupil numbers and complexity of needs not known until late in the spring term. The Schools Block is based on the October 2016 census and an already known amount per pupil. The settlement will then make further adjustments to these figures dependent on government decisions on a range of issues or policy changes.
14. Against this backdrop the local authority will need to submit the school funding formula proforma to the EFA in mid-January. The amount available for school budgets is determined by the settlement, the level of central expenditure and the estimated under or over spend from the previous financial year. The settlement is expected before Christmas and the estimated outturn for 2016-17 is currently being updated in detail to inform the budget plan for next year. All these details will be brought to the March meeting of the Schools Forum.
15. There are some areas of central expenditure which need to be considered by the Schools Forum and the draft Finance Regulations set out the requirements for

approvals/consultation. These are summarised in Appendix 1, and it should be noted that final regulations have not yet been issued, so in the event that final regulations are different the content of this report may need to change as a result. The Forum's broader role in respect of the overall Schools Budget and other matters is set out in the DfE's updated good practice guidance which has been circulated previously and is available on their website. Appendix 2 sets out the full Schools Budget for 2016-17 and references the sections of the draft Finance Regulations that would apply to 2017-18.

Part 1- Central Services

16. There are a number of headings within this part of the regulations to which the following rules apply:
- The level of expenditure cannot be increased above 2016-17 levels
 - The expenditure against these budgets must be as a result of arrangements that already existed before 1 April 2013 – Historical commitment
 - The Schools Forum must approve the amount of the budget set for each heading
17. The headings under which Staffordshire currently retains funding to spend centrally are set out in the table below, together with 2016-17 and indicative 2017-18 budget levels.

	2016-17 £	2017-18 indicative £
Admissions & appeals	786,050	786,050
Maintenance and servicing of Schools Forum	11,780	11,780
CERA (capital expenditure from revenue)	2,340,470	-
Prudential borrowing	924,130	924,130
Termination of Employment Costs	1,400,000	-
Combined Services		
Families First - Targeted Services (LST)	1,448,000	1,448,000
Entrust - – Contribution to School Improvement Division Service Delivery Agreement.	818,280	818,280
SEN transport	250,140	250,140
	7,978,850	4,238,380

18. As part of the National Funding Formula, the EFA have produced supplementary guidance on precisely what is permitted as a historical commitment. With this supplementary guidance along with the DfE's guidance on Schemes for financing schools, it is considered that the CERA (capital expenditure from revenue) and the Termination of Employment Costs budgets are at a greater risk of clawback if they are retained centrally. It is therefore proposed that these budgets are now delegated to schools in order to protect funding for Staffordshire schools.
19. The CERA budget is currently being used to fund compliance and preventative maintenance services. Feedback from the DfE suggests that this funding is for landlords repairs and maintenance and as such no longer meets the definition of CERA. The DfE's 'Schemes for financing schools' statutory guidance states that 'authorities should delegate funding for repairs and maintenance to schools'. It is

therefore recommended to delegate this budget in order to protect funding for Staffordshire schools.

20. Delegating these budgets will mean that the indicative amounts for Termination of Employment and CERA in the table above will be allocated to schools through the funding formula and form part of schools' delegated budget share. There will not be a ring-fenced amount in individual schools' budgets for providing these services.
21. In delegating this budget it will be the schools responsibility that the compliance and preventative maintenance services are conducted annually in accordance with good industry practice. A list of the services this budget covered is appended in Appendix 3. You will be required to confirm to the landlord on an annual basis that the school has carried out all of the statutory compliance and preventative maintenance.
22. The EFAs historical commitments supplementary guidance states 'it does not count as a commitmentto support new redundancy costs in schools'. As such it is recommended to delegate this budget in order to protect funding for Staffordshire schools.

Does the Schools Forum approve delegating the CERA (capital expenditure from revenue) budget to schools?

Does the Schools Forum approve delegating the Termination of Employment Costs budget to schools?

Does the Schools Forum approve the continued funding of the other areas centrally at no higher than the indicative amounts, with final values to be confirmed at the March meeting?

Part 2 – Central Schools Expenditure

23. Staffordshire does not retain significant amounts of funding under these headings, to which the following rules apply:
 - a. The Schools Forum must approve the amounts of funding to be retained centrally
 - b. For the pupil growth fund and infant class size funding any underspend from the previous year must be added to the ISB
 - c. For the pupil growth fund, falling roll fund and new school fund the Schools Forum must approve the criteria used and be consulted before expenditure is incurred
24. The criteria for the infant class size fund and the growth fund were agreed at the February 2013 and December 2013 meetings of the Schools Forum respectively and we are not proposing any changes to these criteria.

	2016-17 £	2017-18 indicative £
Infant Class Size	95,000	95,000
Significant Pupil Growth / New school funding	500,000	500,000
Falling rolls fund	n/a	n/a
	595,000	595,000

Does the Schools Forum approve the continuing use of the pupil growth and class size funds, at the indicative levels set out above?

Part 3 – Central Early Years Expenditure

25. The requirement here is for the Schools Forum to approve the central expenditure. This is not the expenditure provided to settings for their running costs in providing the free entitlement for two, three and four year olds but is in respect of support services for providers of early years education.
26. The breakdown for 2016-17 central early years expenditure is included in Appendix 2.
27. The 2017-18 central early years expenditure is subject to the outcome of the consultation on the Early Years National Funding Formula which is not yet known. The consultation suggests that the amount of central overheads be limited to 7% of the Early Years Block Funding in 2017-18 and 5% in 2018-19. When the outcome of the consultation is confirmed it is almost certain that the centrally retained expenditure will be limited to this threshold.

Does the Schools Forum approve the continuing of the current level of central support services for early years' provision, adjusted for the outcome of the Early Years National Funding Formula?

Part 4 – High Needs

28. There is no requirement for the Schools Forum to approve any budget areas within the High Needs central expenditure area; however we have always discussed these issues with the Forum in Staffordshire. Therefore they are included on Appendix 2 for information.

Part 5 – Items that can be de-delegated for maintained schools

29. These were discussed at the October meeting and both primary and secondary phase representatives decided to continue with the level of delegation as it stands in 2016-17. As part of the budget information to individual schools in the spring, we will publish the funding rates for those areas that have been de-delegated as we did this year.

Report author:

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Summary of Schedule 2 to consultation version of Finance Regulations determining central expenditure in Schools Budget

Items which can be deducted from the Schools Budget before setting individual schools budgets (i.e. things that can be funded centrally within the Schools Budget)		Regulations applying:						
		8 (2) Only expend as result of decisions made prior to 1 Apr 2013 - historical commitments	8 (3) Capped at 2014-15 budgeted cash levels, unless auth under Reg 25 (1)(a)	8 (4) Schools Forum approve criteria (or SoS)	8 (5) Schools Forum approve deductions	9 (5) Consult SF on spend	8 (7) Any unspent funding from previous year must be added to ISB	8 (8) Unspent from prev yr can be used for same purpose, outside formula amounts
Part 1 Central Services								
1	Admissions & appeals		✓		✓			
2	Maintenance and servicing of Schools Forum		✓		✓			
3	CERA	✓	✓		✓			
4	Expenditure on:							
	(a) Prudential borrowing	✓	✓		✓			
	(b) Termination of Employment Costs	✓	✓		✓			
	(c) Combined Services	✓	✓		✓			
	(d) SEN transport	✓	✓		✓			
	(e) Miscellaneous (capped at 0.1% of SB), where expend was already authorised by SoS or Schools Forum before 1 Apr 13	✓	✓		✓			
Part 2 Central Schools Expenditure								
6	Pay arrears				✓			
7	Payment of non-maintained school fees or expenses				✓			
8	Significant pupil growth			✓	✓	✓	✓	
9	Spend incurred due to declining NOR where school is good/outstanding and NOR will grow before the end of the next three funding periods			✓	✓	✓		
10	Expenditure prior to opening of new schools			✓	✓	✓		
11	Infant Class Size				✓		✓	
12	Licences negotiated centrally by SoS for all publicly funded schools				✓			
13	Remission of boarding fees at maintained schools and academies				✓			
Part 3 Central Early Years Expenditure								
14	Expenditure on early years provision, except in school or relevant early years provision				✓			
15	Expenditure on determining eligibility:							
	(a) for FSM where pupil is being provided with early years provision				✓			
	(b) of a child for prescribed early years provision				✓			
Part 4 Pupils With High Needs								
16	Expenditure on pupils with SEN in EY, primary and secondary except that funded through SEN places or is reasonable for the provider to meet							
17	Expenditure on pupils with SEN in schools above place/proxy - i.e. Element 3							
18	Expenditure on persons provided with FE who are:							
	(a) Under 19 and have learning difficulties							
	(b) Aged 19 or over but under 25 and are subject to learning difficulty assessment or EHC plan							
19	Support services for statemented or SEN							
20	Spend for the purpose of encouraging (where unreasonable for school to pay):							
	(a) Collaboration between special and mainstream for pupils with SEN to engage in activities at mainstream schools							
	(b) education of SEN pupils at mainstream schools							
	(c) engagement of SEN pupils and non-SEN pupils in activities at mainstream schools							
21	Education otherwise than at school/element 3 for PRUs							
22	Fees for pupils with SEN at independent schools or non-maintained special schools, or outside England and Wales							
23	Expenditure on hospital education, aside from hospital education places referred to in reg 15							
24	Expenditure on special schools/PRUs in financial difficulty							
25	Special schools PFI/BSF costs							
26	Expenditure on Carbon Reduction Commitment allowances for PRUs							
Part 5 Items that can be de-delegated for maintained primary and secondary schools								
27	Behaviour Support Services				✓			✓
28	FSM eligibility				✓			✓
29	Maternity/adoption leave				✓			✓
30	Trade union duties/other staffing cover costs				✓			✓
31	Payment to/cover for a person seconded on a full time basis for three months or more other than to a LA or governing body of a school				✓			✓
32	Payment to/cover for absence from illness for 21 days or more				✓			✓
33	Insurances				✓			✓
34	Museum and gallery services to schools				✓			✓
35	School library services				✓			✓
36	Licences and subscriptions				✓			✓
37	Schools' specific contingency				✓			✓
38	Spend on:							
	(a) improving performance of under-performing pupils from minority ethnic groups				✓			✓
	(b) meeting specific needs of bilingual pupils				✓			✓

Description	Net £	Reference to Regulations (Schedule 2)
1.0.1 Individual Schools Budget (including academies i.e. before recoupment)	490,637,420	Delegated
1.1.1 Contingencies	574,620	Part 5 - de-delegated
1.1.2 Behaviour support services	528,600	Part 5 - de-delegated
1.1.3 Support to UPEG and bilingual learners	1,195,330	Part 5 - de-delegated
1.1.4 Free school meals eligibility	44,460	Part 5 - de-delegated
1.1.5 Insurance	4,313,110	Part 5 - de-delegated
1.1.6 Museum and Library services	-	Part 5 - de-delegated
1.1.7 Licences/subscriptions	710,040	Part 5 - de-delegated
1.1.8 Staff costs supply cover-non facility time	2,199,060	Part 5 - de-delegated
1.1.9 Staff costs – supply cover for facility time	202,320	Part 5 - de-delegated
1.2.1 Top up funding - maintained schools	13,406,250	Part 4 - High Needs
1.2.2 Top up funding – Academies, free schools and colleges	7,699,090	Part 4 - High Needs
1.2.3 Top up and other funding – non maintained and independent providers	10,194,970	Part 4 - High Needs
1.2.4 Additional high needs targeted for mainstream schools and academies	250,000	Part 4 - High Needs
1.2.5 SEN support services	5,836,980	Part 4 - High Needs
1.2.6 Hospital education services	422,070	Part 4 - High Needs
1.2.7 Other alternative provision services	1,860,490	Part 4 - High Needs
1.2.8 Support for inclusion	1,946,310	Part 4 - High Needs
1.2.9 Special schools and PRUs in financial difficulty	-	Part 4 - High Needs
1.2.10 PFI and BSF costs at special schools and AP/PRUs	-	Part 4 - High Needs
1.2.11 Direct Payments (SEN and disability)	-	Part 4 - High Needs
1.2.12 Carbon reduction commitments allowances (PRUs)	5,200	Part 4 - High Needs
1.3.1 Central expenditure on children under 5	2,818,030	Part 3 - Early Years
1.3.1 Trajectory funding	-	Part 3 - Early Years
1.4.1 Contribution to combined budgets	2,266,280	Part 1 - Central Services
1.4.2 School admissions	786,050	Part 1 - Central Services
1.4.3 Servicing of schools forums	11,780	Part 1 - Central Services
1.4.4 Termination of employment costs	1,400,000	Part 1 - Central Services
1.4.5 Falling rolls fund	-	Part 1 - Central Services
1.4.6 Capital expenditure from revenue (CERA)	2,340,470	Part 1 - Central Services
1.4.7 Prudential borrowing costs	924,130	Part 1 - Central Services
1.4.8 Fees to independent schools without SEN	-	Part 2 - Central Schools Expenditure
1.4.9 Equal pay - back pay	-	Part 2 - Central Schools Expenditure
1.4.10 Pupil growth/ Infant class sizes	595,000	Part 2 - Central Schools Expenditure
1.4.11 SEN transport	250,140	Part 1 - Central Services
1.4.12 Exceptions agreed by Secretary of State	586,000	Part 2 - Central Schools Expenditure
1.5.1 Other items	-	
1.6.1 TOTAL SCHOOLS BUDGET (before Academy recoupment)	554,004,200	
Funded by:		
1.7.1 Estimated Dedicated Schools Grant for 2015-16	534,073,340	
1.7.2 Dedicated Schools Grant brought forward from 2014-15	2,317,430	
1.7.3 Dedicated Schools Grant brought to 2016-17	0	
1.7.4 EFA funding	17,613,430	
1.7.5 Local Authority additional contribution	0	
1.7.6 Total funding supporting the Schools Budget (lines 1.7.1 to 1.7.4)	554,004,200	
LESS: Academy: recoupment from the Dedicated Schools Grant	- 149,558,771	
	404,445,429	

APPENDIX 3

The following is a list of the compliance and preventative maintenance services commissioned by Staffordshire County Council through the central expenditure budget. This budget will be delegated to schools in 2017/18.

- Air Conditioning Systems
- Asbestos Management and Remediation
- Building Management Systems
- Boilers, Gas , LPG, Oil and Solid Fuel
- Catering Equipment
- Controlled Access (Gates / Barriers)
- Disabled Bathing (including Closomats)
- Dry Risers
- Dust Extractors
- Emergency Lighting
- Fire Alarms
- Fixed Electrical Testing
- Gas Soundness Testing
- Gas Suppression Systems
- Generators
- Hearing Aid Induction
- HV Transformers
- Intruder Alarms - Maintenance
- Intruder Alarms - Monitoring
- LEV Systems (Exhaust Extraction)
- Lightning Protection
- Nurse Call Systems
- Passenger Lifts, Disabled Lifts and Goods Lifts
- People Counter Systems
- Photo Voltaic Systems
- Sewage Servicing & De-Sludging
- Sprinkler Systems
- Swimming Pool Maintenance
- Uninterrupted Power Supply (UPS)
- Water Hygiene – Service / Testing
- Water Hygiene Risk Assessments
- Wind Turbines

Schools Forum –7 December 2016

Recommendations:

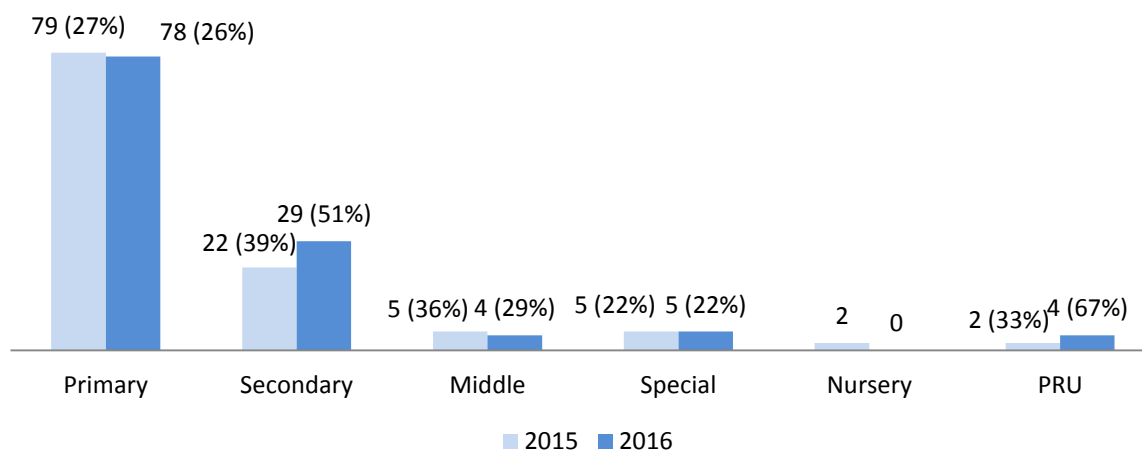
1. That Schools Forum notes progress made by Families First in partnership with Head Teacher representatives, to develop proposals for Local Support Teams (LSTs) to work more effectively with schools in the secondary sector.

PART A

Reasons for recommendations:

2. On 31 March 2015 Schools Forum requested a review of the quality and impact of the work of Local Support Teams on outcomes for school-age children and young people. The outcome of the review informed Schools’ Forum decision-making on the future allocation to Families First from the Dedicated Schools Grant (DSG). Historically, this financial transfer was agreed at the point of the conclusion of the Extended Schools’ programme in 2012, with the principle that it would facilitate the collective funding of ‘family/parent support’. The annual transaction is for £1.44m, and has remained at this level since the grant was originally agreed. This contribution represents 15.8% of the total annual budget for LSTs of £9.1m: schools are consistently represented as circa 40% of the agencies that request support from Local Support Teams.
3. At its meeting on 4 October 2016 Schools Forum received an update from the Schools and Local Support Working Partnership Group on the work of Local Support Teams and school representatives to address issues raised by schools through consultation in Spring / Summer 2015. Their deliberations were informed by the outcome of the Survey of School Leaders on their views of the impact of Local Support Team involvement.
4. This survey was the repeat of a survey undertaken in September 2015. The more recent survey secured a 31% response rate (122 schools): 78 primary, 4 middle, 5 Special and 4 PRUs. Twenty-nine secondary schools responded to the survey: this makes up 51% of all secondary schools in the county.

Response Rate by School Type



5. Schools Forum noted the contrast in satisfaction levels about the effectiveness of the work of Local Support Teams, between schools in the primary and secondary sectors. Primary schools were far more likely to be satisfied, and indeed more satisfied than last year, than secondary schools with the impact that Local Support Teams had on key issues for their students and their families.

Schools Forum asked that a report be prepared for their December 2016 meeting which would demonstrate progress on proposals for possible solutions to resolve issues highlighted by schools in the secondary sector. This brief report places that work in the co text of the wider programme to reshape the Children's System in Staffordshire, and updates on progress in exploring ways of working that can best meet the needs of older children, young people and their families, in partnership with schools.

PART B

Background

6. The report to Schools Forum in October emphasised the recognition that secondary schools, as large complex organisations in their own right, are already delivering wider 'welfare' services to children and families, to varying degrees. The proposition therefore is to find ways to enhance and add value to this work, by exploring the re-shaping of LST provision as part of the wider Children's System Transformation work that is being driven by the Families Strategic Partnership.
7. Since the Forum meeting in October, subsequent discussion has been had with the Schools and Local Support Partnership Working Group which was initially set up in Spring 2015 to drive and manage the programme of review by schools of the impact and quality of the work of Local Support Teams with school aged children and their families. The Group has since expanded and re-shaped its terms of reference, acting as an advisory body to Families First for the continued improvement and performance management of Local Support Teams.
8. The discussion was informed by an analysis of:
 - School involvement in the piloting of new ways of working across the Children's System, in each district.
 - Examples of where District LST's and schools had started to explore different ways of working together
 - The extent to which schools reported the deployment of their own resources in creative ways to meet the welfare needs of children and families.

The purpose of the discussion was to draw out the elements that schools felt best demonstrate the potential for effective 'added value' on the part of Local Support Teams, and to begin to shape a framework within which schools in the secondary sector could play a more significant role as local partners in determining the shape of support for children and families in their local areas.

9. Schools contributed to the analysis of work in each of the districts across the county. It was noted that, in all but one district, schools played a significant role in the shaping and delivering of provision for local families that was being tested out by local pilot projects. Some examples are set out below:

Newcastle: Targeted work with vulnerable groups, and collaboration to deliver early help.

Chesterton Girls Empowerment programme are working with targeted groups of young women considered vulnerable to predation and CSE. Development of a Multi-Agency Centre (MAC) at the King's School in Kidsgrove, with the explicit intention of changing the culture for those agencies working with families to one of collaboration rather than referral.

Cannock: Accessing local voluntary sector provision for families

Geographically-based lower level early help provision has been commissioned in areas of particular challenge. Schools were invited to be part of the process to shape this provision, and the voluntary organisations that have been commissioned are now contacting schools to ensure that they are aware of the new service and use it effectively.

Stafford: Multi-Agency Centre partnership with local community agencies.

One secondary school is working in partnership with local organisations to develop a MAC centre on their site: the school are part funding this alongside some monies from BRFC. There is a plan to involve local businesses in the future. The LSTs will be working from this centre one day a week, with a focus on making the links between the work of the school with that of early help focussed on what is happening in the home, through whole family working.

Tamworth: MACs and multi-agency working.

Two secondary academies have engaged in work to extend the school-based 'Multi-agency Centre' (MAC) model, and involve a newly commissioned Level 2 provider. The LST has been contributed to the design of the additional provision and is supporting the mobilisation of the new service, in partnership with the schools. This includes joint working to audit assessment and case work, in order to ensure quality as well as to avert duplication.

Staffordshire Moorlands: School cluster and wider partnership work, focused on a particular geographical community

The project is focused on children within a specific postcode area with the deployment of a community organisation offering lower level support to families, working closely with local schools. A Food Co-op is at the hub of this project. Schools in the local area, and those further afield who have students from this area on their role, are key partners in this work.

South Staffs: Engaging schools in the commissioning of services.

One secondary and 5 primary phase schools are involved in a district-wide working group that has developed and commissioned a specific Level 2 service. Helping schools to make connections with other services that support families. Discussions are at an early stage about pooling resources in the future.

East Staffs: Engaging schools with the voluntary and community sector.

The focus is on one specific community – Shobnall. Schools are being supported to work with community organisations and access community resources. One primary school is working with Age UK on paired reading and a secondary school is closely involved with a development around the local county farms. Schools are also being actively involved as key partners in work to consult with the local community – children, young people and families in particular – helping to support and encourage local people to become directly involved in a range of community projects. Schools have contributed financial resources to match fund other funding for this work.

Much of this work is in the early stages, but plans are in place to evaluate the impact and track progress of partnership working in delivering improved outcomes for children.

10. The discussion also took account of the extent to which secondary school across the county employed their own mentors, pastoral managers, partnership managers, family

support staff and well-being specialists. In addition, schools regularly contract with local voluntary and independent sector providers for services ranging from enhanced curriculum delivery to one-to-one emotional support for pupils.

11. School representatives at the Schools and Local Support Partnership Working Group, were keen that the following points were highlighted:

- **Schools’ engagement in the commissioning of early help services** can promote the development of stronger and more integrated working between schools and early help services. This could be further developed to provide the opportunity for secondary schools in particular to work with the providers of early help – including LSTs – in influencing local commissioning and service development priorities. Schools are already taking advantage of the opportunity to pool funding with that of other services and/or programmes in order to secure service provision that can then be accessed by children and families. However, this is as much about influencing the deployment of resources as it is about financial commitment.
- **Engaging schools with the voluntary and community sector** provides excellent opportunities for expanding local support for families, particularly where that support incorporates a focus on reducing isolation, securing involvement, practical steps to address poverty and disadvantage, and modelling effective parenting. LSTs are already engaged in supporting the development of community provision, both in their ongoing professional support to BRFC providers, and through their role as one of the lead contributors to the design of the pilot projects. This role could be further developed.
- **Effective targeting of vulnerable individuals, groups and communities worked well when done in partnership** using the collective intelligence not just of schools and the authority, but also of other public sector partners such as the Police and district councils, is a particularly smart way to work. Sometimes it is by making a significant difference with a discrete cohort of families that we are then able to free up resources to support wider preventative work. LSTs already work with a significant proportion of children and families who are ‘on the cusp’ of statutory intervention and have either been ‘stepped down’ from statutory social work or whose circumstances require discussion with social work colleagues. An activity summary for January – August 2016, drawn from data held by Statutory Safeguarding Units, is set out below:

Total Cases Stepped Up/Down by Month in 2016	January	February	March	April	May	June	July	August	TOTAL
Number of cases stepped down to LSTs	23	73	49	57	66	86	91	76	521
Number of referrals stepped up from LSTs to Safeguarding teams	40	52	55	57	69	44	62	58	437

The LST interface with statutory services and with other specialist and targeted provision – in particular in relation to those issues which impact most significantly upon families eg domestic abuse, substance misuse, poor adult mental health – could be better deployed to assist schools in both influencing the effective targeting of the ‘right’ families, and in effectively navigating the appropriate provision. Secondary schools in particular continue to highlight the importance of improving provision for young people with emotional health needs.

- **'MACs'** – Multi-agency/ family-focused centres on secondary school sites has already made good use of opportunities to work with families and children in a way that was less stigmatizing for them and more convenient for integrated working with partners. This work is complimented by Local Support Teams who are able to work with the family in their home where they can recognise and address issues that would otherwise be either invisible to, or beyond the influence of school-based provision.

Conclusion

12. Schools Forum is urged to recognise that the above is based upon discussion that is still at an early stage, and further discussion is planned not only with the Schools and Local Support Partnership Working Group but also with head teachers in the districts, as part of the programmes of change that are evolving at present and being steered by the Families Strategic Partnership. The Families Strategic Partnership has agreed a 'place-based' approach to be the most effective strategy for developing services that best meet local need. Discussions are at an early stage with partners but effective school engagement is an imperative for the success of this work.
13. The key message is of the importance of collaboration – not just between schools and LSTs but also with commissioners and with a range of other local partners, and communities. The ambition is the effective pooling of resources to support targeted approaches that make a positive difference for those children and young people about whom we are all concerned, at a time when resources are under significant pressure.
14. Whilst this work is developing, there is an opportunity for LSTs to continue to engage with schools and accelerate the practice changes that have so far been identified. It is suggested that these could focus upon:
 - More explicit targeting by the LST of work with those children, young people and families that schools identify as the most vulnerable and/or disengaged. This work to be evidence-based and developed with a clear understanding, with the school and the family, of the outcomes to be achieved.
 - A specific programme to develop more effective joint working between school and LST, with the latter focussed on the home environment and the former concentrating on the individual needs of the student.
 - Exploration of the potential for schools and LSTs to co-design local early help provision drawing learning from the evolution of the MAC model. This would include the pooling of resources, with collective and joint decision-making on the deployment of LST staff.
15. Local Support Team District Leads have been tasked with prioritising discussion with secondary head teachers in particular, to drive this agenda forward.

Sue Coleman
Strategic Lead, Families First Targeted Services

November 2016

Schools Forum – 7 December 2016

Notices of Concern and review of the protocol

Recommendation

1. Schools Forum approve the updated Notice of Concern Protocol.
2. Members note the issue of a Notice of Concern to the schools identified below

Report of the Deputy Chief Executive and Director for People:

PART A

Why is it coming here – what decision is required?

3. Any amendments to the Notice of Concern protocol should be approved by Schools Forum.

Reasons for recommendation

4. To reduce the risk of deficit from any phase of sponsored Academy, members decided to review the protocol for issuing the notice of concern to an earlier stage in the process.
5. This would protect the dedicated schools grant contingency pot at an earlier stage and therefore reduce the risk of deficits on transfer to sponsored academy.
6. Following a report in July 2016 members decided that rather than wait for an academy order for academy sponsorship a notice should be issued in the following circumstances:
 - a. When judged to be Special Measures by Ofsted.
 - b. When judged to be Requiring Improvement and also causing financial concern
7. An objective criteria is therefore required in order to determine when a school may be causing financial cause.

PART B

Background:

8. Following receipt of a breakdown of Schools Specific Contingency for 2014/15 a query arose as to the reasons for a significant schools deficit being charged to this budget when a school became a sponsored academy
9. The query was in relation the reasons why a notice of concern did not prevent the deficit occurring.
10. A notice of concern is not able to guarantee prevention of a deficit but is designed to minimise the risk of a deficit occurring.

11. To reduce the risk of deficit from any phase of sponsored Academy, members reviewed the protocol for issuing the notice of concern to an earlier stage in the process
12. A Notice of Concern was not issued until receipt of a sponsored academy order
13. Academy orders are generally issued less than 2 months from conversion so give little time to take any corrective budget action.
14. The increase in the number of notices being issued due to directive sponsored academy orders indicates a rise in the likelihood of deficits occurring.
15. Table of school in Requiring Improvement or Special Measures categories as at July 2016

	Requiring Improvement	Special Measures	Total
No of School	45	5	50
No concern	27	3	30
Slight Concern	8	1	9
Medium concern	8	1	9
High Concern	2		2

16. The table above would indicate that in both Requiring Improvement and Special Measures categories the number of schools within a category and also showing at least slight concern financially is on average 40%. There is therefore a significant risk of deficits resulting from Requiring Improvement category schools which would be charged to central contingency if they were to become sponsored academies.
17. Based on the above information, members decided that those in special measure should be issued with a notice of concern however those requiring improvement should only be issued with a notice if they were also causing financial concern. An objective rather than subjective criteria is therefore required to determine whether a notice should be issued.
18. The following are indicators currently used to determine the level of concern over a schools financial situation.
 1. More than 50% of reserves used to set the budget
 2. Predicted reserves of less than 5% of Schools Budget Share or the amount required to set a balanced budget in the following financial year, whichever is the greatest.
 3. Greater than average % spend within the year as detailed in the following table

Month	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Average % spent	8.3	16.7	25.0	33.3	41.7	50.0	58.3	66.7	75.0	83.3	91.7	100.0

19. It is therefore recommended that where a school is judged to be requiring improvement and at least one of the above criteria is present then a notice of concern will be issued until either Ofsted amend their judgement or the financial concerns are addressed.

20. Since the last meeting of the Schools Forum the County Council has issued the following Notice of Concern for the reason given:

Horton Lodge Community Special
Bird's Bush Primary School

Inability to set a balanced budget
Sponsored Directive Academy Order

21. Since the last meeting of the Schools Forum the County Council has not withdrawn any Notices of Concern.

Report author:

Author's Name: Alison Wood, Head of Education Finance Services, Entrust Support Services Ltd

Ext. No.: 07583 018216

List of background papers:

Updated Protocol for the Issue of a Notice of Concern Nov 2016

Protocol for the Issue of a Notice of Concern

Background

The local authority has a role to protect the financial position of each individual school, Staffordshire schools as a community and the local authority. This role is recognised and supported by the Schools Forum as any irrecoverable financial liabilities incurred by an individual school would be charged to the Dedicated Schools Grant (DSG) and therefore reduces the monies available to all schools. The Schools Forum has repeatedly indicated that they expect each school to manage their own budget appropriately. The aim of issuing Notices of Concern, in line with this stewardship role, is to protect the funds available to every single pupil in Staffordshire in order that they may experience the highest quality teaching and learning.

On 1 January 2007 the DCSF issued a directed revision to the Scheme for Financing Schools (SSFS) for all local authorities which introduced a right to issue a Notice of Concern. An extract from the SSFS including this provision is included as Appendix 1.

Local authority officers aim to offer support and advice to schools on a number of financial issues and would consider the issue of a notice of concern only when the normal methods of supporting, training and encouraging schools in their financial management have failed. Officers feel it helpful to have available a protocol that gives schools clear examples of certain occasions which may give rise to a Notice of Concern and appropriate measures that may be implemented to help the school overcome any difficulties. It is hoped that such notices will not be issued widely but that increased clarity over their purpose and use would be helpful to schools and the local authority.

The purpose of this protocol is to set out guidelines as to when a Notice of Concern may be issued. It is not meant to be comprehensive as situations may occur that are not covered by the protocol where a Notice of Concern would be appropriate, and alternatively, a protocol may suggest a Notice of Concern but mitigating circumstances could indicate that it is not appropriate. Therefore, each case will be decided on its merits within the overall framework.

As detailed in the SSFS each Notice of Concern will set out the reasons and evidence for it being made and will place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it. The issue of a Notice of Concern does not remove the right of the local authority to de-delegate the school.

Foreseeable Situations where a Notice of Concern may be issued

1. Revenue deficits where there is no recovery plan
2. An internal audit report which assesses the school financial procedures as giving only limited assurance
3. When a school is scheduled for closure, amalgamation or to become a sponsored academy
4. Breach of Procurement Regulations for Schools.
5. When a school is judged to be Special Measures by Ofsted
6. When a school is judged to be Requiring Improvement (RI) by Ofsted and there is a genuine financial concern

Failure to comply with provisions of the scheme

1. Revenue Deficits where there is no Recovery Plan

Each year a number of schools close the financial year with a revenue deficit. Governors then have two options; to pay the deficit back fully in the following year or to enter into a licensed deficit scheme with the local authority to pay the deficit back over a number of years (up to 5). Early identification of the deficit and planning is essential so that staffing structures for September can be drawn up in good time.

- Entrust's Education Finance Services team will visit all schools with an expected or actual revenue deficit as at 31 March by no later than 31 May each year. Typically, these visits will take place between January and May and the focus will be to identify what action needs to be taken; to ascertain the viability of any recovery plan and to set the licensed deficit up where required. Although the Schools Financial Services team have mechanisms to identify when a school may be going into deficit, the responsibility is for head teachers or governors to notify the Schools Financial Services team of their concerns as early as possible.
- If a viable recovery plan has not been agreed by governors and Entrust's Education Finance Services team by 31 May, a Notice of Concern will be issued on the grounds that a school should not set a deficit budget (section 4.5 and 4.9 of SSFS) and the school's inability to set a balanced budget is a clear financial risk for the individual school, the wider schools community and local authority. The action required will be to agree a recovery plan by the end of the summer term.
- If a recovery plan has still not been agreed by the end of the summer term or repayments under a previously agreed recovery plan have not been met, then a Notice of Concern will be issued with additional actions required. An example is given as Appendix 2b.

2. An internal audit report which assesses the school financial procedures as giving only limited assurance

Under the instruction of the Director of Finance and Resources, the authority's internal audit department carry out planned visits to schools to ensure that controls are operating correctly. Following the visit, the school receives a report which gives an audit opinion of either substantial assurance, adequate assurance or limited assurance. In giving an opinion of limited assurance, internal audit considers that there is a significant breakdown of controls and at least one matter is high risk and requires immediate attention and priority action.

Following the issue of the audit opinion, the report must be presented to governors and an approved action plan sent to internal audit to show that the issues have been addressed.

A notice of concern is not issued in every case where the audit opinion is of limited assurance. Some examples of other factors which would be taken into account follow:

1. A lack of response to the audit report or an unwillingness to take action
2. Where the audit report highlights concern of a medium or high risk where similar concerns have been highlighted in previous audit reports. This demonstrates that any previous action plan has not been successfully implemented
3. Where the audit report highlights significant discrepancies from the annual financial self-assessment carried out by governors under the Schools Financial Value Standard (SFVS). This indicates that the self-assessment may be flawed and that governors may not fully understand the control environment in the school.

The Notice of Concern must specify the actions required to recover the control environment in the school. These actions are likely to be different in each case, but will specify what needs to be done for the Notice of Concern to be lifted.

3. School scheduled for closure, amalgamation or to become a sponsored Academy

When a school closes or amalgamates it legally closes, even if a successor school opens on the same site. When a school closes any balance reverts to the local authority (s. 4.8 of the SSFS). There is a danger that schools may close with a significant deficit which would then fall on the local authority and be funded from the DSG. This would reduce the amount that can be allocated to all schools through the funding formula.

When a school becomes a sponsored academy under formal brokered sponsorship arrangements, any budget surplus is paid to the successor academy but any deficit falls on the local authority and is funded from the DSG. This would reduce the amount that can be allocated to all schools through the funding formula.

In Staffordshire we have been relatively fortunate in that recent school closures and amalgamations have not led to large deficits being written off in this way. This is due to the integrity of the governors and head teachers of closing schools, the work of the Entrust's Education Finance Services team in advising closing schools and the practice within Staffordshire that on amalgamation any surplus balances are reallocated as an opening balance for any successor school.

Unfortunately, colleagues in other authorities have made us aware that they have regularly experienced school closures which have resulted in large amounts being written off to DSG and also large sums of public money being spent inappropriately or in a way that does not achieve the best educational outcomes for all pupils in the local authority.

Some authorities have already implemented automatic Notices of Concern or de-delegation for closing schools which, combined with the appointment of an external member of staff to oversee the financial aspects of the closure, has significantly reduced the expected amounts being written off to DSG.

The Notice of Concern would be issued on confirmation that Cabinet has agreed a school closure, amalgamation or the DFE has approved conversion to a sponsored academy irrespective of their current financial position. An example together with suggested actions is included as Appendix 3.

4. Breach of Procurement Regulations for Schools

Schools are required to comply with Procurement Regulations for Schools when entering into contracts over £15,000 (section 2.14 of the SSFS). As guardians of public money, this is an important obligation of the governors of each school. There are two potential breaches of Procurement Regulations for Schools which risk a large liability falling on the school. If it is not possible for the school to fund this, then the liability would eventually fall on the wider school community or on the local authority. The two areas where it has been identified that such a liability could occur are:

- Obligation to go out to European Tender

For large contracts (currently over £173,934 for supplies or services contracts) there is an obligation to go out to European tender. If this is not complied with it is possible for the local authority to be sued by any potential supplier of the goods or services within Europe and they have the right to be compensated for the loss they have incurred through not winning the contract. The amounts involved could be very significant

- Transfer of staff under TUPE

Where staff are transferred from one employer to another they retain employment rights including the right of access to benefits, including pension, that are at least as good as the benefits they already have. Typically, schools experience this when changing the supplier of cleaning or catering services. The risk is that a member of staff will not be aware that TUPE legislation has been breached until they come to retire and so the potential liability could be very large.

Where a significant breach of Procurement Regulations for Schools occurs, a Notice of Concern will be issued and an example is given as Appendix 4.

5. When a school is judged to be Special Measures by Ofsted

If a school is judged to be in Special Measures a Notice of Concern will be issued that will remain in place until the school can show that improvements have been made. This notice is issued to protect the financial position of the school as well as all schools maintained by the local authority and the local authority itself.

The notice of concern will detail the reasons for the school being placed in the Special Measures category. The school must comply with any limitations or regulations set out by the notice and ensure that all staff fully engage with the procedures put in place.

The reasons for a school being placed into the Special Measures category are;

- Failure to supply an acceptable level of education

Due to the judgement by Ofsted the school will be subject to Monitoring Inspections at regular intervals up to the point that the inspector believes the school to have made the improvements required.

Further information and support can be sought from the Entrust's Education Finance Service with regards the plans for improvement.

An example Notice of Concern is set out in Appendix 5.

6. When a school is judged to be Requiring Improvement (RI) by Ofsted and there is a genuine financial concern

If a school is judged to be Requiring Improvement and there is a genuine finance concern, a Notice of Concern will be issued that will remain in place until the school can show that improvements have been made, both educationally and financially. This notice is issued

to protect the financial position of the school as well as all schools maintained by the local authority and the local authority itself.

The notice of concern will detail the reasons for the school being placed in Requiring Improvement as well as the criteria by which the school is deemed to be of financial concern. The following criteria will be used to judge whether there is financial concern:

- More than 50% of reserves used to set the budget
- Predicted reserves of less than 5% of Schools Budget Share, or the amount required to set a balanced budget in the following financial year, whichever is the greatest.
- Greater than average % spend within the year as detailed in the following table

Month	April	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Average % spent	8.3	16.7	25.0	33.3	41.7	50.0	58.3	66.7	75.0	83.3	91.7	100.0

The school must comply with any limitations or regulations set out by the notice and ensure that all staff fully engage with the procedures put in place.

The reasons for a school being placed into the Special Measures category are;

- Failure to supply an acceptable level of education

Due to the judgement by Ofsted the school will be subject to Monitoring Inspections at regular intervals up to the point that the inspector believes the school to have made the improvements required.

Further information and support can be sought from the Entrust's Education Finance Service with regards the plans for improvement.

An example Notice of Concern is set out in Appendix 6.

7. Failure to comply with provisions of the scheme

The scheme is put in place to set out the financial relationship between the authority and the school that it funds. The financial management requirements are binding to both the local authority and the school.

If the school has failed to comply with the provisions of the scheme actions will need to be taken to safeguard the financial position of the school and the local authority. In this case the school will be issued with a notice of concern, see example set out in Appendix 7

Publishing of Notices of Concern

The notice of Concern will be signed by the Director for Families, Communities and Deputy Chief Executive and sent to the Chair of Governors at the address registered with Governor Services. Copies will be sent to:

- The Head Teacher at the school address
- The County Improvement Manager for the District in which the school is located
- The School Self-Evaluation Partner for the school
- Internal Audit

Information on notices issued will be provided to the Schools Forum on a termly basis. When a notice is withdrawn a copy of the withdrawal will be sent to the same people.

Appendix 1

Notice of Concern

The authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Director of Finance and the Corporate Director Children & Lifelong Learning, 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 and governors 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 financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to Entrust’s Education Finance Services Team;
- insisting on regular financial monitoring meetings at the school attended by representatives from Entrust’s Education Finance Services Team;
- requiring a governing body to buy into a local authority’s financial management and/or HR systems;
- imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities; and
- insisting that the governing body considers, signs and publishes a Controls Assurance Statement, as defined in the Financial Management Standard in Schools.

The notice will clearly state what these requirements are and the way in which and the time by when 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 fails to comply with the notice.

The Schools Forum (or committee thereof) will act as arbitrator in relation to any dispute relating to an issued notice.

Appendix 2a

NOTICE OF CONCERN (Revenue Deficit no recovery plan) ABC SCHOOL

This Notice of Concern is being issued to ABC School in order to safeguard the financial position of the school, all schools maintained by the Authority and the Local Authority.

The Notice has arisen as a result of the school's deficit balance of £x as at 31 March 20XX. As at 31 July 20XX a recovery plan has not been agreed between the school and the Local Authority and so a Licensed Deficit is not in place and the school is in breach of the Staffordshire Scheme for Financing Schools. The Notice will remain in force until a recovery plan is agreed and a licensed deficit plan put in place

The following conditions and limitations are being placed on the management of funds delegated to the school.

1. The Governing Body will work with a representative from Entrust's Education Finance Services team, to agree a recovery plan that enables the school to set a budget for 20XX/YY and to recover the existing deficit within 5 years.

Budget Monitoring

2. The Head teacher and Business Manager will hold meetings on a half-termly basis to review the budget position. Minutes of these meetings together with a predicted outturn for the financial year and a revised 3-year model will be made available to the members of the Finance Committee, Chair of Governors and Entrust's Education Finance Services Team within 7 days of the meeting taking place and at least 7 days before the next meeting of the Finance Committee.
3. A representative from Entrust's Education Finance Services Team will visit the school on a termly basis. These visits will be paid for from the school's budget at the standard rate as detailed in Entrust's Education Finance Services Service Level Agreement in accordance with s 6.2.19 of the SSFS. The purpose of the visit will be to advise on the robustness of the budget review, to offer professional advice to the business manager and head teacher and to provide up to date information to the Director for Families, Communities and Deputy Chief Executive when required.

Staffing

4. Any change to the staffing profile that gives rise to additional costs compared to the staffing structure as at 31 July 20XX must be agreed by the Authority.
5. The supply budget will be closely monitored. Current and expected expenditure will be reported to Governors as part of the half-termly monitoring report.

Non-Staffing

6. A list of departmental budgets will be drawn up. Each budget will have a named budget holder, an agreed spending plan and an allocation of funds. Virements are allowed between budget holders but the Authority must be advised of any item that cannot be contained within the overall budget.

7. Details of any contracts that the school proposes to enter into with a value of over £15,000 must be notified to the Local Authority and written approval received before the contract is entered into.
8. The Governing Body will authorise all expenditure greater than £5,000.
9. The Headteacher can authorise expenditure up to £5,000, provided it has been allowed for in the budget.
10. A budget holder can authorise expenditure up to £1,000 provided it has been allowed for in the plan and that the school's finance team confirms that funding is available.

Other

11. The Governing Body may not enter into lease agreements unless they have permission from the Local Authority in writing.
12. The Authority will contact the Chair of Governors if it has any concerns about the financial management of the school.
13. The Authority reserves the right to apply to the Secretary of State to withdraw delegation if the agreed budget, recovery plan, and these conditions are not adhered to.

Director for Families, Communities and Deputy Chief Executive

Appendix 2b

NOTICE OF CONCERN (Deficit Recovery Plan not met) ABC SCHOOL

This Notice of Concern is being issued to ABC School in order to safeguard the financial position of the school, all schools maintained by the Authority and the Local Authority.

The Notice has arisen as a result of the school failing to keep to the agreed recovery plan under the licensed deficit scheme. The school is therefore in breach of the Staffordshire Scheme for Financing Schools. The Notice will remain in force until a revised recovery plan is agreed and one repayment has been successfully made against this plan.

The following conditions and limitations are being placed on the management of funds delegated to the school.

- 1 The Governing Body will work with a representative from Entrust's Education Finance team, to agree a revised recovery plan that enables the school to set a budget for 20XX/YY and to recover the existing deficit within X years.

Budget Monitoring

- 2 The Head teacher and Business Manager will hold meetings on a half-termly basis to review the budget position. Minutes of these meetings together with a predicted outturn for the financial year and a revised 3-year model will be made available to members of the Finance Committee, Chair of Governors and Entrust's Education Finance Services team within 7 days of the meeting taking place and at least 7 days before the next meeting of the Finance Committee.
- 3 A representative from Entrust's Education Finance Services Team will visit the school on a termly basis. These visits will be paid for from the school's budget at the standard rate as detailed in Entrust's Education Finance Services Service Level Agreement in accordance with s 6.2.19 of the SSFS. The purpose of the visit will be to advise on the robustness of the budget review, to offer professional advice to the business manager and head teacher and to provide up to date information to the Director for Families, Communities and Deputy Chief Executive when required.

Staffing

- 4 Any change to the staffing profile that gives rise to additional costs compared to the revised recovery plan must be agreed by the Authority.
- 5 The supply budget will be closely monitored. Current and expected expenditure will be reported to Governors as part of the half-termly monitoring report.

Non-Staffing

- 6 A list of departmental budgets will be drawn up. Each budget will have a named budget holder, an agreed spending plan and an allocation of funds. Virements are allowed between budget holders but the Authority must be advised of any item that cannot be contained within the overall budget.

- 7 Details of any contracts that the school proposes to enter into with a value of over £15,000 must be notified to the Local Authority and written approval received before the contract is entered into.
- 8 The Governing Body will authorise all expenditure greater than £5,000.
- 9 The Headteacher can authorise expenditure up to £5,000, provided it has been allowed for in the budget.
- 10 A budget holder can authorise expenditure up to £1,000 provided it has been allowed for in the plan and that the school's finance team confirms that funding is available.

Other

- 11 The Governing Body may not enter into lease agreements unless they have permission from the Local Authority in writing.
- 12 The Authority will contact the Chair of Governors if it has any concerns about the financial management of the school.
- 13 The Authority reserves the right to apply to the Secretary of State to withdraw delegation if the agreed budget, recovery plan, and these conditions are not adhered to.

Director for Families, Communities and Deputy Chief Executive

Appendix 3

NOTICE OF CONCERN (closure) ABC SCHOOL

This Notice of Concern is being issued to ABC School in order to safeguard the financial position of the school, all schools maintained by the Authority and the Local Authority.

The Notice has arisen as a result of the Authority's decision for the school to close/ amalgamate/ become a sponsored Academy with effect from 31/08/20XX. The Notice will remain in force until the school closes/ amalgamates/ becomes a sponsored Academy. This Notice is not as a result of any action or breach made by the school, but is enacted as a matter of course for all schools in this situation to protect the financial position of all schools maintained by the Authority.

The following conditions and limitations are being placed on the management of funds delegated to the school.

- 1 The Governing Body have agreed a balanced budget for 20XX/XY prepared by the school's senior leadership team. The budget must not anticipate a deficit on closure. The budget should also plan to cover all liabilities incurred before or on closure, but charged after closure.
- 2 The Authority acknowledges that variations may arise in respect of the key risk items identified during the budget setting process, and that further review may give rise to additional costs not allowed for in the budget. Any variations which increase the planned budget for 20XX/XY must be agreed by the Authority.
- 3 A copy of the Authority's protocol for closing schools will be made available to all governors and members of the senior leadership team and should be adhered to at all times.

Staffing

- 4 Any change to the staffing profile that has not been identified in the budget, must be agreed by the Governing Body.
- 5 Any change to the staffing profile that gives rise to additional costs not allowed for in the budget must be agreed by the Authority
- 6 The staffing budget will be closely monitored. Any virements must be actioned where appropriate.
- 7 The supply budget will be closely monitored. Current and expected expenditure will be reported to Governors as part of the half-termly monitoring report.

Non-Staffing

- 8 A list of budgets will be drawn up. Each budget will have a named budget holder, an agreed spending plan and an allocation of funds. Virements are allowed between budget holders but the Authority must be advised of any item that cannot be contained within the overall budget.

- 9 The Governing Body will authorise all expenditure greater than £5,000.
- 10 The Headteacher can authorise expenditure up to £5,000, provided it has been allowed for in the budget.
- 11 A budget holder can authorise expenditure up to £1,000 provided it has been allowed for in the plan and that the school's finance team confirms that funding is available.

Budget Monitoring

- 12 The Head teacher and Business Manager will hold meetings on a half-termly basis to review the budget position. Minutes of these meetings together with a predicted outturn for the financial year and a revised 3-year model will be made available to members of the Finance Committee, Chair of Governors and Entrust's Education Finance Services team within 7 days of the meeting taking place and at least 7 days before the next meeting of the Finance Committee.
- 13 A representative from Entrust's Education Finance Services Team will visit the school on a termly basis. These visits will be paid for from the school's budget at the standard rate as detailed in Entrust's Education Finance Services Service Level Agreement in accordance with s 6.2.19 of the SSFS. The purpose of the visit will be to advise on the robustness of the budget review, to offer professional advice to the business manager and head teacher and to provide up to date information to the Director for Families, Communities and Deputy Chief Executive when required.

Other

- 14 The Governing Body may not enter into lease agreements running beyond August 20XX.
- 15 The Authority will contact the Chair of Governors if it has any concerns about the financial management of the school.
- 16 The Authority reserves the right to apply to the Secretary of State to withdraw delegation if the agreed budget and these conditions are not adhered to.

Director for Families, Communities and Deputy Chief Executive

Appendix 4

NOTICE OF CONCERN (Procurement Regulations for Schools) ABC SCHOOL

This Notice of Concern is being issued to ABC School in order to safeguard the financial position of the school, all schools maintained by the Authority and the Local Authority.

The Notice has arisen as a result of the school failing to comply with Procurement Regulations for Schools. The school is therefore in breach of the Staffordshire Scheme for Financing Schools. The Notice will remain in force until the breach has been remedied and procedures have been put into place to ensure that Procurement Regulations for Schools are followed in future.

- 1 Specific actions to remedy the breach if this is possible (eg: to go to European tender or to fulfil all TUPE requirements regarding transfer of staff).
- 2 The Governing Body will authorise all expenditure greater than £5,000.
- 3 Details of any contracts that the school proposes to enter into with a value of over £15,000 must be notified to the Local Authority and written approval received before the contract is entered into.
- 4 The head teacher and/ or business manager will attend the next training session provided by Entrust's Education Finance Services team on Procurement and Best Value.

Director for Families, Communities and Deputy Chief Executive

Appendix 5

NOTICE OF CONCERN (Special Measures) ABC SCHOOL

This Notice of Concern is being issued to ABC School in order to safeguard the financial position of the school, all schools maintained by the Authority and the Local Authority.

The Notice has arisen as a result of school being judged as Special Measures by Ofsted. The Notice will remain in force until the school is judged by Ofsted as at least Requiring Improvement with no genuine financial concern or becomes a sponsored Academy. This Notice is not as a result of any action or breach made by the school, but is enacted as a matter of course for all schools in this situation to protect the financial position of all schools maintained by the Authority.

The following conditions and limitations are being placed on the management of funds delegated to the school.

- 1 The Governing Body have agreed a balanced budget for 20XX/XY prepared by the school's senior leadership team. The budget must not anticipate a deficit on closure.
- 2 The Authority acknowledges that variations may arise in respect of the key risk items identified during the budget setting process, and that further review may give rise to additional costs not allowed for in the budget. Any variations which increase the planned budget for 20XX/XY must be agreed by the Authority.

Staffing

- 3 Any change to the staffing profile that has not been identified in the budget, must be agreed by the Governing Body.
- 4 Any change to the staffing profile that gives rise to additional costs not allowed for in the budget must be agreed by the Authority
- 5 The staffing budget will be closely monitored. Any virements must be actioned where appropriate.
- 6 The supply budget will be closely monitored. Current and expected expenditure will be reported to Governors as part of the half-termly monitoring report.

Non-Staffing

- 7 A list of budgets will be drawn up. Each budget will have a named budget holder, an agreed spending plan and an allocation of funds. Virements are allowed between budget holders but the Authority must be advised of any item that cannot be contained within the overall budget.
- 8 The Governing Body will authorise all expenditure greater than £5,000.
- 9 The Headteacher can authorise expenditure up to £5,000, provided it has been allowed for in the budget.

10 A budget holder can authorise expenditure up to £1,000 provided it has been allowed for in the plan and that the school's finance team confirms that funding is available.

Budget Monitoring

11 The Head teacher and Business Manager will hold meetings on a half-termly basis to review the budget position. Minutes of these meetings together with a predicted outturn for the financial year and a revised 3-year model will be made available to members of the Finance Committee, Chair of Governors and Entrust's Education Finance Services team within 7 days of the meeting taking place and at least 7 days before the next meeting of the Finance Committee.

12 A representative from Entrust's Education Finance Services Team will visit the school on a termly basis. These visits will be paid for from the school's budget at the standard rate as detailed in Entrust's Education Finance Services Service Level Agreement in accordance with s 6.2.19 of the SSFS. The purpose of the visit will be to advise on the robustness of the budget review, to offer professional advice to the business manager and head teacher and to provide up to date information to the Director for Families, Communities and Deputy Chief Executive when required.

Other

13 The Governing Body may not enter into lease agreements running beyond August 20XX.

14 The Authority will contact the Chair of Governors if it has any concerns about the financial management of the school.

15 The Authority reserves the right to apply to the Secretary of State to withdraw delegation if the agreed budget and these conditions are not adhered to.

Director for Families, Communities and Deputy Chief Executive

Appendix 6

NOTICE OF CONCERN (RI and financial concern) ABC SCHOOL

This Notice of Concern is being issued to ABC School in order to safeguard the financial position of the school, all schools maintained by the Authority and the Local Authority.

The Notice has arisen as a result of school being judged as Requiring Improvement by Ofsted and there is a genuine financial concern. The Notice will remain in force until the school is judged by Ofsted as at least Requiring Improvement with no genuine financial concern. This Notice is not as a result of any action or breach made by the school, but is enacted as a matter of course for all schools in this situation to protect the financial position of all schools maintained by the Authority.

The following conditions and limitations are being placed on the management of funds delegated to the school.

- 1 The Governing Body have agreed a balanced budget for 20XX/XY prepared by the school's senior leadership team. The budget must not anticipate a deficit on closure.
- 2 The Authority acknowledges that variations may arise in respect of the key risk items identified during the budget setting process, and that further review may give rise to additional costs not allowed for in the budget. Any variations which increase the planned budget for 20XX/XY must be agreed by the Authority.

Staffing

- 3 Any change to the staffing profile that has not been identified in the budget, must be agreed by the Governing Body.
- 4 Any change to the staffing profile that gives rise to additional costs not allowed for in the budget must be agreed by the Authority
- 5 The staffing budget will be closely monitored. Any virements must be actioned where appropriate.
- 6 The supply budget will be closely monitored. Current and expected expenditure will be reported to Governors as part of the half-termly monitoring report.

Non-Staffing

- 7 A list of budgets will be drawn up. Each budget will have a named budget holder, an agreed spending plan and an allocation of funds. Virements are allowed between budget holders but the Authority must be advised of any item that cannot be contained within the overall budget.
- 8 The Governing Body will authorise all expenditure greater than £5,000.
- 9 The Headteacher can authorise expenditure up to £5,000, provided it has been allowed for in the budget.

10 A budget holder can authorise expenditure up to £1,000 provided it has been allowed for in the plan and that the school's finance team confirms that funding is available.

Budget Monitoring

11 The Head teacher and Business Manager will hold meetings on a half-termly basis to review the budget position. Minutes of these meetings together with a predicted outturn for the financial year and a revised 3-year model will be made available to members of the Finance Committee, Chair of Governors and Entrust's Education Finance Services team within 7 days of the meeting taking place and at least 7 days before the next meeting of the Finance Committee.

12 A representative from Entrust's Education Finance Services Team will visit the school on a termly basis. These visits will be paid for from the school's budget at the standard rate as detailed in Entrust's Education Finance Services Service Level Agreement in accordance with s 6.2.19 of the SSFS. The purpose of the visit will be to advise on the robustness of the budget review, to offer professional advice to the business manager and head teacher and to provide up to date information to the Director for Families, Communities and Deputy Chief Executive when required.

Other

13 The Governing Body may not enter into lease agreements running beyond August 20XX.

14 The Authority will contact the Chair of Governors if it has any concerns about the financial management of the school.

15 The Authority reserves the right to apply to the Secretary of State to withdraw delegation if the agreed budget and these conditions are not adhered to.

Director for Families, Communities and Deputy Chief Executive

Appendix 7

NOTICE OF CONCERN (Failure to comply with provisions of the scheme) ABC SCHOOL

This Notice of Concern is being issued to ABC School in order to safeguard the financial position of the school, all schools maintained by the Authority and the Local Authority.

The Notice has arisen as a result of the school failing to comply with the provisions of the scheme for Schools. The school is therefore in breach of the Staffordshire Scheme for Financing Schools. The Notice will remain in force until the breach has been remedied and procedures have been put into place.

The following conditions and limitations are being placed on the management of funds delegated to the school.

- 1 The Governing Body have agreed a balanced budget for 20XX/XY prepared by the school's senior leadership team. The budget must not anticipate a deficit.
- 2 The Authority acknowledges that variations may arise in respect of the key risk items identified during the budget setting process, and that further review may give rise to additional costs not allowed for in the budget. Any variations which increase the planned budget for 20XX/XY must be agreed by the Authority.

Staffing

- 3 Any change to the staffing profile that has not been identified in the budget, must be agreed by the Governing Body.
- 4 Any change to the staffing profile that gives rise to additional costs not allowed for in the budget must be agreed by the Authority
- 5 The staffing budget will be closely monitored. Any virements must be actioned where appropriate.
- 6 The supply budget will be closely monitored. Current and expected expenditure will be reported to Governors as part of the half-termly monitoring report.

Non-Staffing

- 7 A list of budgets will be drawn up. Each budget will have a named budget holder, an agreed spending plan and an allocation of funds. Virements are allowed between budget holders but the Authority must be advised of any item that cannot be contained within the overall budget.
- 8 The Governing Body will authorise all expenditure greater than £5,000.
- 9 The Headteacher can authorise expenditure up to £5,000, provided it has been allowed for in the budget.

10 A budget holder can authorise expenditure up to £1,000 provided it has been allowed for in the plan and that the school's finance team confirms that funding is available.

Budget Monitoring

11 The Head teacher and Business Manager will hold meetings on a half-termly basis to review the budget position. Minutes of these meetings together with a predicted outturn for the financial year and a revised 3-year model will be made available to members of the Finance Committee, Chair of Governors and Entrust's Education Finance Services team within 7 days of the meeting taking place and at least 7 days before the next meeting of the Finance Committee.

12 A representative from Entrust's Education Finance Services Team will visit the school on a termly basis. These visits will be paid for from the school's budget at the standard rate as detailed in Entrust's Education Finance Services Service Level Agreement in accordance with s 6.2.19 of the SSFS. The purpose of the visit will be to advise on compliance with the Scheme for Financing of Schools, to offer professional advice to the business manager and head teacher and to provide up to date information to the Director for Families, Communities and Deputy Chief Executive when required.

Other

13 The Governing Body may not enter into lease agreements running beyond August 20XX.

14 The Authority will contact the Chair of Governors if it has any concerns about the financial management of the school.

15 The Authority reserves the right to apply to the Secretary of State to withdraw delegation if the agreed budget and these conditions are not adhered to.

Director for Families, Communities and Deputy Chief Executive

Schools Forum Work Programme

There are a number of items the Schools Forum considers annually and these are set out in the work programme below.

The “Schools Forums: operational and good practice guide” (October 2013) states that:

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

Forum Members are therefore able to suggest an item for consideration at a future Forum meeting as long as it is within the remit of the Forum. Any request must be agreed by the Schools Forum before being included on the work programme. Each Forum agenda is set by the Chairman in consultation with the Director and the Clerk. The scheduling of items included on the work programme will therefore be agreed through this process and taking account of resource implications and agenda management.

NB: There are two standard items that appear on each agenda, these being Notices of Concern and Fairer Funding Update.

Meeting	Item	Details
Spring term 27 March 2017	Schools Budget (last financial year) : provisional outturn	Annual item
	Schools Budget (forthcoming financial year)	Annual item
	Fairer Funding - Oral Update	Standard item
	Notices of Concern	Standard item
Summer term 4 July 2017	Schools Forum Membership – annual review	At its meeting of 9 July 2015 the Forum agreed to review its membership annually to ensure it remained broadly proportionate.
	Schools Budget (last financial year) : Final outturn and Dedicated Schools Grant (DSG) Settlement	Annual item

Meeting	Item	Details
	Fairer Funding – Oral Update	Standard item
	Notices of Concern	Standard item
Autumn term, first meeting 3 October 2017	Election of Chairman and Vice-Chairman	Annual item
	De-delegation Vote	Annual item
	Fairer Funding - Oral Update	Standard item
	Notices of Concern	Standard item
Autumn term, second meeting 5 December 2017	Schools Budget, Central Expenditure	Annual Item
	Fairer Funding - Oral Update	Standard item
	Notices of Concern	Standard item