

Schools Forum Meeting Agenda

Thursday, 12 October 2023 at 9.00 am
to be held in Teams - Virtual

Membership

Stewart Biddles
Lisa Finn
Steven Hulme
Stuart Bellworthy
Mike Lock
Clive Star
Jim Piper

Tim Stephens
Jayne Jones
Steve Margetts
Alex Newton
Sarah Tomkinson
Kelly Sooben

1. **Apologies/Changes to Membership**
2. **Membership**
3. **Minutes of the last meeting** (Pages 3 - 9)
4. **Financial Report**
5. **Schools Forum 12 October 2023 (002) Finance Paper** (Pages 10 - 15)
6. **Safety Valve Update** (Pages 16 - 32)
7. **Element 3 Funding** (Pages 33 - 43)
Hannah Spencer
8. **Alternative Provision Strategy** (Page 44)
Laura Greenland
9. **Scheme for Financing Schools** (Pages 45 - 139)
10. **Future meeting dates**
 - Thursday 23rd November 2023, 09:00
 - Thursday 25th January 2024, 09:00
 - Thursday 21st March 2024, 09:00
 - Thursday 2nd May, 09:00
 - Thursday 20th June, 09:00

All meetings will be held via Microsoft Teams

For information relating to this meeting or to request a copy in another format or language please contact:

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Minutes of the Schools Forum

22 June 2023

-: Present :-

Stewart Biddles (Chair) Primary Academy Rep; **Lisa Finn (Vice-Chair)** Secondary Academy Rep; **Tim Stephens**, Primary Academy Governor; **Clive Star**, Secondary Academy Rep; **Alex Newton**, Secondary Maintained Head; **Stephen Hulme**, PRU; **Mike Lock**, Special Schools Head; **Jayne Jones**, Early Years Rep; **Sarah Tomkinson**, Primary Maintained Head; **Kelly Sooben**, Post 16 representative

-: Also in attendance :-

Rachael Williams, Assistant Director for Education, Learning and Skills; **Nancy Meehan**, Director of Childrens Services; **Malcolm Coe**, Director of Finance; **Rob Parr**, Principal Accountant; **Dan Hamer**, Head of Vulnerable Pupils; **Hannah Spencer** Head of SEN; **Michael Freeman**, Clerk

1. Apologies/Changes to Membership

The Forum gave thanks to Kelly Sooben for her contributions to the meeting, noting that she will be stepping down from Forum next academic year. She will be replaced by Lawrence Frewin, SDC principal.

2. Minutes of the last meeting

Minutes of the last meeting held 20th April were agreed as a true and accurate record.

3. Financial Report

Rachael and Rob shared with colleagues the latest financial report. Although members recognised it was still early in the financial year, it was pleasing to note that we are currently forecast to overspend by £1.060, and that this is a significantly improved position than previous years. We informed the ESFA (Education, Skills and Funding Agency) as part of our safety valve that we anticipated being in an overspend budget position of £1.2 million at the end of the year. So things are determined to be on track at this point in time which is really good news compared to where we have been previously.

There are some anticipated underspends against the budget headings based on trajectory's that we have previously seen around spend over the year. But we've

also built into this some level of contingency where we know we have some overspend as well. Joint funded placements is projecting a £100k grand underspend, mainly due to our residential placement numbers being a lot lower in the social care side of things. And therefore, our contributions to those being lower. Rob explained that there is £100k overspend against contributions from health towards our EHCPs, but we haven't got agreements in place yet with help and those discussions are ongoing. So potentially there might get some income in on that.

Rob explained that the safety valve information went off to the DfE last week, which gives this picture and gives our out turn from the previous financial year, which was also in line with the budget.

Mike Lock then asked for an update on the Medical Tuition Service, noting that there is quite a big saving there, but also there's quite a big figure next to its budget. Rachael explained that we have had an external consultant looking at the provision of section 19, including the MTS and there will be a report for Forum in the next meeting.

Stewart then asked about Health contributions, and whether it is overly optimistic to put that into the safety valve agreement. Rachael clarified that it is part of the safety valve update later on, but recognised that at the moment it's currently rated as red. So it's still a significant risk at this point, and that's why we've also been really honest with the ESFA that Health have identified a budget or a mechanism for us to be able to access that as well. What we continue to do is track in all of our education, health and care plans and through our meetings the spends that doesn't exist within the system that should be funded by Health.

On behalf of members, Stewart gave thanks to Rachael and officers for the update, recognising the good work that has been done and for evidencing that what the LA has been putting in place is working. The Forum agreed to continue to work with the LA to make the necessary judgement adjustments to support the safety valve process.

4. Torbay Safety Valve agreement

A report was then shared by Rachael with members on the work of the Safety Valve., which has been provided to the ESFA, containing overall and a position statement against each of the grant conditions, This was the first report to the ESFA submitted on the 16th of June, Rachael explained that the LA is yet to have any feedback from the ESFA.

What we are seeing in this report is quite a positive trajectory for our first quarter. The ESFA will be most interested in the overall picture of the number of education, health and care plans and our projected budget position. For the first time ever in Torbay we had now have the number of education, health and child plans reducing on a significant downward trend for the local area.

The next vital piece of information that the ESFA required was for them to

understand that our outturn position was aligned to our anticipated outturn position. So we anticipated that we're at £2.7 million deficit last year and we came out at £2.732 million. It is felt that the ESFA will be assured that we were aligned to our original planning.

Rachael then gave an update in relation to each of the agreements and conditions to the grant. The first condition of the grant was to maintain our existing special school numbers and really think about parental confidence with mainstream provision. We gave them detailed information in this report on the number of special school placements compared to our commissioned number. Members were pleased to see we've got control on the number of placements, although it remains significantly challenging.

Members noted that we're getting tribunal orders for special school placements as well and they may not always be within our Torbay Tribunal process. It could be Devon tribunal process that is then directing young people to be able to access our Special Schools as well. So we are acutely aware that that is still a risk area but trying to manage that as best we can. Hannah explained that the majority of our appeals and tribunals that are in place at the moment are decisions not to issue a plan as opposed to not to assess a young person, and sometimes once you've got that full robust assessment, the tribunals find in favour of the LA because they've made a decision based on that evidence.

In terms of then request for specialist placements, we still see a really, really high rate of requests for specialist placements in the area and the team members will do a fantastic job of only making sure that children attend that where needed and then doing work to look at what alternative provisions can be provided.

Alex asked whether we are sticking rigidly to these Commission numbers and especially places, for example, like Burton and Brunel, and what additional use is being made of other providers, YMCA, Riviera tuition etc. and the financial impact of this. Rachael agreed to look into this with officers and report back to Forum at the next meeting.

The second condition was around the SEND agenda and workforce development. Rachael thanked the multiple colleagues that were part of Co-production of the SEND strategy, listing all of the workforce development opportunities that have been provided and have been well taken up by schools and others in the area as well.

The next one is rated as red. The reason it is rated as red as this is the area that includes the Health funding contributions. So if we were looking at this from a graduated response point of view, we would be rating this amber as we've actually brought forward the launch of the graduated response to earlier in the year, recognising that that takes time still to embed, but actually the work has been conducted on the graduated response, but we have rated this as red because of the issues we've already discussed around Health, that's not just about a financial contribution, but that's also about their contribution and all multi agency contributions into EHCPs. An EHCP can only be as robust as the information that is received and the assessments that are undertaken and we know

there still is significant delays in children having access to some of those assessments required as well.

The next condition discussed was Independent Placement Overview Panel (known as Ipop) making sure that we are being really robust in and our decision making processes, and that Ipop doesn't make the decision on the awarding any ACP that sits in normal processes. Members noted that last year we were able to report an end of financial year position below target.

The next agreement, around Building confidence within the parental community, was then discussed. Rachael explained that there was never in our safety valve plan any indication that parents weren't confident in the Enhanced Resource bases or special schools, and that they actually really demonstrate a lot of confidence in this. So you'll see there are a list of things that have happened jointly with SEND family voice Torbay around trying to gain parental confidence across the whole of the system as well.

The next part was around Post 16 and transition panel and Post 16 early planning. Rachael thanked colleagues in the Post 16 sector, acknowledging their absolute focus on the safety valve work. Members noted that this part of the report provides information on the level of ceasing activity that has taken place and that wasn't something the local authority was routinely. There's been a 132% increase in cessation across the local area and a significant number of plans have been ceased.

Alex asked a question around ceasing a EHCP of a child with a lifelong condition, noting that if they're successful in school, and their annual review shows they're thriving, will the Plan be ceased regardless? Hannah acknowledged that the annual review process needs to really reflect multi agency input to a child with a lifelong disability, and a revision of the system to be able to ensure we're making the right decisions in the right places is needed.

Hannah stressed that what we don't want to do is be taking away any provision that may lead to further provision being required in the future as well. So it's absolutely got to be the right provision and right decisions and it's about the work between schools, SENCOs and our monitoring team in making those decisions, and trying to be as open and transparent around some of those aspects as well.

The next condition was around The Early Years Outreach team as part of the family hubs. The report provides an overview of work that we are doing with health visitors around their checks and balances, and the onboarding of our family hubs and the models around speech, language and communication, and targeted interventions. The ESFA has been notified about the work that has been progressed and will be progressed through the hub as well.

The final section discussed was around the graduated response, but with a focus on Social and Emotional and Mental Health. The DSG management plan showed us that SEMH was a significant outlier for Torbay at the point of writing the document, and what you will see there is the numbers of social, emotional, mental

health plans have significantly reduced. Rachael explained that has been quite a focus within our work.

Rachael identified at the end of the report the emerging risks that are happening across the system as well, noting that the top risk is the current gap in the Health funding, also noting another risk related to Health contribution into our SENDIASS service. Also included here as an emerging risk is the new unfunded attendance duties that are now going to be in place from September this year. And what this could lead to is a greater identification of children that have SEMH and section 19 requests that obviously all come through to the higher needs budget. So quite a lot of risks identified, but we're working to mitigate those, but we need the mitigations across the system as well.

Members thanked Rachael for the report, noting that it seems like for the first time we've got a really clear equitable strategic approach to SEND across Torbay.

5. 6th Day Provision

Rachael gave some context to the proposals outlined in the 6th day provision paper. The Local Authority has a statutory duty to arrange suitable full-time education for any pupils that have been permanently excluded from schools. This education has to begin from the sixth day after the first day the permanent exclusion took place. The current mechanism in place for discharging this duty at the Primary Phase is through provision provided by Mayfield Chestnut and delivered at St Margaret Clitherow campus. Following a meeting with Mayfield and the Local Authority it is necessary to review the current level of provision and resources that are being made available to ensure that the provision can have the necessary impact for children and their families. The current provision has been used by 15 children across the academic year 21/22 and 10 in the year to date.

The overall budget provided to Mayfield school is £122,892.

It was recognised that some of the children and young people in the six day provision need enhanced transition to get back to their mainstream education and mainstream education can only be successful if that enhanced transition is in place with a skilled worker, working alongside the key adults that they would be returning to. The current funding model actually supports the provision within the setting, but it doesn't support the provision beyond the setting to do the reintegration, so for an interim period, it was proposed that we provide £27,000 to Mayfield to have an additional worker to do that reintegration work it will support us to be able to make that reintegration more effective, well longer term.

Members were asked to vote on the above proposal, with the following result:

To increase the current contract with Mayfield School by £27k to fund an additional staff member for the year:

For: 12

Motion Carried unanimously

Against: 0

Abstain: 0

In search of a longer-term solution, it was proposed that Schools work with the LA to co-produce a full options appraisal provision required to meet children's needs at the primary phase, including a review of the data, costs and impacts for children. Forum members were in agreement and looked forward to seeing the results of the appraisal in November's meeting.

6. Educational Psychology New Ways of Working

Members were shown a consultation document that will be going out to schools on proposed changes to the Educational Psychology Service. Hannah has been working with Paul Williams (Senior Educational Psychologist) looking at different models and how to best use educational psychology provision across our local area. It was noted that Educational psychologists nationally have been very difficult to recruit, so the local authority has taken stock about how to use the finite resources that we have within our EP service to impact on the maximum amount of children.

Hannah explained that the LA are working with the educational psychology team on moving to a consultation first model. and they're very clear on it's not moving away from individual assessments where they are needed, it's about looking at a consultation model which lots of other local authorities including Islington, our sector LED improvement partner, feel is beneficial.

Having found that there are multiple children on EP waiting lists, not being seen in a timely fashion, we are looking at an educational psychology system where we can work with the majority of children that need support. So we feel that the consultation model will work for both schools and the educational psychology team and then that the statutory work would stay the same. All of the consultation models would still be written up for the individuals.

So the proposal is that we send out the consultation document with an e-mail and a SurveyMonkey link for all SENCOs, head teachers and any interested parties to be able to contribute back to the proposed model. And then we take a view of how did the sector feel about that before making any recommendations for change.

Stewart asked whether Schools Forum have any powers around what is done as a result of the consultation?

Rachael explained that as a local authority budget, Forum can decide how we are going to implement our educational psychology service. However, it was felt the LA would not implement something that schools felt was not going to work.

Jayne Jones then asked if the Early Years sector was going to be a part of the new way of working. Hannah said that it would be a plan from 0-25.

Stewart thanked Hannah and Rachael for their update.

7. School Forum Briefing

Rachael then shared her plan with School Forum to provide an overview of all of the work that has taken place on the safety valve, so that everybody in the school's community understands the need to deliver the safety valve and then give an overview of each of the grant conditions of the safety valve and the work that sits below that.

Also, in addition to the safety valve, feedback would be shared from the pilot of the element 3 funding. So that is about information sharing, giving colleagues the overview of the documents that we've used with the pilot process and inviting colleagues that have been part of those pilots to actually just give some verbal feedback.

This could then be linked to the annual review process and the system cessation as well. It was recognised that a huge amount has changed since the last time we met with the whole school community about the budget position, and this would be an opportunity to share the savings that are being made and the work that is progressing across the system. Rachael also explained that the lead Commissioner for SEND, who's new to the authority, has been invited to come and just meet with colleagues on that day, recognising it as a good networking opportunity.

Members thanks Rachael for the information, and gave thanks for Alex for agreeing to host the briefing at Spires College.

Finance Report - Schools Forum 12th October 2023

Forecast Outturn Position 2023/2024

Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £929k**.

The following table details the main areas of both over and under spend. Many of these budgets are demand led and will be monitored during 23/24 and revisions reported accordingly.

Budget Heading	Budget	Actuals to date	Projected Outturn	Over / (Under) Spend
Early Years 2, 3 & 4 yr old payments – PVI's & Academies	£6.229m	£3.034m	£3.034m	£0k
Early Years – ALFEY	£295k	£171k	£295k	£0k
Early Years – Pupil Premium & Disability Access Fund	£158k	£38k	£125k	(£33k)
Early Years – 5% retained element	£383k	£158k	£332k	(£51k)
Joint Funded Placements	£400k	£151k	£300k	(£100k)
Recovery of funding from schools for Excluded Pupils, Medical Tuition Service and Elective Home Education	(£175k)	(£52k)	(£125k)	£50k
Contribution from Health towards EHCP's	(£100k)	(£0k)	(£0k)	£100k
Independent Special School Fees including South Devon College	£3.330m	£1.328k	£3.416m	£86k
Other packages for EHCP pupils and SEND personal budgets	£1.588m	£801k	£1.876m	£288k
Payments to / recoupment from other authorities for mainstream and Special School places	(£128k)	(£215k)	(£442k)	(£314k)
Medical Tuition Service	£1.070m	£537k	£920k	(£150k)
Virtual School / Hospital Tuition / Vulnerable Students Team	£519k	£223k	£497k	(£22k)
Refund from Medical Tuition Service from underspend during 22/23		(£200k)	(£k)	(£200k)
School contingencies (Planned pupil growth, NQT induction etc)	£70k	£59k	£69k	(£1k)
EHCP in-year adjustments (see separate paper for details)	£539k	£510k	£591k	£52k
Special Schools / High Needs in-year adjustments (see separate paper for details)	£400k	£269k	£475k	£75k
School Intervention / Commissioning	£48k	£14k	£41k	(£7k)
Business Support / Business Intelligence	£240k	£110k	£236k	(£4k)
Senior Management, Central Recharges, Admissions, EAL / Travellers, SACRE,	£612k	£394k	£540k	(£72k)
Visually impaired / Hearing impaired / Advisory Teachers	£166k	£60k	£135k	(£31k)
Deficit DSG budget set for 23/24	(£1.263m)			£1.263m
Total – Forecast Outturn Position 23/24				£929k

The position continues to remain subject to change dependent upon the referrals and demands within the system. The most volatile block remains the Higher Needs Block.

Finance Report - Schools Forum 12th October 2023

Special School and other High Needs funding adjustments for 23/24										
	Combe Pafford	Combe Pafford	Mayfield School	Mayfield Chestnut	Mayfield Total	Brunel SEMH	Lodestar AP	Brunel & Lodestar Total	Totals	Totals £
Number of places - January 23	265		231	32	263	56	55	111.00	639.00	
Number of pupils - January 23	268		229	32	261	55	46	101.00	630.00	
Number of places - September 23	265		231	32	263	55	55	110.00	638.00	
Initial Place led funding		2,650,000			2,630,000	554,167	550,000	1,104,167		6,384,167
Initial Pupil led funding		1,735,096			2,978,478	994,125	607,476	1,601,601		6,315,175
Initial pupil specific additional funding		67,402			193,728			0		261,130
To mirror 3.4% increase in mainstream schools additional grant		145,120			188,342	52,124	42,440	94,564		428,026
Previously Teachers Pay & Pension Grants		174,900			173,580	36,575	36,300	72,875		421,355
Other funding - Outreach / 6th day provision / rent					325,027			0		325,027
Pupil Premium		146,615			187,090	41,400	28,980	70,380		404,085
Total initial funding		4,919,133			6,676,245	1,678,391	1,265,196	2,943,587		14,538,965
In-Year adjustments	Pupils	Funding £	Mayfield Pupils	Chestnut Pupils	Funding £	SEMH Pupils	AP Pupils	Funding £	Pupils	Funding £
April	271	29,851	229	35	84,414	55	54	105,648	644	219,913
May	271	0	229	35	0	55	54	0	644	0
June	271	0	229	35	0	55	53	(11,005)	643	(11,005)
July	270	(6,568)	230	35	936	56	44	(75,584)	635	(81,216)
August	270	0	230	35	0	56	44	0	635	0
September	263	6,793	229	32	(56,226)	52	39	(80,693)	615	(130,126)
October									0	0
November									0	0
December									0	0
January									0	0
February									0	0
March									0	0
Total In -year pupil / place led adjustments		30,076			29,124			(61,634)		(2,434)
Enhanced Provision (in-year changes in pupil top-ups)										11,189
Enhanced Provision (in-year increases in place numbers)										10,887
Preston Enhanced Provision - Teaching Support Apr - Aug 23										24,245
Additional Funding - Step Provision (Apr - Aug)										33,943
Additional Funding - Step Provision (Sept - Mar)										71,687
Excluded Pupils / 6th Day Provision - Mayfield (Sept - Mar)										15,750
Excluded Pupils / 6th Day Provision - Mayfield (Sept - Mar) - Additional Staffing										103,693
In-year pupil specific additional funding		14,136			82,297			7,260		103,693
Total - In-Year adjustments		44,212			111,421			(54,374)		268,960
Special School / High Needs contingency budget										400,000
Current balance (under) / over										(131,040)

Finance Report - Schools Forum 12th October 2023

Education, Health & Care Plan Funding for 22/23 & 23/24			
	22/23	23/24	Increase / (Decrease)
Number of pupils with EHCP	512	556	44.00
Number of FTE's with EHCP	463	490	27.00
	£	£	£
Funding below £6k allocated through school formula elements	2,774,332	2,939,171	164,839
Funding above £6k allocated as a top-up per eligible pupil	2,967,540	3,290,903	323,363
EHCP Contingency	550,000	538,500	(11,500)
In-Year adjustments			
April	133,189	106,783	(26,406)
May	97,442	(783)	(98,225)
June	65,574	80,221	14,647
July	116,471	58,835	(57,636)
August	221,556	273,431	51,875
September	35,796	(8,661)	(44,457)
October	(33,353)	(25,717)	7,636
November	44,883	52,278	7,395
December	10,002	18,126	8,124
January	(1,109)	7,201	8,310
February	14,470	22,501	8,031
March	(2,068)	6,222	8,290
Total - In-Year adjustments	702,853	590,436	
Projected (underspend) / overspend	152,853	51,936	
Notes			
Based on April - September 23 in-year adjustments, and an assumed increase for the remaining 6 months based on the RSA's being higher than assumed at time of safety valve submission		51,936	

The work conducted to drive down spend is described in the Safety Valve Progress Report. The overall DSG position is an improving picture however there are many indicators within the safety valve report that detail areas where progress is harder to achieve. The predicted position is aligned to our Safety Valve DSG Management Plan however it is very early in the academic/financial year and the continued scrutiny and partnership response is required to bring the budget in line.

Overall Position

The 23/24 forecast year end overspend projection for DSG is **£929k**. The cumulative deficit on the DSG is £12.660m before ESFA funding, £5.950m after ESFA Safety Valve Funding.

Recommendation and Decision

The School Forum note the financial position of the Local Area DSG budget.

Review the Safety Valve update report and make recommendations to ensure future progress enables the budget position to be held and improved during the financial year.

Rachael Williams
Divisional Director Education and SEND

Finance Report Comparison Budgets Schools Forum 12th October 2023

Comparison of DSG funding between 23/24 and provisional 24/25 before academy recoupment

The following information is shared with Schools Forum as an indicative of budget from information that has been received for the financial year 24/25. The chart demonstrates the increase/decrease across the budget lines based on the most up to date allocations. The notes against each budget line are important for Members to read.

The special schools information is provided as an indication of the increase in special schools funding when applying our agreed principle of matching the school rate of increase.

Comparison of DSG funding between 23/24 and provisional 24/25 before academy recoupment - Schools Forum 12/10/23					
	23/24	24/25			
	DSG	Provisional DSG	Increase /	Increase /	
	as at 16/12/22	as at 17/7/23	(Decrease)	(Decrease)	
	from ESFA	from ESFA			
Funding type	£	£	£	%	Note
Schools Block	100,618,604	103,303,513	2,684,909	2.67%	1
Central Schools Block	859,362	848,056	(11,306)	-1.32%	
Early Years - 3 & 4 Yr Olds	4,528,282	4,985,684	457,402	10.10%	2
Early Years - 3 & 4 Yr Olds (Increase to 30 hrs)	2,011,137	2,214,282	203,145	10.10%	2
Early Years - 2 Yr Olds	1,110,367	1,470,950	360,583	32.47%	2
Early Years Pupil Premium	105,816	112,643	6,827	6.45%	2
Early Years - Disability Access Fund	62,928	66,956	4,028	6.40%	2
High Needs Block	26,650,108	27,619,231	969,123	3.64%	
Total Initial DSG	135,946,604	140,621,315	4,674,711	3.44%	
Notes					
1. The pupil growth element has not yet been announced for 24/25 so to enable a like for like comparison the figure has been removed from 23/24 Schools Block.					
1. Mainstream Schools Additional Grant has been included within Schools Block in 24/25, the same figure has therefore been added to 23/24 schools Block allocation to enable a like for like comparison (£3.340m)					
2. The Early Years allocations for 24/25 have not yet been released. The intention from ESFA is to include the Early Years Supplementary Grant in the DSG from 24/25. For this comparison the additional 50p per hour has been assumed for 3 & 4 yr olds, and additional £1.89 per hour for 2 yr olds. In addition EYPP has increased from 62p to 66p and DAF from £828 to £881.					
Other DSG / School Funding information					
The minimum per pupil funding levels have increased for Primary from £4,405 in 23/24 to £4,655 in 24/25.					
The minimum per pupil funding levels have increased for Secondary from £5,715 in 23/24 to £6,050 in 24/25.					
Those schools on Minimum Funding Guarantee will see a 0.5% increase in 24/25 per pupil funding.					
Local Authorities must inform schools of their 24/25 allocations by 28th February 2023.					
ESFA expect to have moved to the direct National Funding Formula by 27/28, however, they hope to be able to implement sooner than this.					

Finance Report Comparison Budgets Schools Forum 12th October 2023

SPECIAL SCHOOL FUNDING - SCHOOLS FORUM 12/10/23											
COMPARISON BETWEEN 23/24 ALLOCATIONS (Place & Pupil Top-ups only) & 24/25 ALLOCATIONS WITH INCREASED PUPIL TOP-UP VALUES											
	23/24	24/25	Number	Number	Number	23/24 Funding Position			2.67% increase from 23/24		2.67% Funding Increase 34.99% of £969k provisional growth £
	Top-up	Top-up	of Places	of Places	of Pupils	Place	Pupil	Total	Pupil	Total	
	per pupil	per pupil	Jan 23	Sep 23	Jan 23	Funding	Funding	Funding	Funding	Funding	
	£	£				A			B	A + B	
Combe Pafford											
Autism	8,757	9,348	83	92	92	882,500	805,644	1,688,144	860,008	1,742,508	54,364
BESD 1	9,708	10,363	19	19	16	190,000	155,328	345,328	165,809	355,809	10,481
SLD	9,498	10,139	5	5	2	50,000	18,996	68,996	20,278	70,278	1,282
Hearing	9,288	9,915	1	2	1	15,833	9,288	25,121	9,915	25,748	627
MLD 1	940	1,003	27	17	32	211,667	30,080	241,747	32,110	243,776	2,030
MLD 2	2,392	2,553	42	42	34	420,000	81,328	501,328	86,816	506,816	5,488
MLD 3	4,330	4,622	30	30	30	300,000	129,900	429,900	138,665	438,665	8,765
PD	8,757	9,348	17	17	16	170,000	140,112	310,112	149,567	319,567	9,455
SpecLD	4,226	4,511	3	3	4	30,000	16,904	46,904	18,045	48,045	1,141
SLCN	8,476	9,048	37	37	41	370,000	347,516	717,516	370,966	740,966	23,450
Visual	14,556	15,538	1	1	0	10,000	0	10,000	0	10,000	0
Totals			265	265	268	2,650,000	1,735,096	4,385,096	1,852,178	4,502,178	117,082
Mayfield & Chestnut											
PMLD	17,538	18,420	45	45	41	450,000	719,058	1,169,058	755,209	1,205,209	36,151
BESD1 - Chestnut	15,423	16,198	32	32	32	320,000	493,536	813,536	518,349	838,349	24,813
SLD	9,393	9,865	186	186	188	1,860,000	1,765,884	3,625,884	1,854,666	3,714,666	88,782
Totals			263	263	261	2,630,000	2,978,478	5,608,478	3,128,224	5,758,224	149,746
Brunel & Lodestar											
Brunel - SEMH	18,075	18,890	56	55	55	554,167	994,125	1,548,292	1,038,967	1,593,134	44,842
Lodestar - AP	13,206	13,802	55	55	46	550,000	607,476	1,157,476	634,878	1,184,878	27,402
Totals			111	110	101	1,104,167	1,601,601	2,705,768	1,673,845	2,778,012	72,244
Special School Totals			639	638	630	6,384,167	6,315,175	12,699,342	6,654,247	13,038,414	339,072
	23/24	2.67%	Pupil top-up	Note: 2.67% - Provisional % the School Block (Primary & Secondary) has increased by.							


Finance Report Comparison Budgets Schools Forum 12th October 2023

Recommendation and Decision

This information is provided for information. The allocation of actual schools budgets will be brought back to Forum in January 2024.

Rachael Williams
Divisional Director Education and SEND

Torbay Council Safety Valve Summary Update Report Quarter Two 2023/2024

Date Submitted:	15th September 2023
Data date:	31 st August 2023
Section 151 officer signature:	
Director of Children's Services signature:	
Linked document:	Safety Valve Agreement DSG Management Plan

This is the second progress report since the agreement of the Safety Valve in March 2023. The report sets out the progress made against each of the conditions of the grant, an overview of the budget position as of 31st August 2023 and the trajectory of the budget. The report also includes data that demonstrates the impact of our work to date.

Work continues to be implemented delivering the reform programme needed and setting the conditions for future and sustained change. Local scrutiny of performance remains considerable, the work of the safety valve continues to be overseen by the CEO through the executive transformation board and reviewed/driven by School Forum [Browse meetings - Schools Forum \(torbay.gov.uk\)](#). The interdependencies between the Safety Valve and Written Statement of Action for SEND and the implementation of our Family Hubs are understood, and further challenge is provided by the SEND Strategic Board and monitoring meetings. The Safety Valve was part of the new elected members induction and scheduled for review at Overview and Scrutiny.

Overall progress of our work to date can be seen in two key performance indicators.

Number of Education Health and Care Plans

In this quarter the number of plans within the Local Area have been consistent to our previous quarter, we have improved our position by 4 plans since our last submission. The number of plans

continues to be below our peak of plans at 1673 in August 2022. The reduction of plans is aligned to our DSG Management plan and Safety Valve agreement. Plans continue to be ceased as demonstrated below, however it should be noted that the identification of plans to cease is more difficult during the school/college holiday period. We have also issued a high number of plans in July 2023 as we recruited a full complement of staff, enabling us to improve delivery on our statutory 20 week timescale. We remain on track to make the reduction by March 2024. We have 29 plans that are in progress to cease that are not yet included in the figure and we recognise that the Autumn Term (quarter 3) supports the identification of young people that may select a different pathway into employment post the publication of their results.

	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23
EHCPS Start of Month	1612	1590	1588	1573	1572	1564	1568	1562
New Plans Issued	16	10	18	13	18	17	21	15
Transfers In	1	2	3	1	1	3	1	2
Reinstated via Tribunal	0	0	0	0	0	0	0	0
EHCPS IN SUBTOTAL	17	12	21	14	19	20	22	17
Ceased Plans	32	11	28	15	26	9	28	14
Moved Out	3	3	8	0	1	5	0	1
Made Inactive Deceased / Other	2	0	0	0	0	1	0	0
EHCPS OUT SUBTOTAL	37	14	36	15	27	15	28	15
Adjustment (+ / -)	2					1		
Difference (EHCPS ins v outs)	22	2	15	1	8	-4	6	-2
Target	Average reduction required :			3.3	3.4	3.0	3.8	3.5
EHCPS Month To Date	1590	1588	1573	1572	1564	1568	1562	1564

Financial outturn position at August 2023

The projected DSG budget position remains aligned to the DSG management plan. The work to reduce spend continues to demonstrate that our financial position is improving. Dedicated Schools Grant (DSG) funded activities are currently forecast to **overspend by £1.037m**. This position is positive against the agreed budget **overspend of £1.263m** in the safety valve.

Budget Heading	Budget	Actuals to date	Projected Outturn	Over / (Under) Spend
Early Years 2, 3 & 4 yr old payments – PVI's & Academies	£6.229m	£2.684m	£6.229m	£0k
Early Years – ALFEY	£295k	£117k	£295k	£0k
1. Early Years – Pupil Premium & Disability Access Fund	£158k	£37k	£135k	(£23k)
2. Early Years – 5% retained element	£383k	£134k	£341k	(£42k)
3. Joint Funded Placements	£400k	£145k	£300k	(£100k)

4. Recovery of funding from schools for Excluded Pupils, Medical Tuition Service and Elective Home Education	(£175k)	(£52k)	(£125k)	£50k
5. Contribution from Health towards EHCP's	(£100k)	(£0k)	(£0k)	£100k
Independent Special School Fees including South Devon College	£3.330m	£664k	£3.330m	£0k
6. Other packages for EHCP pupils and SEND personal budgets	£1.610m	£648k	£1.810m	£200k
7. Payments to / recoupment from other authorities for mainstream and Special School places	(£128k)	(£165k)	(£228k)	(£100k)
8. Medical Tuition Service	£1.070m	£537k	£870k	(£200k)
9. Virtual School / Hospital Tuition / Vulnerable Students Team	£519k	£185k	£500k	(£19k)
8. Refund from Medical Tuition Service from underspend during 22/23		(£200k)	(£200k)	(£200k)
School contingencies (Planned pupil growth, NQT induction etc)	£70k	£61k	£70k	£0k
10. EHCP in-year adjustments	£539k	£495k	£619k	£80k
11. Special Schools / High Needs in-year adjustments	£400k	£360k	£500k	£100k
School Intervention / Commissioning	£48k	£13k	£48k	£0k
Business Support / Business Intelligence	£240k	£91k	£240k	£0k
12. Senior Management, Central Recharges, Admissions, EAL / Travellers, SACRE,	£611k	£363k	£561k	(£50k)
12. Visually impaired / Hearing impaired / Advisory Teachers	£166k	£50k	£144k	(£22k)
13. Deficit DSG budget set for 23/24	(£1.263m)			£1.263m
Total – Forecast Outturn Position 23/24				£1.037m

Progress Update Reports for Each Agreement Condition

Agreement Condition	Assurance Level
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3.1 Maintain existing special school numbers through increasing parental confidence and provision within mainstream settings	Q1	Q2	Q3	Q4

Special School numbers continue to be maintained at our agreed commissioned levels. The following chart details our commissioned placements against our position in August 2023.

Special Schools	Commissioned Number	As at 15 th August 2023
Combe Pafford	265	270 (5 over, paying only the element 3 funding)
Mayfield	263	265
Brunel	56	56
Burton	55	44
Preston ASC ERP	16	16
Barton S&L ERP	10	10
St Margaret's Academy HI ERP	8	4
Brixham ASC ERP	22	21
The Spires HI ERP	8	2
The Spires ASC ERP	16	13
Paignton STEPS ERP	12	11
TOTAL	731	712

Our previous trajectory of growth within specialist provisions would have indicated that our unmitigated actions would have resulted in 42 additional placements within specialist provision by August 2023. Through careful management of admissions and prioritising need we have maintained our commissioned numbers aligned to our planning.

Our specialist provision at Combe Pafford School for MLD is in demand in our neighbouring local authority Devon for parental preference. This has resulted in 3 directions by the Tribunal to increase PAN. Although this results in no financial burden on Torbay, it is reflected within our growth and also the overall approach/cost to provision that is then needed to be provided to meet the needs of additional children.

Our Special School trajectory is in line with our agreed budget for 2023/2024. Our numbers are being managed carefully and no financial pressures are identified on this budget line.

Requests for specialist placements are higher at points of transition with parents historically feeling that needs could only be met within the specialist sector. To mitigate this a number of parent events were planned and have been hosted, these will now become part of an annual cycle of activity and support. The SEND Service alongside Secondary SENDCOs and SEND Family Voice will be delivering Dispelling the Myths about Secondary school next week. There are also two Primary Dispelling the Myths sessions in the beginning of September.

As a local area partnership, we are robustly applying thresholds and ensuring consistency in our decision making to ensure that specialist placement and EHCP's are issued in line with assessed need. As a result, we have seen an increase in the number of Tribunals and Appeals.

Registered cases by calendar year	2018	2019	2020	2021	2022	2023
Tribunals	6	9	7	9	17	20
Mediations	2	0	6	2	19	26

Tribunals and appeals have increased significantly since our November 2021 inspection. It is evidence that where Tribunal and Appeal is deemed necessary that pathways are understood. Torbay have been successful in two Tribunals on refusal to issue, based on our assessment process. We are using both formal mediation and global mediation to manage demand and management of specialist provision numbers. We have Tribunals lodged for a variety of disputes including Section I, Section F, refusal to issue and cessation.

Agreement Condition	Assurance Level			
	Q1	Q2	Q3	Q4
3.2 Create a culture change in Special Educational Needs and Disabilities (SEND) services, driving forward inclusive practice and workforce development				

The SEND Strategy for Torbay has been re-written. The SEND Strategy [SEND Local Area Strategy Appendix 1.pdf \(torbay.gov.uk\)](#) has been co-produced directly with families and young people and demonstrates the change that is required within the lived experience of our service users. The SEND Strategy is the guiding document for change and has been widely consulted upon. The detailed action plans set our direction of travel across the multi agency partnership and have been co-produced with families. The SEND Strategy and it's delivery is monitored through a range of KPI's these are the focus of review for November 2023 Overview and Scrutiny with all agencies and parents attending to present and review impact.

We are the first Local Authority Childrens Services to be registered as a restorative organisation by the Restorative Justice Council. This is underpinning our work to change culture and bring

about confidence in the system for inclusion. We are leading the partnership to become relational in our approach and are taking forward training across the local area.

We continue to embed the SEND Pledge which sets out the behaviours and principles that children want to see from the interactions they have with professionals. The SEND Pledge can be found at [Our pledge - Torbay Council](#) There is evidence from our recent participation survey and direct participation work conducted with children that they are starting to see some improvements in the adaptations made for them within their schools.

Below are some direct quotes from our children and young people:-

“I go to College – I’ve gone from nothing to having everything, I am supported”

“Having the same one (teaching assistant), I’m happy and proud”

“Having provision with Play Torbay as they understand me”

“I am allowed to come down to lower school and talk quietly to friends. I leave lessons early so I am not caught in the crowds and noise”.

“They ask me questions that help figure out what I need help with”

“I have had support making friends and I like to help others too. They understand what I’ve been through and what I need”

Workforce development is a key component to change, to drive inclusive practice we have:-

- Six weekly SEND Forums planned across the academic year with multi agency attendance and input.
- Commissioned NASEN training for schools
- Sourced AET training for Secondary providers, dates booked for all schools to receive training between July to December 2023
- SEND service are working with Learning Academy to host an annual calendar of statutory training on i.e annual review process, consultation responses.
- Graduated Response roadshow planned and will be delivered until December 2023, visiting every school and the college.
- SEND and the Safety Valve continues to be a focus at the Whole Children’s Services Workforce events and training which was attended by approx 180 people for each event. There have been two events in this quarter.

Agreement Condition	Assurance Level			
3.3. Reform Torbay’s graduated response and address multi-agency contributions to Education Health and Care Plans (EHCPs);	Q1	Q2	Q3	Q4

Torbay Graduated Response has been re-written and co-produced with parents/carers, schools and multi-agency partners. Following a period of significant consultation and piloting the launch of the graduated response was brought forward from September to June 2023. The new graduated response can be found at [Graduated Response - Torbay Council](#). Work over June and July focused on ensuring that the SENDCO's and Senior Leaders were aware of the Toolkits and were taking steps to ensure that they could be adopted from September 2023. The focus of our work with SENDCO's was to consider the workforce reform required to ensure that the Graduated Response is understood at all levels. This consultation process has informed our workforce plan for delivery during 2023 – 2024.

The work to ensure that there is a consistent understanding of the graduated response will take time to embed and as such the Requests for Statutory assessments continue to be higher than we would like at this point of our improvement journey. However, it remains that not all requests for statutory assessment result in a plan being issued. Through rigorous processes and ensuring consistency of the offer against our graduated response the refusal rate continues to be high demonstrating our challenge and robust decision making back to the system. Detailed work has been conducted to understand where individual schools/agencies are submitting requests against the refusal rates. This has been used to target our work in Autumn 2023.

RSA requests	2019	2020	2021	2022	2023
	319	206	309	345	244 (January to August year to date)

Early Years Setting	% of RSAs	Parental request	% of RSAs	School	% of RSAs	Student Request	% of RSAs	Total of sources
36	15%	50	21%	140	58%	9	4%	244

Refusal Rates	2019	2020	2021	2022	Jan 23	Feb 23	Mar 23	Apr 23	May 23	Jun 23	Jul 23
	97/316 (31%)	51/206 (25%)	89/309 (29%)	119/340 (35%)	39%	33%	50%	53%	36%	28%	31%

Important. The refusal rate is only valid for the month once all RSAs have passed the received and assessment stages. The above refusal rates include all refusals, which can occur at different stages of the statutory process.

- For July 2023 there has been an RSA refusal rate decrease of 8%, from the 39% in January.
- Historically in 2021 the total number of requests for statutory assessment was 309, compared to the 340 requests received in 2022.
- Average RSAs for the first half of 2022 was 35.6 per month. For the second half of 2022 the average per month is 21.6.
- Average RSAs for the first half of 2023 is 32.8 per month.
- Average refusal rate in 2023 so far, is 38.57%
- We are working to meet our required WSOA target of 15 RSA's per month
- Schools are the highest requesters of EHCP's, with the highest age group being 11-15

Source	2017	2018	2019	2020	2021	2022	2023
Early Years Setting		12%	10%	16%	15%	15%	16%
Parental request		20%	25%	26%	22%	23%	21%

School	63%	62%	54%	59%	59%	52%	58%
Student Request	5%	3%	4%	3%	3%	3%	4%
Grand Total	100%	100%	100%	100%	100%	100%	100%

RSAs by Age Group

Age 0-4	41
Age 5-10	90
Age 11-15	91
Age 16-19	22
Age 20-25	0
Total	244

Rigorous processes are in place to ensure that plans are not issued where needs can be met through the effective implementation of the graduated response. To drive forward this change we continue to deliver 'Next Steps' meetings with schools, parents and SEND caseworkers. These meetings discuss the rationale for the decision and support the agreement of a plan that can be delivered under SEN (K).

Between June to August 2023 there have been 24 next steps meetings held. Our tracking of data shows that 17 (71%) have led to no appeal and an agreed plan with multi agency participation. Seven have remained with the intent to appeal the decision which will be further mitigated through our mediations processes.

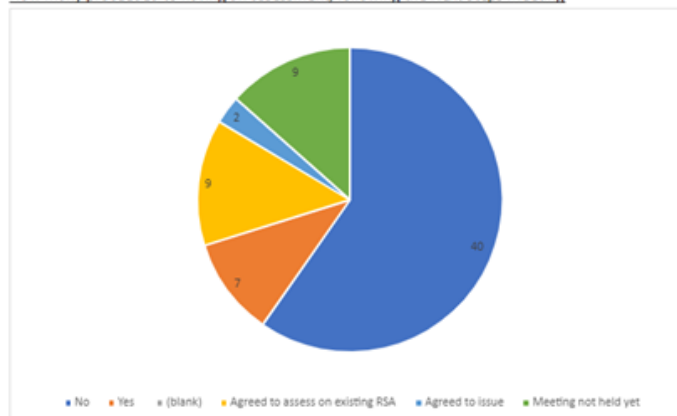
The overarching data from 22-23 for Next Steps meetings shows the impact they are having with just 5 out of 67 Next steps meetings leading to an EHCP within 6 months of the meeting:

Next Steps Meetings

How many proceeded to having a EHC plan, following the Next Steps Meeting



How many proceeded to having an assessment, following the Next Steps Meeting



This process is also building confidence between the parent and school whilst also providing a learning opportunity for schools to become further aware of the expectations of the graduated response toolkit.



During the June to August period we have developed a SEND Van with the slogan of SEND is Everyone's Business being the key message. The van was used at our SEND Fair Play Day attended by around 2000 families and children to share the key the messages of inclusion. The van will be used to host our Graduated Response Roadshow which is beginning in September 2023. We will be visiting all schools and colleges to promote the SEND support and provision toolkits. Representation will be there to speak to staff and parent/carers from education, health and care to talk through how needs can be met at the right place, right time with the right support.

As part of our improvement work, we continue to tackle the quality of advice and information to inform decision making and provision within an EHCP and the review and monitoring of information. The Quality of Education Health and Care Plans remains too variable. A Quality Assurance process is in place within the Torbay Learning Academy with two SEND Auditors conducting the reviews and implementation of associated actions plans. The SEND Board continue to review the audit findings are taking forward actions to improve both the timeliness and quality of contributions. The SEND Board including all multi agency partners have agreed the mechanisms for receiving and taking forward learning across the system. The data below demonstrates the current timeliness of appendix returns from all agencies.

	August 2023	Year to date
Health Advice	50%	54%
Social Care Advice	62%	75%
Education Psychology	50%	46%

Finals on time as %	27%	42%
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Torbay has received its first Ombudsman direction to pay a financial penalty as a result of a delay in issuing a plan, the failure to issue the plan was due to the lack of assessment being provided by Health. The current direction from the Ombudsman, despite the failings being within the Health system, is for the Local Authority (Higher Needs Block) to pay the compensation. The LA is challenging the individual decision and making representation on the wider change within the directions being given.

We also continue to challenge the financial contributions from our health partners. Although it has been identified that there has been no health funding for the last two years for our children with EHCP. We are still not able to gain a response from the ICB regarding the lack of direct health funding. Although we have clearly evidenced the need and provided this to Chief Executive at the NHS Trust there has been no forthcoming resolution. The level of health funding to support our children has not been provided this continues to be tracked by the Local Authority. The work with Health partners to ensure that a budget and process is created continues to be escalated and is understood at a strategic level within the Council, The Chief Nurse, ICB Board, DCS and NHS Commissioner are all engaged in the conversations. Despite the escalations there is no identified budget within the ICB to contribute. This remains a key strategic risk.

Not only is there a financial challenge, but there is also a gap in service provision at the level required to meet needs. This results in the local authority making provision through the high needs block. This is a focus for School Forum and ICB on the 12th October 2023 with ICB representation in attendance.

	August 2023	Year to date
Health Advice	50%	54%
Social Care Advice	62%	75%
Education Psychology	50%	46%
Finals on time as %	27%	42%

The overall performance for August 2023 has decreased and remains a concern and is being monitored consistently through the SEND Board. The Head of Service for SEND and Inclusion has requested Action plans from health and care services be brought to SEND Strategic Board in October 2023 to ascertain how partners are going to increase their timeliness and what mitigations and rationales there are for the decline in performance.

Agreement Condition	Assurance Level			
	Q1	Q2	Q3	Q4
3.4. Implement the Independent Placement Overview Panel to ensure that decision making on awarding EHCPs and placements is rigorous and appropriate for children and young people;				

The number of young people in specialist independent placements remains low and consistent with our plan. As demonstrated by our financial position in August 2023.

At the end of August 2023 we had 38 children who attend an independent specialist placement, this is an increase from 35 children in the previous academic year. There are multiple reasons for the increase, our deep dive into young people attending independent provisions indicated that the highest needs being met were SEMH and ASC. We have made a decision to ensure that some children who were previously supported through an EOTAS package have been moved to an Independent Placement as they had made sufficient progress to be able to access provision within a group based offer.

	August 2021	August 2022	August 2023
Number of Independent Specialist Placements	31	35	38

The budget for independent placements remains in line with our financial plan. We have projected costings on all placements to the end of the academic year.

Agreement Condition	Assurance Level			
	Q1	Q2	Q3	Q4
3.5. Build confidence within the parental community on the level of provision that can be provided within special schools and enhanced resource bases;				

The level of confidence that parents have within the offer of special schools continues to be strong. This is demonstrated through the high number of requests that are received each year for consideration of a special school placement. The ability of our special schools to meet needs and maintain parental confidence is supporting us to manage the requests for independent specialist placements and meet need within local provision.

The continued focus on the development of the enhanced resource bases within mainstream education has enabled parental confidence to be maintained. Enhanced resource provisions for Autism remain well regarded by parents. Further work has taken place with The Steps provision to ensure that the staffing structure and curriculum offer further meets needs, this has enhanced the confidence of both the young people and parents. Additional work has been conducted to ensure that children needs are further matched to the resource base to promote a positive outcome.

As parents are demonstrating confidence in the special school offers, we are using special school outreach to promote the development of shared approaches for children into other provisions including mainstream.

Our focus has widened to building parental confidence in the SEND system across all provisions. We are working directly with SEND Family Voice Torbay, our parent carer forum, to co-produce and design information and forums which support the sharing of information and provide opportunities to explore myths and overcome concerns. To date the following events have taken place for parents and carers:

- Dispelling the Myths about Secondary School for SEND
- Torbay SEND Virtual Drop in (January, March)
- Preparing for Adulthood
- Torbay SEND Graduated Response – Cognition and Learning Needs

- Torbay SEND Graduated Response – Physical and Sensory Needs
- Torbay SEND Graduated Response – Social, Emotional and Mental Health
- Torbay SEND Graduated Response – Neurodiversity Needs
- Torbay SEND Graduated Response – Speech, Language and Communication Needs
- QA on the mental capacity act and lasting power of attorney
- What to do if your child or young person has SEND
- Dispelling the Myths about mainstream primary school

In addition, we are also working with Send Family Voice Torbay to co-produce and deliver an accredited Autism Education Trust Leadership Programme to all Torbay secondary schools. This is led by parents and 100% of Torbay schools have signed up to receive this training (July to Nov 2023). The design of this programme will enable greater parental and school collaboration and build further confidence.

In Autumn 2023 we are delivering our Dispelling the Myths sessions for both Primary and Secondary school and are preparing sessions of training on the Graduated Response toolkits.

We are taking forward action to consider the location and resources available within The Steps Provision at Paignton Academy. As a result of a full options appraisal we are relocating the provision to the main site further allowing young people to have full curriculum and integration with peers. This building work is being jointly funded by the LA and Thinking Schools Academy Trust who are investing £500k in the relocation and improvement works. This is a good indication of a Trust’s commitment to provide a high quality ERP for the local area.

Agreement Condition	Assurance Level			
	Q1	Q2	Q3	Q4
3.6. Implement a Transitions Panel to ensure timely and effective post-16 planning from an earlier age, including targeted employment and education support, and cessation of Post-16 EHCPs where needs have been met;				

Torbay continues to have a transitions panel in place that considers children from the age of 14 years.

We understand in granular detail the young people with an EHCP and the reasons for them to be NEET. We continue to use the Council opportunities for young people with SEND to gain meaningful work experience opportunities. This is being co-ordinated through our HR teams with young people accessing work either for a week or a longer period of time to gain experience. Internal work on reviewing apprenticeship opportunities and prioritising care experienced and/or SEND young people is in place.

	Total
NEET - Available, Not Ready	6
NEET - Available	9
NEET - Not Available, health prevents engagement	8
NEET - re-engagement	13
Apprenticeship	7

We are proactively working with young people rather than placing them into provisions which they will not attend. This is ensuring that we do not commit funding to unfilled placements but work directly on re-engagement and a suitable offer aligned to the young person's needs.

Significant work continues to be undertaken with South Devon College (the single FE provider for Torbay). This work includes: -

- We are continuing to use the annual review process to recognise when outcomes have been achieved and bringing forward activity to conduct the review to impact on ceasing plans.
- In July we reviewed 10 plans through an element 3 pilot meeting, this demonstrated that funding could be removed from plans aligned to need. This pilot and its wider implementation is being presented to School Forum in October 2023.
- Continue to review the funding attached to existing plans and the step down of bespoke learner packages when not required, this included ensuring that the LA set the funding rate for all transition young people entering college in September 2023.
- Greater challenge and oversight of consults and decision making regarding the entry of learners.
- Use of directions to take when necessary.
- Implementation of a formal contract management process and the start of greater contractual SLA's for bespoke provisions.
- Linking our College with the SLIP Partner College to share best practice, including funding arrangements.

As a result of our direct work, we have increased the ceasing activity to celebrate the achievements of young people and reduce the EHCP's in line with assessed need. The following data demonstrates the plans that have been ceased/made inactive.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year Total
2019	15	10	24	4	6	19	24	47	51	32	6	7	245
2020	19	15	17	5	9	6	4	3	9	47	10	13	157
2021	6	13	6	5	10	9	8	15	33	4	16	8	133
2022	7	6	23	11	15	5	21	7	28	17	47	45	232

2023	37	14	36	15	27	15	28	15	-	-	-	-	187
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The following data demonstrates the average number made inactive (ceasing, moved out of area, passed away). This demonstrates we continue to improve on our trajectory each month.

Average - Jan - Aug	
2019	19
2020	10
2021	9
2022	12
2023	23

A further 29 are currently ceasing in progress.

The table below illustrates that targeted ceasing activity is taking place in the age categories.

AGE GROUPS	Ceased/Made Inactive	Ceasing in Prog Total
Age 0-4	1	0
Age 5-10	22	1
Age 11-15	25	2
Age 16-19	97	15
Age 20-25	42	11
Total number of EHCPs by Age Group	187	29

By August year to date there have been 187 EHC plans made inactive and with a further 29 that are ceasing in progress.

In 2022 there has been a significant increase from 2020/2021 in the number of plans ceased in the 16-25 category because of the robust Safety Valve work and monitoring of and reengagement of those young people that are NEET. In the next quarter there will be an increase in the ceasing of EHCP's pre 16 where outcomes of those children/young people have been met.

Our Sector Led Improvement Partner Islington has conducted a detailed mapping of our post 16 pathways. This information is being shared with our newly formed " Becoming an Adult" steering group. This is led by our Deputy Director of Adults Services who is taking forward actions to revise the offer for young people including what is available through the Voluntary and Community Organisations to support the stepping down of plans. Terms of Reference for this group are attached as an appendix.

Agreement Condition	Assurance Level			
	Q1	Q2	Q3	Q4
3.7. Develop an early years outreach team as part of the Family Hub, to deliver stronger inclusive practice and early intervention;				

Within this quarter a Home Learning Environment Outreach worker has been appointed to work alongside the existing teams within the 0 – 19 services. The Outreach worker has delivered direct intervention to families through home visits and groups delivered in the community. This has included the provision of resource packs that are provided to families to create learning opportunities and build parental confidence in supporting early development.

Alongside the direct work there has also been the development of the digital offer through the creation of the Family Hubs website that provides links to advice, resources and guidance. We have moved our local offer to this website alongside our graduated response framework to ensure that this can be accessed by parents and carers. The website has been co-produced with parents and is accessible in the information that can be retrieved.

A train the trainer model on Chat Play and Read has been provided to the community champions delivering early years groups within the community. They have been empowered with the knowledge and skill base to inform others of early development with the view that this is cascaded through the groups to help develop speech language and communication skills and early parental attachments.

We have revised our Section 23 process to ensure that a process for identifying needs leads to support and advice at the earliest opportunity. This process is now within Family Hubs and in the next quarter we will be tracking and measuring the impact of the interventions and support with a view to further refining our offer.

We have been actively engaged in the SLCN Game Changer project and are creating pathways that better align for children to have access to support. This work will continue alongside our Early Years Graduated Response Framework.

The Portage Service are delivering direct family groups in the Family Hubs, this is providing advice to parents regarding first steps, development support and demonstration of early communication tools directly with children. In the next quarter this will be further enhanced by making Education Psychology time available within the Hubs.

Our Family Hubs have piloted the OFSTED/CQC Inspection Thematic Review. This was reported to be positive by inspectors with positive progress being noted in all workstreams including the Early Years home learning offer.

Agreement Condition	Assurance Level			
3.8. Implement the co-produced new graduated response for Social Emotional and Mental Health (SEMH), led by the commissioner for mental health services, working with early help	Q1	Q2	Q3	Q4

and education provisions.

The Graduated Response for Social and Emotional Mental Health was launched in June 2023. The commissioner for mental health services is leading a Mental Health and Well Being Group (TOR attached) that includes health, education, social care and the voluntary and community sector to take forward work on pathways of support and identification of services. Our Children's Continuous Improvement Board has a focus on Mental Health services and the deliver and timeliness of interventions. This is helping to take forward priority actions with good governance.

Ensuring that there is a clear offer of how children and families can be supported by Early Help without the need for an EHCP has remained a key priority. This has been evidenced by an increase in requests for SEMH into the early help service, identification of attendance issues at an early opportunity and we are re-considering what is education neglect. This definition will be adopted by Torbay Safeguarding Partnership and will form the basis of decision making for partner agencies. This will provide an agreed framework of support which historically may have been provided through an escalation into an RSA process.

The work in this area can be evidenced by the reduction in the number of EHCP plans with the primary area of need of Social Emotional and Mental Health.

EHCP Primary Area of Need	Jan-23	Feb-23	Mar-23	Apr-23	May-23	Jun-23	Jul-23	Aug-23	DSG Management Plan Target
									End of 22/23
SEMH	430	418	405	398	393	390	389	395	455

Since (September 2022) our targeted work on ceasing, we have reviewed and ceased 99 plans with the primary area of need of SEMH through celebrating achieved outcomes and meeting needs through a more progressive response.

Emerging risks:

- The current rate of pace in addressing the gap in Health Funding is a significant risk and although there are strategic discussions this has not led to an agreed resolution.
- The SENDIASS service provides a vital link between parents and our local SEND system, often working to support meeting needs at the earliest point rather than escalation. Arrangements are currently being made on the future delivery of this service, the health contribution being provided will not meet the demands or requirements of the service.
- The reduction in funding to schools through the rigorous process of issuing and reviewing plans will lead to a deficit position for many schools at the time of increased costs. This limits the ability of some schools to provide services that could result in greater escalation, this continues to require careful monitoring and support.
- The continued extensive lengthy waiting times for SALT, OT, Autism, CAHMS services continues to mean that children and young people do not have up to date assessments to best inform planning around their needs. This can lead to escalation from schools that are trying to meet need in isolation.

- New unfunded attendance duties will have an impact on the number of children and young people that are identified with unmet needs. Early work indicates that this could have an impact on SEMH and Section 19 requests which could create additional pressures within the higher needs budget.
- There is currently a significant risk that the rise in Tribunals from Devon and subsequent directions to our specialist provisions will impact on delivery of our specialist placements and commissioned numbers. This has been escalated by the DCS in Torbay to their counterpart Devon but we have not received a response.
- There has been a number of EHCP transferred into the local area where a specialist placement is already provided or named.
- There is an emerging risk following the request from Devon to change financial regulations for children in care, which is proposed to be implemented without consultation.

Any support required:

- Continued work with Islington our Sector Led Improvement Partner and support to ensure this continues beyond September 2023.
- Region's Group Involvement on the culture change needed within schools.
- Support from the NHS England to support in addressing the identification of ICB Budget
- DFE support to Devon to mitigate impact on Torbay Authority.

Summary of Appendices

- School Forum Minutes [Browse meetings - Schools Forum \(torbay.gov.uk\)](https://www.torbay.gov.uk)
- SEND Strategy [SEND Local Area Strategy Appendix 1.pdf \(torbay.gov.uk\)](https://www.torbay.gov.uk)
- SEND Pledge [Our pledge - Torbay Council](https://www.torbay.gov.uk)
- [Graduated Response - Torbay Council](https://www.torbay.gov.uk)
- TOR Becoming an Adult [BAA Terms of Reference v1.5 25May23 FINAL VERSION.docx](https://www.torbay.gov.uk)
- TOR Emotional Health and Well Being Group [CYP EHWB Terms of Reference v1.3 18May23.doc](https://www.torbay.gov.uk)
- Family Hub Website [Family Hub \(torbayfamilyhub.org.uk\)](https://www.torbayfamilyhub.org.uk)

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Element 3 Funding – Schools Forum 12th October 2023

Introduction

Following the SEND funding pilot being implemented during the academic year 2022-2023 School Forum are now in a position to review the findings and consider the implementation plan. The finding of the pilot and detailed next steps are attached in Appendix A.

To ensure that we are delegating our resources in a fair and transparent manner we propose to adopt the mechanism used within the pilot subject to consultation with parent/carers.

The following report details an options appraisal on how the new mechanism could be implemented across the local area.

Considerations for School Forum

Options for rolling out the scheme for awarding Element 3;

1. From September 2023 we use the new formula for each Annual Review that is received in 23-24 and recalculated Element 3 (impacting on 1560 EHCP's)
2. From September 2023 we use the new formula for every phase transfer plan being amended for 2024 entry and new EHCP's (impacting very few plans for 23-24 but approx. 400 plans for 2024) then full roll out from 2024 onwards.
3. From September 2023 we use the new formula for specific and targeted year groups where Element 3 is exceptionally high or RSA rate is higher than the average alongside the new formula for Phase transfer and the issuing of new EHCP's (impacting on approximately 300 EHCP's for 2023 and a further 400 plans for 2024 entry) then full roll out from 2024 onwards.

Recommendation and Decision

To ensure that we are making fair and transparent changes that provide time for education providers to make adjustments to commitments, we recommend that we implement Option 3. This will have a slight impact in year and prepare the local area for further impact in 2024.

School Forum to review the option and vote on the implementation plan.

Rachael Williams and Hannah Spencer

Divisional Director Education and SEND/ Head of Service for SEND and Inclusion



SEND FUNDING PILOT

Piloting a new way of allocating funding.

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Version control

Date	Details	Updated by
20.01.23	Funding allocation pilot	Hannah Spencer
20.08.23	Funding pilot with options appraisal	Rachael Williams and Hannah Spencer

The context and intended outcomes

Torbay use a system of Element 3 called an ALF (Activity Led Funding) which is historical and in need review. The funding system currently used doesn't calculate group intervention and works on an individual basis. Schools have fed back that they do not feel the current allocation is consistent or predictable.

Funding allocation for EHCP's also 'rolls over' and isn't reviewed until Phase Transfer. This means that even if outcomes are met or increase, funding stays the same.

The objectives of the pilot are;

- To try and find a funding formula that supports ensuring the right Element 3 is attributed to the EHCP, the first time and that it is reviewed annually as part of the Annual Review process.
- To ensure that we are more equitable and consistent in decision making.

- If the new funding matrix will be beneficial to both decision making and best use of resources.
- If there are changes that need to be made to the Annual Review document to support making funding decisions

There will be no changes to funding as a result of the pilot.

A new Torbay SEND matrix has been developed by the SEND monitoring team with support from our SLIP Islington. The matrix is simple to use and clear for parents/carers and schools/colleges, when moderating, different professionals have been accurate in their estimations for EHCP's.

Who is part of the pilot?

- 4 schools with different base funding
- 1 Post 16 provider
- SEND monitoring team
- Senior Officer
- EHCP coordinator
- Educational Psychologist
- SEND Family voice

Pilot 1

Starting in Feb 23.

Barton school have been identified due to a large cohort of EHCP's, a more generous base funding and their recent request to work differently with SEND services.

A meeting will be set up to look at the EHCP's for their cohort of children and look at their current Element 3, the funds they receive and compare to the new matrix for funding.

The group will look at their current EHCP's, their Annual Reviews and the provision in situ.

Collectively we will look at the Annual Reviews to ensure that the right information is included to make budget allocations.

Pilot 2

Starting in March 23.

Galmpton school have been identified due to a low cohort of EHCP's, a less generous base funding.

A meeting will be set up to look at the EHCP's for their cohort of children and look at their current Element 3, the funds they receive and compare to the new matrix for funding.

The group will look at their current EHCP's, their Annual Reviews and the provision in situ.

Collectively we will look at the Annual Reviews to ensure that the right information is included to make budget allocations.

Pilot 3

Starting in March 23.

St Cuthbert Mayne school have been identified due to a low cohort of EHCP's and a generous base funding.

A meeting will be set up to look at the EHCP's for their cohort of children and look at their current Element 3, the funds they receive and compare to the new matrix for funding.

The group will look at their current EHCP's, their Annual Reviews and the provision in situ.

Collectively we will look at the Annual Reviews to ensure that the right information is included to make budget allocations.

Pilot 4

Starting in March 23.

Whiterock school have been identified due to a high cohort of EHCP's, a middle ground base funding.

A meeting will be set up to look at the EHCP's for their cohort of children and look at their current Element 3, the funds they receive and compare to the new matrix for funding.

The group will look at their current EHCP's, their Annual Reviews and the provision in situ.

Collectively we will look at the Annual Reviews to ensure that the right information is included to make budget allocations.

Pilot 5

Starting in April 23.

South Devon college currently have a funding system in which they determine the high, medium or low funding allocation. It is noted that this is not in line with other systems.

SDC have been identified due to a large cohort of EHCP's, a query on allocated ESFA/base funding and LA recent request to work differently with SEND services.

A meeting will be set up to look at the EHCP's for their cohort of children and look at their current Element 3, the funds they receive and compare to the new matrix for funding.

The group will look at their current EHCP's, their Annual Reviews and the provision in situ.

Collectively we will look at the Annual Reviews to ensure that the right information is included to make budget allocations.

The outcomes

Primary

Outcomes from Pilot 1 - Barton	Outcomes from Pilot 2 - Galmpton	Outcomes from Pilot 3 – Whiterock
Plus £801 on 13 children	Saving of £4949 on 6 children	Saving of £18,697 per annum on 7 children
<p>For ASC young people. Those with SLCN at a high level will have significant impact on weightings across the system, eg Will have needs in Cognition and learning and in semh – if they score a 4 in SLCN.</p> <p>SPLD/Global?</p> <p>If you put something in cognitive ability (4) in both boxes?</p> <p>Is this the process for access to Mayfield/ Combe Pafford/ERP's – how do we link?</p> <p>Lag on totalling. Some children need cognition support for attention and concentration. When you get to 3's for communication and interaction they don't work</p>	<p>Medical needs not being funded would impact significantly,</p> <p>EHCP's outdated</p> <p>Two children moving to cease and don't need the funding due to high quality interventions</p>	<p>There is a cultural thought of needing an EHCP, parent wont agree to concede despite excellent graduated response</p> <p>Expectation of having an adult with them all the time for some families</p> <p>Education are funding health needs in few plan</p> <p>Not funded for the adult time written in the plan</p> <p>Children have made significant progress at Whiterock through the graduated response</p> <p>EHCP's are out of date and funding not amended.</p> <p>Not auditory processing Autistic spikey cognitive profile</p>

<p>without cognition and learning.</p> <p>Descriptors for MLD - percentiles need looking at What happens below Year 1?</p> <p>EHCP's aren't as up to date as they should be which makes it hard to score</p> <p>Not all social communication is autism</p> <p>EHCP didn't have subheadings of social skills in SLCN for xxx</p> <p>Formula does note SLCN is a complex need</p> <p>Scoring a 4 on £1,000 for sensory and physical? PD Coming from education?</p> <p>Physical disability – nearly no funding?</p> <p>Link learning behaviour – attention and concentration (non engagement/distractibility)</p> <p>Weighting on 2 for sensory – increases the overall funding significantly?</p> <p>Using the level descriptors in the Annual Review paperwork and linking them</p> <p>Useful to understand weighting un subsection</p>		<p>Ability to apply the learning not in there</p> <p>Parity across the schools, felt that other schools were highly funded.</p>
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Outcomes from Pilot 3 – STCM

Saving of £24,791 per annum on 9 children

Areas of sensory and physical not consistent with funding.
Some plans with AR which indicate significant changes
Eating disorder not factored in Physical and sensory needs.
Epilepsy – where do they sit – is that health?
Eating disorder – need supervision but not provided in the EHCP.
Requires support with personal care – provision was life skills – where does that sit?
Where do sensory sensitives sit?
Learning behaviour should be under cognition and learning – the need is executive function skills.
Some receptive but not expressive – difficult to score in speech and language .
Weighting of SALT. Doesn't pick up nuances of language – increase weighting of language?
One child – no SEMH in her EHCP assessment last year, now PEXed!?
STCM give over and above provision identified
Needs in the plan which don't require provision (allergy)
Learning behaviour – should be linked to attention and concentration – (Executive function – would be for EP, working memory, retaining info)
Plan not representative of the child in multiple occasions, including new plans.
Danger and risk should be in social and emotional needs rather than in Physical and sensory.
No overarching needs associated – where there is not a diagnosed info.
Health information is old – not updated
EP information not available on some young people
Good use of baseline data from SENCO.
SEMH needs change regularly but plans don't reflect that.

Outcomes from Pilot 5 -SDC

Saving £13,310 for 10 children

PFA for personal care
Post 16 – is there a 3 day offer? Overall hours, funded lower rate than schools. Full time for them.
Funding formula breakdown of weighting – LW
Social communication scores 2 points.
Amended as poor in description of need for SLCN lacking to make a s
Specialist – AR's are nice but don't detail need
Social behaviour – needs to include vulnerability for Post 16
Significantly out of date EHCP for one young person with a DOLS
Epilepsy on the funding matrix – in Islington would be a 0 – mild disability wouldn't school, may needs PRN.
Chronic – fatigue?
Joint funding – Section G/ Section F.
Need to distinguish between often and frequent.

For ASC – can score in both social communication and social behaviour. Agreed in both

Need to add word prompting/ direction and then adult support in personal

Social communication 3 is based on provision

SDC reflection – mismatch between whats in the plan and the needs of the young person, robust process. Needs to be based on a strong evidence base.

Need not on provision, some cases 2:1 isnt reflected in the support.

Makes the process accuracy of the AR and EHCP, hard to make changes to funding, needs to be written to the language and evidenced. Talked about time and uncertainty of the reports concerns.

Whats the mechanism for exceptions?

Overarching themes:

- EHCP's are too outdated to effectively make judgements on the Section F required, there were significant differences between the EHCP document and the current presentation of the child/young person
- Islington model saved Torbay funding on Element 3 but it is without its yearly uplift
- The tool is useful but there are some adjustments required
- Some children' EHCP'S could cease
- There is significant cost differential – Torbay are equally over funding and underfunding pupils
- Doing funding alongside schools means the LA were less objective
- There is too often little health or social care update
- There were times were EP input was required but not available
- Annual Reviews are not specific enough
- HNB is funding provision that could be considered health provision (ie SALT, CBT, supervision for physical needs)
- The Islington model does not include provision which does not educate or train
- PFA was not factored into the matrix and needs amending (this has been completed)
- There may need to be exceptions

Risks	Benefits
School budgets (see option appraisal)	Fairer system
Out of date EHCP's will mean funding doesn't equate to what needs to be delivered	Improved Annual Reviews

	Element 3 will be distributed and aligned to higher needs children

Next steps

The outcomes from the Pilots with the four schools and college will be shared with SEND strategic board and Schools Forum.

There will then be a period of consultation with parents and families if the roll out is to proceed, we will do the consultation through the Family Hubs website and the SEND Family Voice website for a period of three weeks.

In future it would be beneficial to link to how we support SEP applications with the new funding formula.

A review of the Annual Review and EHCP documents which will be co-designed with parents and carers and professionals, the launch of both documents will be linked to the funding formula and launched at the beginning of January 2024.

This document can be made available in other languages and formats.
For more information please contact ****insert your team email or phone no
here****

AP Commissioning Strategy -Schools Forum 12th October 2023**Introduction**

Following on from the publication of the SEND and AP Green Paper, the Governments subsequent Improvement Plan and also the amendments to the local area inspection framework, Torbay Council are currently in the process of developing an AP Commissioning Strategy.

To support this work, an AP Steering Group has been established which is attended by a wide range of partners to ensure that what is developed meets the needs of the local area. Attendees include representation from SEND, social care, health and education and AP setting colleagues. The parent carer forum is also involved, and work is taking place with the young person panel to ensure their voice and views are embedded.

The Steering Group are currently assessing the current AP picture within Torbay, to enable us to plan for the completion of the strategy and forward plan. They are also looking at processes and approaches outside of Torbay to consider best practice and possible options moving forward.

A stakeholder feedback survey is due to be circulated next week, which has been developed with the support of the Group – there are separate surveys for APs, mainstream/special schools and other professionals. This is to ensure that we gather as much information about the use and experience of AP to enable us to consider the best way forward.

Initial feedback is already highlighting the need to carry out sufficiency analysis in the use and demand for AP, and also the vital requirement to ensure that all commissioners using AP are not unintentionally creating a number of unlawful schools by the increased use of unregulated AP.

Requests for School Forum

1. To be part of the development of the AP Commissioning Strategy by supporting the request for information from all commissioners of AP.
2. Once the Strategy has been drafted, to consider the suggestions and recommendations which arise from the AP Steering Group, which may have the potential for financial options and decisions to improve the access, use and quality of the AP sector within Torbay.

Recommendation and Decision

To support the work of the AP Steering Group and the development of the AP Commissioning Strategy.

Laura Greenland

Strategic Commissioning Officer – SEND and Education, Children's Services

Scheme for Financing Schools School Forum 12th October 2023

Introduction

The Local Authority on an annual basis makes available a policy on the scheme for financing schools. This is published on our council website [scheme-for-financing-schools-23-24.pdf \(torbay.gov.uk\)](#) and a reference to the document is made at the point of confirming schools budgets. The scheme for financing schools is an important document as it sets out the expectations of what services will be provided centrally, the expectations on schools and the mechanisms in which funding will be awarded.

Considerations for School Forum

In preparation for Academic Year 2024- 2025 we are taking steps to review the scheme for financing schools and want to ensure that this is drafted with Schools Forum and has the necessary governance in place.

At present it is proposed that the majority of the document remains the same as in previous years, however sections highlighted in yellow are proposed to change to provide greater clarity to education providers and the local authority over decision making. This is to ensure that we are transparent to all providers and can have reasonable expectations that we can agree to from all parties.

The working document of the officers is attached to the report. However it should be noted that Officers want to ensure that the impacts on schools are understood and all agreements mitigate against risks.

Recommendation and Decision

We request that school forum establish a short task and finish group with officers to review the document and provide back to Forum a proposed version for ratification in January 2024, ready for financial implementation in April 2024.

Rachael Williams

Divisional Director Education and SEND

TORBAY COUNCIL

Scheme for Financing Primary, Secondary and Special Schools

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Amended Feb August 2023

Section 1

Introduction – The Funding Framework

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

Under this legislation, local authorities determine for themselves the size of their schools budget and their non-schools education budget, although at a minimum an authority must appropriate its entire dedicated schools grant to its schools budget.

This Scheme is based on the DFE statutory guidance on “Schemes for Financing Local Authority Maintained Schools” – last updated 5 August 2020.

The categories of expenditure which fall within the 2 budgets are prescribed under regulations made by the Secretary of State, but included within the 2, taken together, is all expenditure, direct and indirect, on an authority’s maintained schools except for capital and certain miscellaneous items.

Authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under section 45A of the act (the centrally retained expenditure).

The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions, including gaining the approval of their schools forum or the Secretary of State in certain instances, as prescribed by the Secretary of State.

The balance of the schools budget left after deduction of the centrally retained expenditure is termed the individual schools budget (ISB). Expenditure items in the non-schools education budget must be retained centrally, although earmarked allocations may be made to schools.

Authorities must distribute the ISB amongst their maintained schools using a formula which accords with regulations made by the Secretary of State, and enables the calculation of a budget share for each maintained school.

This budget share is then delegated to the governing body of the school concerned, unless the school is a new school which has not yet received a delegated budget, or the right to a delegated budget has been suspended in accordance with section 51 of the Act.

The financial controls within which delegation works are set out in a scheme made by the authority in accordance with section 48 of the act and regulations made under that section.

All proposals to revise the scheme must be approved by the schools forum, though the authority may apply to the Secretary of State for approval in the event of the forum rejecting a proposal or approving it subject to modifications that are not acceptable to the authority.

Subject to any provision made by or under the scheme, governing bodies of schools may spend such amounts of their budget shares as they think fit for any purposes of their school and for any additional purposes prescribed by the Secretary of State in regulations made under section 50 of the Act.

Section 50 has been amended to provide that amounts spent by a governing body on providing community facilities or services under section 27 of the Education Act 2002 are treated as if they were amounts spent for the purposes of the school (section 50(3A) of the act).

An authority may suspend a school's right to a delegated budget if the provisions of the authority's financial scheme, or rules applied by the scheme, have been substantially or persistently breached, or if the budget share has not been managed satisfactorily.

A school's right to a delegated budget share may also be suspended for other reasons, under schedule 17 to the act.

Each authority is obliged to publish each year a statement setting out details of its planned schools budget and other expenditure on children's services, showing the amounts to be centrally retained and funding delegated to schools; after each financial year the authority must publish a statement showing outturn expenditure.

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

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

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

The School and Early Years Finance (England) Regulations 2020 ("the 2020 Regulations") provide for how local authorities are to set their education budgets (the non-schools education budget, the schools budget, the central expenditure and the individual schools budget) and set out how local authorities are to allocate funding from the individual schools budget (ISB) to maintained schools and private, voluntary and independent providers of free early years provision (relevant early years providers) through a locally determined formula.

To a large degree, the 2020 Regulations make the same provisions as in the School and Early Years Finance (England) Regulations 2018 ("the 2018 Regulations") but there are some substantive changes relating to the introduction of the national funding formulae for schools, high needs and central school services and how local authorities are to spend the schools, high needs, central school services and early years blocks of the Dedicated Schools Grant ("DSG"). In particular, local authorities will now have the ability to set a minimum per pupil funding level, and to choose the level of the minimum funding guarantee within a specified range. There are no substantive changes relating to early years funding.

1.2 The role of the scheme

This scheme sets out the financial relationship between the Council and **the maintained** schools which it funds. It contains requirements relating to financial management and associated issues, which are binding on both the Authority and on the schools. The terms of this scheme will take precedence over other financial rules and guidance issued by the Council.

~~1.3 Application of the scheme to the Council and maintained schools~~

~~This scheme applies to all maintained primary, secondary and special schools in Torbay (as listed in Annex 1). The scheme will also apply to any new maintained schools (including amalgamated schools) opening during the year.~~

1.4 Publication of the scheme

A copy of the scheme will be available on Torbay's website and any approved revisions will be notified to each school.

1.5 **Revision of the scheme**

Any proposed revisions, except for general updating, to the scheme will be the subject of consultation with all schools including the Schools Forum. The Director of Children's Services has delegated powers to approve changes to the School Funding Formula as described in Section 2A & 2B of the Scheme for Financing Primary, Secondary and Special Schools (How the formula works).

The power for approving fundamental changes to the Financial Regulations outlined in sections 3 and 4, rest with the Council.

1.6 **Delegation of powers to the Head teacher**

Each governing body is asked to consider the extent to which it wishes to delegate its powers to the Head teacher, and to record its decision (and any revisions) in the minutes of the governing body. The first formal budget plan of each financial year must be approved by the governing body.

Governing bodies should set limits on the delegated powers of Head teachers to enter into contractual commitments in any one financial year. The Council has no wish to impose uniformity on schools but recommends that the following limits strike a balance between practicality and financial control:

- Primary schools - £5,000
- Secondary and Special schools - £10,000

1.7 **Maintenance of schools**

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

1.8 **Notification of School Allocations**

Torbay will, not later than 28th February, of the preceding financial year:

- a) Issue budgets to maintained schools and
- b) give notice of that determination to the governing bodies of the schools they maintain.

Section 2 A – Primary & Secondary Schools

The Funding Formula – How the Formula Works

- 2.1 Introduction
- 2.2 Funds / DSG
- 2.3 The Formula
- 2.4 DfE Allowable Formula Factors
- 2.5 Age Weighted Pupil Unit (AWPU)
- 2.6 School Specific Lump Sum
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- 2.21 De-Delegations
- 2.22 Minimum per pupil funding
- 2.23 Pupil Premium
- 2.24 Mobility
- 2.25 Charging policy for provision other than mainstream schools

2.1 Introduction

School Forum on behalf of the Local Area have worked in partnership with the Local Authority to establish the formula to be used to allocate school allocations.

Under the current regulations the Local Area can continue to take local decisions on the allocation of school funding. The DfE has seen considerable movement in local formulae across the country towards the National Funding Formula. It is still the intention of the DfE to move towards a 'hard' National Funding Formula to determine every school's budget, but they have not provided a definitive date for this at present.

This section sets out to describe how the distribution formula works for the allocation of *delegated* funds to Primary and Secondary schools only.

The Council is required to have consulted with schools, the Schools Forum and other stakeholders about the operation of the formula. The descriptions in this document are also largely required as part of this published document. The council must also consult the Schools Forum about any proposed changes in relation to the factors and criteria taken into account, and the methods, principles adopted.

The formulae described below only apply to school delegated funds and not to funds retained centrally.

2.2 Funds / DSG

The DSG (before academy recoupment) is allocated in four blocks as listed below:

Schools Block	£m
Central Schools Block	£k
Early Years Block	£m
High Needs Block	£m
Total	£m

The delegated funds are the responsibility of each school Governing Body to prioritise within budget setting and budget management.

The adopted allocation methods are required to be objective and fair and are regulated by DfE regulation. The majority of funds are also required to be allocated on a per pupil basis called the Age Weighted Pupil Unit (AWPU).

The funds distributed are established by school phase i.e. Primary & Secondary.

2.3 The Formula

The funding that is distributed is determined by the allowable factors set nationally by the DfE. These factors are listed below.

The largest element of funding within the Torbay formula is and will remain the Age Weighted Pupil Unit (AWPU) funding.

The DfE set a mandatory minimum per pupil level funding rate, these have been set at £ for Primary and £ for secondary.

The funding which you received in 23/24 as Schools Mainstream Grant has now been added into the DSG baseline for 24/25. This has been reflected in the increased unit values.

To provide a safety net for schools the Minimum Funding Guarantee (MFG) is set at 0.5%.

2.4 DfE Allowable Factors for Primary and Secondary schools

The formula for distributing funding to primary and secondary schools is listed below.

The factors are:

- a) Age Weighted Pupil Unit (AWPU) – there is a single unit for primary aged pupils and a single unit for each of Key Stage 3 and Key Stage 4;
- b) Deprivation, measured by Free School Meals (FSM), FSM – Ever 6 and Income Deprivation Affecting Children Index (IDACI). There are separate unit values for Primary and Secondary;
- c) Low Prior attainment - For Primary those not achieving the expected level of development at Early Years Foundation Stage (EYFS) and Secondary those at KS2 not achieving the expected level in one or more of reading, writing and Maths. There are separate unit values for Primary and Secondary;
- d) English as an additional language, for a maximum of 3 years after the pupil enters the statutory age school system. There are separate unit values for Primary and Secondary;
- e) Lump sum – same value for Primary & Secondary schools;
- f) Split sites –the allocations must be based on objective criteria, both for the definition of a split site and for how much is allocated.
- g) Rates – These are paid directly by ESFA to the Local Authority.
- h) Private finance initiative (PFI) contracts;
- i) Minimum level of per pupil funding – This enables a minimum level of funding per pupil. There are separate values for Primary and Secondary
- j) Mobility – Schools receive funding for all mobility eligible pupils above a threshold set at 6% of the NOR for both Primary & Secondary.

The following paragraphs provide more detail about each of the factors.

2.5 Age Weighted Pupil Unit (AWPU)

This funding is allocated using the Oct pupil census numbers and has a value per primary pupil and separate values for KS3 & KS4 pupils.

The current unit values

Primary	£
Key Stage 3	£
Key Stage 4	£

This area of the formula allocates £m for Primary and £m for Secondary

2.6 School Specific Lump Sum

The requirement for school specific lump sums arises because some resourcing needs cannot be met through reliance on pupil number funding. Every school requires sufficient funds

guaranteed for particular purposes e.g. the employment of a Head teacher or a school administrative officer. The lump sums are £ for Primary and Secondary.

This area of the formula allocates £m for Primary and £m for Secondary.

2.7 Deprivation (Free School Meals, FSM – Ever 6 and IDACI)

Free School Meal eligibility, FSM – Ever 6 and IDACI (with bandings) are the deprivation indicators used.

FSM – Eligible pupils from Oct census for (reception to yr 6) for Primary and (yr 7 to yr 11) for Secondary.

FSM (Ever 6) – Pupils who have been eligible for FSM at any time in the last six years.

The Income Deprivation Affecting Children Index (IDACI) is a relative measure of socio-economic deprivation: an IDACI ‘score’ is calculated for a lower super output area (LSOA, an area with typically 1,500 residents) based on the characteristics of households in that area. The IDACI score of a given area does not mean that every child living in that area has particular deprivation characteristics: it is a measure of the likelihood that a child is in a household experiencing relative socio-economic deprivation. LSOAs are ranked by score, from the most deprived LSOA, with the highest score, to the least deprived LSOA.

The six bands which attract IDACI funding are below, it uses a rank to define bands, e.g. Band A comprises the most deprived 2.5% of LSOAs.

IDACI data is matched to pupils’ home postcode data recorded in the Oct 2019 census in order to find their LSOA, and hence the IDACI band for each pupil in the school.

The current unit values are:

Bandings	Primary £	Secondary £
Free School Meals (FSM)		
Free School Meals (FSM) – Ever 6		
IDACI - Band F		
IDACI - Band E		
IDACI - Band D		
IDACI - Band C		
IDACI - Band B		
IDACI - Band A		

The FSM element of the formula allocates £m for Primary and £k for Secondary.

The FSM – Ever 6 element of the formula allocates £m for Primary and £m for Secondary.

The IDACI element of the formula allocates £m for Primary and £m for Secondary.

2.8 Low Prior Attainment

- a) for primary schools, funding is targeted at all pupils who did not achieve the expected level of development at Early Years Foundation Stage (EYFS); and
- b) for secondary schools, pupils who did not achieve the expected standard in KS2 in one or more of reading, writing and maths.

The unit values are £ for Primary and £ for Secondary.

This area of the formula allocates £m for Primary and £m for Secondary.

2.9 Public Finance Initiative (PFI)

PFI schools receive a share of what was premises funding via the AWPU. To avoid double funding, the amount of funding that PFI schools receive via the AWPU has been used as a baseline to which the balance of the governor's contribution to PFI costs is added. The current level of funding for costs outside the PFI agreement was taken into account when determining the baseline. The initial PFI allocation (including vandalism) has been reduced to reflect funding received through AWPU. This is so the PFI schools do not receive double funding as per DfE regulations. The baseline was established using October 2012 pupil census data. A transfer of funding in connection with historic PFI commitments has happened from Central Schools Block into Schools Block for 23/24 after discussions with ESFA.

This area of the formula allocates £k for Primary and £k for Secondary.

2.10 Nursery Funding

An indicative allocation for the whole financial year is provided based upon forecast data supplied by schools. This data is used to form the initial Nursery Funding.

Termly budget adjustments will then need to be made based on the actual number of hours provided per child. This is actioned as a funding adjustment letter.

E.g. A school has xx hours in the Summer Term, xx in the Autumn Term and xx in the Spring Term, totalling xx hours.

The school's initial allocation would be:

Base Funding xx hrs x £ per hour = £

Deprivation IDACI Nos. xx x £203.72 per eligible pupil = £

Total Indicative Funding £

Indicative base funding (hours supplied by school) of £ is split over 38 weeks as follows:

Summer Term (12 Weeks) xx hours x £ per hour = £

Autumn Term (14 Weeks) xx hours x £ per hour = £

Spring Term (12 Weeks) xx hours x £ per hour = £

Total 38 Weeks (hours x £ per hour = £)

Example of potential budget adjustments

Summer Term (using data received from Schools in May) xx hours x £ per hour = £ therefore adjustment is £ (actual) - £ (indicative) = negative adjustment of **£ in summer term allocation.**

Autumn Term (using data received from Schools in Oct) xx hours x £ per hour = £ therefore adjustment is £ (actual) - £ (indicative) = positive adjustment of **£ in autumn term allocation.**

Spring Term (using data received from Schools in Jan) xx hours x £ per hour = £ therefore adjustment is £ (actual) - £ (indicative) = positive adjustment of **£ in spring term allocation.**

Total 38 Weeks (Revised allocation £ (total adjustments in year would be negative £ Summer, positive £ Autumn and positive £ Spring = Total adjustment £).

This area of the formula allocates £m.

2.11 EYSFF- Methodology for PVI Sector

The majority of nursery education funding for PVI settings will be allocated on the same basis as it is at present. There will be three termly “headcounts” during the year (these take place at the same time as the schools count) where funding will be allocated based on the number of hours children attend at the setting.

As with the maintained sector, each setting will receive deprivation funding once a year based on the number of children attending from disadvantaged communities. IDACI data will be used, please refer to para 2.7 of this section of the scheme for more details. This payment will be made once a year and will be based on the children attending each setting on the January headcount day.

2.12 Split Sites

A lump sum for those Secondary Schools whose playing fields are more than 1 kilometre from the school gates and incur extra costs connected with this.

For Primaries; all those schools which have an off-site games facility more than 100 metres from the school access gate receive an allocation to provide additional staffing to walk children to the off-site area. For Primary the amount per pupil is £

The allocation is for one additional Learning Support Assistant per class of 30 pupils for 1.5 hours. This funding is for 28 weeks to take account of holidays and inclement weather.

In recognition of secondary schools operating on split sites which may incur additional costs. A lump sum is allocated to fund these additional costs. The criteria for split sites are:

- a) secondary - schools operating on more than one site which are more than 1.5 kilometres apart measured from the main entrance.

This area of the formula allocates £k for Primary and £k for Secondary.

2.13 NNDR Business Rates

Rates are now paid directly by ESFA to the Local Authority, schools do not receive this funding.

2.14 English as an Additional Language

This funding is distributed via the number of registered English as an additional language (EAL) pupils in schools.

This is calculated using those pupils recorded on the census as having entered education during the last 3 years, whose first language is not English. The DfE have provided data for pupils who have been in the system for up to 1 year, 2 years or 3 years, and have separated the data into primary and secondary pupils.

The unit values are £ for Primary and £ for Secondary.

This area of the formula allocates £k for Primary and £k for Secondary.

2.15 Education, Health and Care Plans

Schools have always received an element of SEND funding in their delegated formula funding which enables schools to provide individual support for pupils with low level high incidence special educational needs. Please see Annex 6 for the SEND activity-led funding model

In addition to this delegated formula funding for SEND, some pupils are assessed as having a higher special educational need and linked to this a statement of special educational need. Currently many of these pupils also receive an additional sum of funding to support their needs.

It is expected individual schools will provide for the first £10,000 of SEND funding for individual pupils from within their delegated budgets. Broadly the £10,000 is comprised of £4,000 element 1 and £6,000 element 2 of delegated SEND funding. It is only individual allocations of over £6,000 which will qualify for individually assigned 'top up' funding over the £6,000 threshold.

The allocation for the £10k element mentioned above is allocated across AWPU, eligible free school meal pupils, IDACI and attainment. This is not separately identifiable as EHCP funding.

This area of the formula allocates £m for Primary and £m for Secondary.

2.16 Enhanced Provision

This funding is allocated at £10k per un-occupied place commissioned and £6k for every occupied place (if the place is occupied as at Oct, then the other £4k is allocated through AWPU as the pupil forms part of the pupil census).

In addition schools receive specific pupil top up funding for each Enhanced Provision unit.

The number of places funded in each setting is determined by Torbay Council in liaison with Educational Psychology Service, the SEND Advisory Teams, the Governing Body and Head teacher of each school. Enhanced Provision is funded at the following Schools:

St Margaret's Academy	(8 Places)	(Hearing Impaired)
Preston Primary	(16 Places)	(Autism)
Barton Hill Academy	(10 Places)	(Speech & Language)
The Spires College	(8 Places)	(Hearing Impaired)
The Spires College	(16 Places)	(Autism)
Brixham Academy	(22 Places)	(Autism)
Paignton Community & Sports Academy	(12 Places)	(SEMH)

This area of the formula (excluding AWPU element) allocates £k for Primary and £k for Secondary.

2.17 Pupil Numbers and other Formula data

All the pupil numbers and other data such as FSM, EAL, attainment, IDACI, 'Ever 6' are taken from the Oct pupil census and are provided to us directly from the ESFA. We then use this information to calculate the school allocations.

2.18 Education Skills Funding Agency (EFA) Post 16 Allocation

The ESFA provides funding for post 16 pupils. This is based on their criteria and allocation methodology that links funding to qualifications being undertaken and various other factors. Allocations are calculated on the basis of Learner numbers and additional funding is allocated on the level of qualification that these pupils are studying for. This funding has to be provided to Torbay Council by 31st March each year. As we issue allocations usually in early February, this information is not known and therefore not included within schools allocations.

2.19 Budget Adjustments

In-year budget adjustments to school funding are not permitted, apart from the areas listed below:

- Permanently Excluded Pupils
- Education, Health & Care Plans above £6k (monthly adjustments, when required).
- Nursery Funding (termly adjustments, when required)
- Enhanced provision (monthly adjustments, when required).
- Pupil Premium (adjusted when final ESFA 'Ever 6' are provided).

2.20 Permanently Excluded Pupils

Pupils who are permanently excluded from schools will result in that school being charged for the remaining weeks of the financial year. The charge is calculated as follows:-

The unit value for Minimum per pupil funding, Deprivation (FSM & Ever 6 element), Attainment, English as an Additional Language (EAL) and Pupil Premium per relevant key stage are used and divided by 52 weeks. This value is then multiplied by the remaining weeks in the financial year.

EHCP adjustments

Pupils who are in receipt of element 3 funding will be notified to the school initially through the school allocation (usually mid-February) or through consultation for new plans. Adjustments will be notified on a monthly basis through the monthly budget adjustment process.

Schools will hold the responsibility for checking the accuracy of the budget adjustment (which is sent mid-month each month) provided by Torbay Council. Schools will need to notify Torbay Council of any errors within the term of the error to receive funding. No adjustments will be paid if notification is received outside of this notice period. Please send errors to adjustments to Julie.clarke@torbay.gov.uk

If Torbay Council over pay and do not rectify an error within the term we will not recoup the funding outside of the notice period.

Calculation of Element 3 Funding

Route to redress on Element 3 Funding

2.21 De-Delegations

Maintained schools if they wish are able to de-delegate some elements of funding and return it to the authority to fund a range of services centrally. The de-delegations are agreed at the Schools Forum, the services which the Schools Forum has agreed to de-delegate are listed below.

Free School Meal Eligibility

This covers the cost of determining, processing and checking parental applications for pupils free school meals eligibility.

Insurance

This covers the costs of insurance for maintained schools in Torbay.

English as an Additional Language / Travellers Education

This funding covers the support for minority ethnic pupils/ English as an additional language (EAL) advisory service and gypsy/Roma support service.

This area of the formula retains £k from Primary and £k from Secondary to meet these costs centrally.

2.22 Minimum per pupil level

The purpose of this factor is to provide a minimum per pupil funding level within the formula. The top-up calculation (where appropriate) is based on the schools total formula allocation divided by its pupil number, this determines whether a top-up to minimum per pupil level funding is required. The minimum values are £ for Primary and £ for Secondary.

This area of the formula allocates £k for Primary and £k for Secondary.

2.23 Pupil Premium

The allocation is based on FSM 'Ever 6' numbers as at October census.

The ESFA have confirmed the amounts are as follows:-

£ per primary pupil who is/ever was eligible for free school meals in the last 6 years.

£ per secondary pupil who is/ever was eligible for free school meals in the last 6 years.

£ per pupil for those children who have been adopted from care or left care under a special guardianship or residence order. Eligible adopted pupils will need to have been registered on the school census to attract the funding.

£ per pupil for those from Service (armed forces) families.

£ per pupil for those children who have been looked after for one day or more. This funding is managed by the Head of the Virtual School and will be allocated termly.

This area of the formula allocates £m for Primary and £m for Secondary.

2.24 Mobility

The mobility factor allocates funding to schools with a high proportion of pupils who first join on a non-typical date.

These are pupils whose school census record at their current school in the last 3 years indicates an entry date which is not typical. For year groups 1 to 11, 'typical' means that the first census on which the pupil is recorded as attending the school is the October census. So, 'not typical' means that the first census a pupil is recorded as attending the school is a January or May census. For the reception year, 'typical' means the first census is October or January.

To be eligible for mobility funding, the proportion of mobile pupils a school has must be above the threshold of 6%.

The unit values are £ for Primary and £ for Secondary.

This area of the formula allocates £k for Primary and £k for Secondary.

2.25 Charging policy for provision other than mainstream schools

Behaviour Assessment Places – If places are available at Lodestar Academy or the Mayfield (Chestnut) Centre, they may be applied for via the Pupil Referral Panel. Each referral will be a 12 week place which will be charged at £6,500 for each 12 week block. Places will be charged termly in arrears.

Medical Tuition Service – Provision arranged by the Local Authority is charged at the same rate under section 19 regardless of the provision. The charge is £6,000 / 38 weeks a year = £157.89 a week. The service will be charged for termly in arrears. It is charged pro rata to allow schools to maintain places and in the expectation that schools will continue to provide SEND and safeguarding support for the student and plan for reintegration as soon as possible.

Elective Home Education - The local authority will use the Elective Home Education register to calculate the number of weeks to be charged. Charges will only be raised where a child moves to EHE and needs specialist support such as education psychology to prepare for the next appropriate setting. Charging will not exceed the costs incurred in making this provision. This register is maintained using EHE visit records and the 'Additions and Deletions from School Roll' submissions provided by schools.

The register will be deemed an accurate record.

As such it is incumbent on schools to inform the Student Services team as soon as they add or delete a child from roll or become aware that a child has left the local area.

An example of the charge is listed below, schools will only be charged for the elements of funding which apply to the pupil:

	Primary	Secondary
Minimum per pupil funding	£	£
EAL	£	£
FSM	£	£
FSM – Ever 6	£	£
Low Attainment	£	£
Pupil Premium	£	£
Total	£	£
Divided by 38 week	£	£

E.g. If Primary pupil was eligible for FSM / Ever 6 and Pupil Premium, but not EAL & Low Attainment, the charge would be MPPF £, FSM £, Ever 6 £ & PP £ = £ divided by 38 weeks = £ per week. Therefore the charge for the Summer Term would be 12 weeks x £ per week = £

This service will be charged for termly in arrears.

Students moving to Elective Home Education who have an agreed offer of a place at another school (that the Local Authority have been notified of at the time of removal from roll) will not be charged.

Section 2 B (Special Schools only)

The Funding Formula – How the Formula Works

- 2.1 Introduction
- 2.2 Funds
- 2.3 The Formula
- 2.4 Pupil Numbers
- 2.5 Pupil Premium

2.1 Introduction

- 2.1.1 This section sets out to describe how the distribution formula works for the allocation of delegated funds to special schools.
- 2.1.2 The Council is required to have consulted with schools, the Schools Forum and others about the operation of the formula. The council must also consult the Schools Forum about any proposed changes in relation to the factors and criteria taken into account, and the methods, principles and rolls adopted.
- 2.1.3 The formulae described below, only apply to school delegated funds and not to funds held centrally and classified as "schools related expenditure".

2.2 Funds

- 2.2.1 The delegated funds are the funds established by the Council for delegation to schools. The formula is only concerned with the distribution of these funds. Other funds are distributed in addition to these delegated funds e.g. Education, Health and Care Plans, Additional funding for specific pupils, Outreach and Devolved Formula Capital.
- 2.2.2 The delegated funds are the responsibility of each school Governing Body to prioritise within budget setting and budget management.
- 2.2.3 The allocation methods are required to be objective and fair and are regulated by DfE regulation.
- 2.2.4 The majority of funds are allocated on a place led basis.

2.3 The Formula

- 2.3.1 The formula is made up of 4 elements:-
 - a) A flat rate of £10,000 per place commissioned in each special school.
 - b) A flat rate of £660, funding was previously paid as a grant for Teachers Pay & Pensions.
 - c) A per pupil top up rate that is allocated to the school for each individual pupil attending the school.
 - d) A 3.4% increase across place and pupil top-up funding to mirror the increase in mainstream schools additional grant in 23/24, as instructed by ESFA.
- 2.3.2 This top up recognises the differences in sizes and circumstances of the special schools and the different categories of pupils within the schools.
- 2.3.3 All schools will receive £10k per place but there will be different top up funding allocations for the same category of pupil attending different schools because of the differences between schools. So for example same category of pupil e.g., BESD will receive different levels of top up according to which school they attend. Whilst the same assumptions were made when the ALR methodology was in existence about the needs of the pupils the top up is different as the individual schools top up also impacts upon the overall cost of the placement. This is because the top up reflects the different circumstances and costs of the three schools such as size and site.
- 2.3.4 The LA is the 'commissioner' of places in the special schools and therefore an audit of the numbers and categories of places purchased will need to be completed annually with the schools using the agreed protocol as described in Appendix 3ii.
- 2.3.5 Schools will receive the £10k per commissioned place funding in their allocation but the per pupil top up will be allocated according to the number on roll so any unfilled spaces will result in the school not receiving the per pupil top up funding.

- 2.3.6 The Minimum Funding Guarantee (MFG) has been set at 0.5% based on comparative year on year per pupil funding. The MFG compares levels of per pupil funding from one year to the next.
- 2.3.7 Special schools initial funding allocation will be based upon the number of places commissioned multiplied by £10k and then the numbers of individual pupil top up funding according to the actual number of pupils on roll. As pupils join or leave the school during the school year appropriate allocations of additional pro rata individual per pupil top ups will be allocated to the schools funding allocation or deducted from it.
- 2.3.8 Below is the per pupil top-up by type of pupil and by school;

Type of Pupil	Combe Pafford £	Mayfield & Chestnut £	Brunel / Lodestar Academy £
Autism Spectrum Condition			
Behaviour, Emotional & Social Difficulties			
SEMH			
Alternative Provision			
Hearing Impaired			
Moderate Learning Difficulties 1			
Moderate Learning Difficulties 2			
Moderate Learning Difficulties 3			
Physical Disability			
Specific Learning Difficulties			
Severe Learning Difficulties			
Severe Learning & Cognitive Difficulties			
Profound and Multiple Learning Difficulties			
Visual Impaired			
Physical & Sensory Medical Difficulties			

2.4 Pupil numbers

The pupil numbers are calculated as the actual number on roll as recorded in the January pupil count however, in line with DfE regulations there will be in-year per pupil top up adjustments to reflect pupil movements. These pupil numbers are provided directly from the schools on the 15th of each month.

2.5 Pupil Premium

The allocation is based on FSM 'Ever 6' numbers as at October census

The ESFA have confirmed the amounts are as follows:-

£ per primary pupil who is/ever was eligible for free school meals in the last 6 years.

£ per secondary pupil who is/ever was eligible for free school meals in the last 6 years.

£ per pupil for those children who have been adopted from care or left care under a special guardianship or residence order. Eligible adopted pupils will need to have been registered on the school census to attract the £.

£ per pupil for those from Service (armed forces) families.

£ per pupil for those children who have been looked after for one day or more. This funding is managed by the Head of the Virtual School and will be allocated termly.

Section 3 – The School and Early Years Finance (England) Regulations 2020

- 3.1 General Requirements and Financial Conditions.
- 3.2 Conditions under which School Budgets may be charged by the Council
- 3.3 Income
- 3.4 Schools operating Local Payments
- 3.5 Finance and School Premises (incl insurance, H&S and PFI)
- 3.6 Schools Financial Value Standard (SFVS)
- 3.7 Notice of Concern
- 3.8 Withdrawal of Delegation
- 3.9 Council Monitoring of Schools' Performance
- 3.10 Disputes Resolution Protocol
- 3.11 Efficiency and value for money (replaces Best Value section)
- 3.12 Fraud (new)
- 3.13 Financial Malpractice / Whistleblowing
- 3.14 Inventories and Stock
- 3.15 Community Facilities and Extended Services

3. FINANCIAL CONTROLS AND GENERAL REQUIREMENTS

3.1.1 Financial Regulations and Standing Orders

The Council wishes to achieve a reasoned balance between freedom of local management and the need for financial probity. This is reflected in the Council's Standing Orders and Financial Regulations. These take account of DfE guidance on funding arrangements and the specific requirements of the Schools Standards and Framework Act (SSFA) 1998 and other relevant enactments, in particular The School and Early Years Finance (England) Regulations 2020.

3.1.2 Limit of Governing Bodies' Powers to Deploy Delegated Funding

- a) Governing Bodies are empowered to manage and spend the school's budget share, as they think fit "for the purposes of the school". However, they are constrained from deploying funding in any way, which cannot directly be related to the purposes of the school, and to the benefit of its pupils.
- b) School Governing Bodies are corporate bodies, and under the terms of s.50 (7) of the School Standards and Framework Act 1988, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget provided they act in good faith.
- c) Torbay Council shall arrange for appropriate insurance cover to be provided to insure Torbay Council and governing bodies against liability for negligence in the discharge of their functions in respect of schools. Governors who provide advice to schools in their professional capacity are not insured by the Council's professional indemnity insurance policy.
- d) The Governing Body of a maintained school with a delegated budget may draw up a scheme for making expenses payments to members of the Governing Body. Schools may not make payment of any other allowances.
- e) Governing Bodies shall allow Torbay Council (as the LA) access to all accounting records, financial or other information and documents which might reasonably be required to enable Torbay Council to satisfy itself as to the management of the school's delegated budget or other funding made available to the school

3.1.3 Provision of Financial Monitoring Information to Torbay Council

The overall responsibility for monitoring the spending of resources applied to schools and education services rests jointly with the Director of Children's Services and the Section 151 Officer.

In order that the responsibility may be discharged satisfactorily, schools are required to provide three financial statements in respect of each financial year to the S151 Officer. These are:

- a) A three-year budget plan and outturn balances statement by 31st May in the financial year, approved by the full Governing Body. Where budget plans have been substantially revised in year the revised plan should be submitted within one month of the Governor's approved change.
- b) a budget monitoring statement by 31st October in the financial year adopted by the Governing Body or its Finance Committee;
- c) an outturn statement by 30th June to confirm the year end position and the outturn balances reported with the budget plan in paragraph 3.1.3a above.

The format of these statements and the timing of submissions may vary from year to year according to the accounting systems in use by schools and the reporting timetable of Torbay Council.

The Council will require schools to submit a budget forecast covering each year of a multi-year period.

3.1.4 Carry Forward Provisions

Subject to section 3.1.5 below schools will carry forward from one financial year to the next any surplus or deficit on their budget shares for the year plus or minus any balance brought forward from the previous year. Balances held by the Council on behalf of schools will not attract interest.

3.1.5 Managing surplus balances

- a) Governing Bodies must consider annually, as part of the budget-setting process, the level of surplus balances they intend to carry forward at the year-end.
- b) Surplus budget share balances held by schools are permitted under this scheme. The mechanism is focused on only those schools which have built up excessive uncommitted balances.
- c) The Council will calculate by 31 May each year the surplus balance, if any, held by each school at the preceding 31 March. For this purpose the balance will be recurrent balance category as defined in the Consistent Financial Reporting Framework, i.e. this will include delegated budget share balance.
- d) As a guide; Governing Bodies may want to consider that any balance should not exceed the percentage threshold for each phase. Which is 5% of the current year's budget share for secondary schools, or 8% for primary and special schools, or £10,000 (where that is greater than either percentage threshold). But it is the annual increase in surplus balances without a specific purpose that should be avoided.

3.1.6 Dealing with deficit balances

- a) Schools may not plan for a deficit budget, except with the express approval of the Director of Children's Services and the Section 151 Officer as provided for in Section 3.1.7 of the scheme.
- b) If a school has a deficit balance at the end of a financial year, such a deficit balance must be carried forward and treated as a charge against the following year's budget share. Schools may not plan to end any financial year with a cumulative deficit, except with the express approval of the Director of Children's Services and the Section 151 Officer as provided for in Section 3.1.7 of the scheme.
- c) Torbay Council may not write off the deficit balance of any school.

3.1.7 Licensed deficits

- a) Torbay Council will make provision for an arrangement whereby, in exceptional circumstances, schools are allowed to plan for a deficit budget, with the purpose and maximum size of deficit clearly identified, in any financial year. Schools must submit a recovery plan to the local authority when their revenue deficit rises above 5% at 31 March of any year.
- b) Governing Bodies of schools with deficits shall agree with the Director of Children's Services and the Section 151 Officer the extent of the recovery of the deficit in each financial year until full recovery. Such agreements shall not cover more than three financial years in total and shall be reviewed annually by the Director of Children's Services and the Section 151 Officer. Such agreements will also specify the reporting necessary to the LA to monitor the deficit recovery plan. Unless there are exceptional circumstances requiring more frequent review, schools operating licensed deficits will be expected to provide financial monitoring reports on a termly basis to the Council.

- c) Agreements under section 3.1.7 (b) shall include the staffing levels to be funded in each academic year covered by the agreement.
- d) Such deficits will be normally funded by the collective surplus of school balances held by the council on behalf of schools.

3.1.8 Loan scheme for multi-year project funding – School Advances

- a) Subject to prior approval by the Director of Children’s Services and the Section 151 Officer and in the light of the overall spending plans of Torbay Council, schools may incur exceptional expenditure on approved developmental projects in a financial year and fund it over a period usually not exceeding three years (this period can be extended) including the year in which the expenditure is initially incurred.
- b) Projects which will be considered for approval will generally be those which seek to make physical improvements or changes to school buildings (e.g. the creation of a library or resources area) or which involve the procurement of information and communications technology equipment. Schools will be required to submit project plans and to demonstrate that repayment of the loan can be made from their delegated budgets.
- c) Loan interest will be charged on an agreed basis in each financial year for which the loan is granted. Schools will not normally be permitted to apply for loans, which in total exceed 10% of their budget share for the year of the advance.
- d) Such loan arrangements shall be funded by the collective surplus of school balances held by Torbay Council (excludes LPS school balances), together with licensed deficits agreed under section 3.1.7. Such funding shall not exceed 40% of the collective balances.

3.1.9 Right of attendance for the Section 151 Officer

- a) Under Section 151 of the Local Government Act 1972, the Section 151 Officer is responsible for the probity and regularity of all the Council's financial activities.
- b) The Section 151 Officer or his/her representative, shall have the right to attend meetings of Governing Bodies for specific agenda items only under which he/she may give advice and report on major financial matters in respect of his/her responsibilities under s151 of the Local Government Act 1972. The Section 151 Officer will determine which particular financial issues must be reported to a Governing Body.

3.1.10 Data Protection

- a) A Governing Body shall ensure that schools have full data protection registration, and that appropriate procedures are in place to ensure compliance with all the relevant principles and provisions set out in legislation and regulations.
- b) Schools shall ensure that there is appropriate control of access to computer data, back-up arrangements and contingency planning in accordance with advice and guidance issued by Torbay Council from time to time.

3.1.11 Provision for pupils with special educational needs

Schools shall use their best endeavours in spending their delegated funds to ensure that adequate provision is secured for pupils with special educational needs, within a whole school policy for Inclusion and using the graduated response toolkits, whether or not they are covered by an educational health and care plan.

3.1.12 Whistleblowing

Torbay Council has set procedures to be followed by persons working at a school or school governors who wish to complain about financial management or financial propriety at the school.

3.1.13 Child Protection

Schools are expected to release relevant staff to attend child protection case conferences and other related events and provide funding where appropriate from the delegated budget to support the development of child protection policies and associated children's support service arrangements.

3.1.15 Borrowing by schools

Governing bodies may only borrow funds on the open market, other than from Torbay Council, with the written permission of the Secretary of State.

The Secretary of State's general position is that schools will only be granted permission for borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes in order to meet broader policy objectives.

Schools can use any scheme that the Secretary of State has said is available to schools without specific approval, which is designed to support energy saving.

Schools are not permitted to use interest bearing credit cards and overdrafts, which are regarded as borrowing. However, the use of procurement cards by schools is encouraged, as these cards can be a useful means of facilitating electronic purchase.

The restrictions do not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on government accounts. These debts may not be serviced directly from the delegated budget, but schools are free to agree a charge for a service which the trustees or foundation are able to provide as a consequence of their own borrowing.

Governing bodies do not act as agents of the authority when repaying loans.

This provision does not apply to loan schemes run by the authority.

3.1.17 Accounting policies

- a. The accounting policies for all schools, including the procedures to be followed at the year-end will be set out in the Financial Regulations for Schools.
- b. Schools shall account to the Council for all income and expenditure on an accruals basis as defined in Financial Regulations for Schools.

3.1.18 Writing off debts

Governing Bodies shall be authorised to write off debts in accordance with the procedures from time to time agreed by the Section 151 Officer which will be set out in the Financial Regulations for Schools

3.1.19 Virements (Budget Movements)

- a) Governing Bodies have the power, to vire freely between the budget heads in their annual budget plan, except where budgeted expenditure relates to earmarked items outside the school's budget share.

- b) Governing bodies may delegate this power in whole or part to their finance committee or to the Head teacher.

3.1.20 Balances of closing schools

When a school closes, any balance (whether surplus or deficit) reverts to the Council. Such a balance cannot be transferred as a balance to any other school, even where such other school is a successor to the closing school.

3.1.21 Construction Industry Scheme (CIS)

Schools shall comply with the requirements of the Financial Regulations for Schools in respect of the accounting for CIS (see Section 4 for details)

3.1.22 Value Added Tax

Schools shall comply with the requirements of the Financial Regulations for Schools in respect of the accounting for VAT (see Section 4 for details)

3.1.23 New/Amalgamated/Restructured Schools

Torbay Council will ensure that the financial arrangements for new or amalgamating schools are subject to separate consultation, as appropriate, with interested parties. The Council will act to ensure that financial arrangements are fair and reasonable, take due account of the effective date of the delegation of the formula budget and have due regard to any one off start-up costs, where appropriate.

Where necessary transitional funding will be budgeted for as a school related contingency.

3.2 *CONDITIONS UNDER WHICH SCHOOL BUDGETS MAY BE CHARGED BY THE COUNCIL*

3.2.1 General provision for the charging of school budget shares

- a) In some rare circumstances Schools' budget shares may be charged by Torbay Council without the express agreement of the Governing Body. Torbay Council will consult schools when it is intend to so charge, and shall notify schools when such a charge is made.
- b) Torbay Council may not act unreasonably in the exercise of any power implied by this section of the scheme, or it may be the subject of a direction under s.496 of the Education Act 1996. In each circumstance, except that covered by section 3.2.2 (d), Torbay Council would need to demonstrate that the expenditure now charged to the budget share had necessarily been incurred by Torbay Council.
- c) In respect of charges to be made under section 2.2 (e) and (f), Torbay Council shall establish a procedure for arbitration of disputes over such proposed charges to which Governing Bodies may have an automatic right of recourse. The procedure will be known as the Disputes Resolution Protocol.

3.2.2 Charges to school allocations.

Torbay Council may seek to protect its financial position from liabilities caused by the action or inaction of a Governing Body by making a charge to schools' delegated allocation without the consent of the Governing Body, equal to the costs incurred by Torbay Council, where:

- a) premature retirement costs have been incurred by the Governing Body without the prior written agreement of Torbay Council to bear such costs (the amount chargeable being only the excess over any amount agreed by Torbay Council).

- b) Torbay Council has incurred other expenditure to secure resignations and the school had not sought advice and guidance, or followed advice and guidance given by Torbay Council.
- c) court or out of court settlements and/or Employment Tribunals have made awards against Torbay Council as a result of a Governing Body not having sought advice and guidance, or not having complied with Risk Management and Health and Safety policies or not having followed advice and guidance given by Torbay Council.
- d) legal costs are incurred by Torbay Council because the Governing Body did not seek advice, or comply with the policies of or follow the advice of Torbay Council.
- e) Torbay Council has incurred revenue or capital expenditure in carrying out inspections and ensuing health and safety work for which Torbay Council is liable, where funds have been delegated to the Governing Body for such work, but the Governing Body has failed to carry out the required work or the work has not been carried out to the required standard;
- f) Torbay Council has incurred revenue or capital expenditure in making good defects in building work funded by capital spending from schools' budget shares, where the premises are owned by Torbay Council or the school has voluntary controlled status;
- g) expenditure has been incurred by Torbay Council in insuring its own interests in a school where funding for insurance has been delegated but the school has failed to arrange cover as good as that which would have been arranged by Torbay Council;
- h) a dispute over the monies due from a school for services provided to the school by Torbay Council has been referred to a disputes procedure set out in a service level agreement with Torbay Council and has been resolved in favour of Torbay Council.
- i) penalties and/or interest have been imposed on Torbay Council by the Board of Inland Revenue, the Contributions Agency, the Teacher's Pensions or HM Customs and Excise as a result of negligence by the school;
- j) Torbay Council is rectifying errors made in calculating charges to a school's budget share which it is entitled to make and where it can demonstrate to the school that errors were made;
- k) the school has failed to notify Torbay Council of changes to the length of the school day, or the normal opening days of the school and additional or unnecessary transport costs have been incurred by Torbay Council;
- l) Torbay Council meets costs or pays compensation as a consequence of a school defaulting on a payment or entering into a contract beyond its powers.

Torbay Council may also make charges to schools' delegated budgets, where:

1. there is a pre-agreed charge as a result of a loan arrangement provided for by the scheme;
2. there is a pre-agreed charge as a result of a contractual or service level agreement made between the school and Torbay Council;
3. there is a pre-agreed arrangement for the deduction of an individual schools allocated funds e.g. in the case of a centrally procured group arrangements.

3.2.3 Basis of charging costs

Without exception, costs will be charged against schools' budgets according to actual cost.

3.3 INCOME

3.3.1 General Conditions

- a) In order to provide an incentive to obtain funding for education from a range of different sources, schools will be free to raise income from fund raising and other activities, except in the limited cases where these are subject to statutory control.
- b) The Section 151 Officer is responsible for the general control and supervision of administrative arrangements for the collection and recording of all monies due to the Council and schools shall comply with the provisions of Torbay's Financial Regulations in this matter.
- c) Income retained by schools may only be spent for the purposes of the school.

3.3.2 Income from lettings

- a) Schools may retain income from lettings of school premises which would otherwise accrue to Torbay Council as permitted under SSF Act 1998 for various categories of schools, unless subject to alternative provisions made with the Community Education Service, or in respect of any joint use or PFI agreements.
- b) Schools may cross-subsidise lettings for community and voluntary use with income from other lettings, provided there is no net cost to a school's delegated budget.
- c) Schools are required to have regard to directions issued from time to time by Torbay Council in respect of use of school premises and shall be required to comply with Torbay Council's guidance in respect of the provision of community education as outlined in Section 3.5.

3.3.3 Income from fund-raising activities

- a) Schools may retain income from fund-raising activities.
- b) Income raised through such activities for specific purposes may only be spent in respect of those purposes and must be accounted for in compliance with normal accounting conventions.

3.3.4 Income from the sale of assets

Schools shall retain the proceeds of sale of assets in accordance with Torbay's Financial Regulations, except in cases where the asset was purchased with non-delegated funds, or the where the asset concerned is land or buildings forming part of the school premises and is owned by Torbay Council.

3.4 SCHOOLS OPERATING LOCAL PAYMENTS

3.4.1 General Financial and Banking arrangements

- a) Torbay Council is required to make available to schools a Scheme (the Local Payments Scheme) whereby Schools may have a local chequebook facility. All maintained schools may, with the approval of the Section 151 Officer, have external bank accounts into which instalments of their budget share are paid. Where schools have such accounts, they shall be permitted to retain all interest payable on the account.
- b) New bank account arrangements may normally only be made with effect from the beginning of each financial year. Application should normally be made to the Section 151 Officer before the end of November before the beginning of the financial year but must be made by the end of January preceding the financial year. Applications may only be made by schools which do not have deficit balances at the time of application.

- c) Schools operating local payments will be required to submit financial returns to the Council in the prescribed format to enable the recovery of VAT and meet the requirements of the Construction Industry Scheme.
- d) Schools operating local payments will be required, in the prescribed format, to provide the Council with an estimated Outturn and cash flow forecast for the financial year and bank reconciliation statements, quarterly and on request.

3.4.2 Bank and Building Society Accounts

- a) All banking arrangements must be made with the approval of the Section 151 Officer and may choose to operate a bank account with any institution approved by the Section 151 Officer.
- b) Schools may operate bank accounts for budget share purposes that are in the name of the school rather than Torbay Council, but accounts must include the name of the Council. If the school operates an external account for community facility purposes, the account mandate should not imply that Torbay Council is the owner of the funds in the account except insofar as Torbay Council has provided those funds itself.
- c) Money paid by Torbay Council and held in such accounts remains Council property until spent as provided for by s.49 (5) of the Act.
- d) The conditions and requirements governing schools maintaining bank accounts are set out in Torbay's Financial Regulations and are binding on all schools in the scheme. The Section 151 Officer reserves the right to withdraw the local payments facility from a school either on a permanent or temporary basis if the school fails to meet the requirements or prevents the Section 151 Officer from carrying out his/her statutory responsibilities.

3.4.3 Instalments of budget share payable to schools maintaining external bank accounts and associate issues

- a) Where schools operate chequebook management Torbay Council shall make the total of their budget share available in 12 equal instalments, monthly in arrears for both pay and non-pay elements.
- b) For schools that are not registered with Her Majesty's Revenue and Customs as employers, salary costs will be deducted from the advance monthly in arrears.
- c) Interest will not be deducted from monthly advances in arrears, as no cash flow advantage has been gained. However, under circumstances where a school requires a supplementary cash advance in addition to the normal monthly arrangements, interest will be payable at an agreed rate, subject to the advice and guidance of Torbay's Treasury Management Team, and with due regard to prevailing investment conditions.

3.5 FINANCE AND SCHOOL PREMISES (incl. insurance, H&S and PFI)

3.5.1 Repairs and maintenance

Schools and responsible bodies receive condition funding for their school buildings through different routes depending on their size and type.

Local Authorities, large MATs and larger VA school bodies receive condition funding to invest in priorities across the schools for which they are responsible. The main priorities for investment include tackling poor building condition, energy efficiency and health and safety issues. All work undertaken by the Local Authority is subject to a de-minimus limit, set according to the floor area of the school. The Council's thresholds for funding are as follows:-

Floor Area (m2)	Min. Cost
Primary & Special	
< 500	6,000
501 – 1,000	7,000
1,001 – 1,500	8,000
1,501 – 2,000	9,000
2,001 +	10,000
Secondary	
< 8,000	14,000
8,001 – 9,000	16,000
9,001 – 10,000	18,000
10,001 +	20,000

The operation of this threshold will relate to all identified priorities of need outlined within the Schools Condition Survey.

All works under the de-minimus including day to day repairs of premises and facilities including operational plant and machinery are the direct responsibility of the school.

Annex 3 indicates the buildings and plan element split, which would qualify for central capital programme funding within this arrangement.

3.5.2 Insurance (maintained schools)

- a) Except where the responsibility for the insurance of the buildings lies with the Governing Body, Torbay Council centrally provides insurance cover for the risks set out in the Insurance Schedule provided by the Council, either by way of external insurance or an internal insurance fund. Schools should be aware that uninsured excesses on claims may be recharged to schools where there has been a disregard to the Council's risk management and health and safety policies or a failure to obtain and/or follow advice and guidance given by the Council.
- b) Schools are free to arrange and fund from their delegated budgets additional insurance cover beyond that set out in the Insurance Schedule.
- c) Schools may request that funding for insurance forms part of their delegated budget. Such a request should normally be made before the 30 June preceding the financial year for which delegation is being requested, but must be made before the end of September preceding the financial year. For the purposes of this paragraph, the year begins at the renewal date of the Insurances which is 1st December. However, it should be noted that the Authority's insurances are purchased utilising long term agreements with Insurance providers to gain the most

advantage terms and provide for stability of costs where possible, so for schools looking to leave the Authority's insurance scheme, this will mean at the expiring of the current long term agreement in place. Please refer to the Insurance section for confirmation of the relevant expiry period applicable.

- d) When funding for insurance is delegated to any school, the school shall demonstrate to the satisfaction of the Section 151 Officer, at the time that application for delegation of funding, that cover relevant to an Council's insurable interests, under a policy to be arranged by the Governing Body, is as good as the relevant minimum cover arranged by Torbay Council and is sufficient to protect Torbay.

A maintained school is able to join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA when any insurance contract of which they are part expires.

3.5.3 Health and Safety

- a) In expending schools' delegated budgets, Governing Bodies to shall have due regard to duties placed on Torbay Council in relation to health and safety.
- b) Governing Bodies are required to adopt Torbay Council's policy on Health and Safety, as set out in Torbay Council's Health & Safety policy and statement of arrangements for schools, and where that policy does not cover all circumstances fully, Governing Bodies shall establish local policies consistent with the Council's approach to managing Health & Safety.
- c) Governing Bodies are required to ensure that their statements of safety policy adequately cover the responsibilities of Governors.

3.5.4 Private Finance Initiative (PFI) Public / Private Partnership

The funding of premises related costs as part of a PFI arrangement are included in Schools' allocations as a specific allocation that reflects the actual costs charged by the PFI provider in managing and maintaining the premises.

3.5.5 Capital spending from budget shares

- a) Governing bodies may use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the Governing Body of a voluntary aided school on work that is their responsibility under paragraph 3 of Schedule 3 of the SSAF Act.
- b) Governing bodies will be required to seek the consent of the Council to proposed capital works to be met from schools' delegated budgets, where the Council owns the premises or the school has voluntary controlled status.
- c) Governing bodies will be required to notify the Council when they determine to devote any part of their delegated budget to capital expenditure.
- d) Governing bodies may continue to submit bids in the manner prescribed by the Council for approval for capital expenditure on works to school premises, which would be made by the Council outside the school's delegated budget.
- e) Accounting for Devolved Capital will be managed centrally on behalf of schools but can be made available upon request to those schools operating local payments accounts. Expenditure is restricted to categories of capital expenditure prescribed by Government and will be subject to approval and scrutiny by the LA.

3.6 Schools Financial Value Standard (SFVS)

The schools financial value standard helps to provide schools with assurance that they are meeting the basic standards necessary to achieve a good level of financial health and resource

management.

All local authority maintained schools (including nursery schools and Pupil Referral Units (PRUs) that have a delegated budget) must demonstrate compliance with the Schools Financial Value Standard (SFVS) and complete the assessment form on an annual basis. It is for the school to determine at what time in the year they wish to complete the form.

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The important thing is that they should be in a position to feel confident about their answers. The DfE website includes advice and tools for governing bodies in relation to each question, which they can use if they wish to. The advice and tools provide clarification of what the question implies, examples of good practice, and access to materials which will assist action on that issue where it is necessary.

The tool can be used to identify possible areas for change to ensure that resources are being used to support high-quality teaching and the best education outcomes for pupils. The tool is in two parts:

1. A checklist, which asks a number of questions of governing bodies in six areas of resource management to provide assurance that the school is managing its resources effectively.
2. A dashboard, which shows how a school's data compares to thresholds on a range of statistics that have been identified as indicators for good resource management and outcomes.

The governing body may wish to delegate the consideration of the questions to a Finance Committee or similar; but the chair of governors must sign the completed form. There should be at least a minuted report to the full governing body.

Each question requires an answer of Yes, In Part, or No. Where the answer is In Part or No, the column for comments, evidence and proposed actions should be used to enter a brief summary of the position and proposed remedial action. Where the answer is yes, the column should be used to indicate the main evidence on which the governing body based its conclusions. At the foot of the list of questions is a section which requires a summary of remedial actions.

A copy must be sent to the local authority's finance department, where it will be used to inform the programme of financial assessment and audit. Local authority and other auditors will have access to it, and when they conduct an audit will be able to check whether the self-assessment is in line with their own judgement. They should make the governing body and the local authority aware of any discrepancies in judgement.

The questions which form the standard are divided into seven sections. These are laid out in Annex 4 in this document.

3.7 Notice of Concern

The Council may issue a notice of concern to the governing body of any schools it maintains where, in the opinion of the Section 151 Officer and the Director for Children's Services, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the Council or the school.

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

These may include:

- Insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;

- Insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
 - Placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the Council;
 - Insisting on regular financial monitoring meetings at the school attended by Council officers;
 - Requiring a governing body to buy into the Council’s financial management systems;
- and
- Imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

3.8 **Withdrawal of Delegation**

Section 117 of the 1996 Education Act allows the Council to withdraw the powers of delegation from a Governing body where the Council has concluded that the Governors are mismanaging their budget. This might involve the persistent failure of the governing body to comply with the requirements of the approved Scheme of Delegation or not managing the resources available for the purposes of the school in a satisfactory manner.

3.9 **Council Monitoring of Schools' Performance**

The Council will monitor and evaluate schools' performance, consistent with the Schools / LA Code of Practice, in order to ensure high quality educational opportunities for all and inform the Children’s Service’s strategy formulation and policy making.

3.10 **Disputes Resolution Protocol**

The Council operate a disputes resolution protocol which will be the subject of review and consultation from time to time. This protocol will be operated as a binding process on all parties. The following table sets out the process steps:

PROCESS STEP	ACTION TIMESCALE
Initial written communication of the issue with the Director of Children’s Services.	Director to resolve within 10 working days.
With resolution not agreed to the satisfaction of the school escalation to the Cabinet Member for Children	Cabinet Member to resolve within 10 working days.
With resolution not achieved at stage 2. Escalation to the Chief Executive of the Council.	Chief Executive to resolve in 10 Working days.
With failure to broker resolution at Stage 3 school to consider other stakeholder processes.	

3.11 **Efficiency and value for money (replaces Best Value section)**

Schools must seek to achieve efficiencies and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the Authority’s purchasing, tendering and contracting requirements.

It is for heads and governors to determine at school level how to secure better value for money.

There are significant variations in efficiency between similar schools, and so it's important for schools to review their current expenditure, compare it to other schools, and think about how to make improvements.

3.12 Fraud

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

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

3.13 Financial Malpractice / Whistleblowing

The Council's Internal Audit Service provided by the Devon Audit Partnership must be notified immediately of any circumstances that suggest the possible existence of any irregularities with a financial implication. The Head of the Devon Audit Partnership will then decide, in consultation with the appropriate officers of the Council, the manner in which the irregularity is to be investigated. This may include a decision to inform the Police.

3.14 Inventories and Stock

- 3.14.1 It is a requirement of the insurance cover for property that inventories must be prepared and maintained up to date. The record should include for each item; information relating to the date of purchase, serial numbers, cost and location. Pre-printed inventory books are available from the LA for this purpose.
- 3.14.2 Inventories should record all items of equipment that cost over £100 to purchase. Items must bear a visible security marking to deter potential theft. Where there are vulnerable items these should be recorded in inventories irrespective of price.
- 3.14.3 Headteachers must arrange for inventories to be checked and certified as correct annually against the physical assets, and sign the record of checks once they are satisfied that the checks have been satisfactorily completed. Missing items should be reported to the Governing Body.
- 3.14.4 The school must maintain a record of equipment removed from the premises identifying the date, the member of staff and the date returned. A record should also be maintained of equipment permanently allocated to staff and held off site. Staff removing such items should sign to confirm they have assumed responsibility for the item. Equipment should only be removed for purposes in connection with the ordinary course of business.
- 3.14.5 Headteachers are responsible for the safe custody and physical control of any stocks and stores and should ensure that only reasonable quantities are held. Any significant surpluses or deficiencies revealed by stock checks must be reported to the Governing Body.
- 3.14.6 Where any irregularity is suspected in the custody or use of equipment or stores, this shall be treated as a financial irregularity and reported to the Internal Audit Section for action by the Devon Audit Partnership.

3.15 COMMUNITY FACILITIES AND EXTENDED SERVICES

3.15.1 Introduction

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

- (7) Where a local education authority incur costs—
 - (a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or
 - (b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes, they shall recover those costs from the governing body except in so far as the authority agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.
- (7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the condition in subsection (7B) is met.
- (7B) The condition is that the governing body are satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the Education Acts.
- (9) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.

3.15.2 Consultation with the LA – Financial Aspects

There is a statutory requirement to consult and to have regard to advice given by the LA before exercising the power to provide community facilities.

Schools should set out in their proposals:

- a) the community activity they intend to support
- b) the anticipated beneficiaries
- c) proposed funding agreements with third parties
- d) school accommodation and resources to be used by the facility either during or after the school day
- e) a budget plan setting out anticipated expenditure and income for three years

The consultation should also include information the governing body has considered to satisfy itself that the provision of the community facilities will not to a significant extent interfere with their statutory duty to promote high standards of educational achievement or any other

3.15.3 Advice from the LA

The LA will respond to the consultation and give advice on the proposals within six weeks of receipt. Advice given in response to consultation will be free of charge. Schools must notify the Authority of action they have taken following advice within a reasonable period of time. Free advice could be limited to a recommendation to purchase support from professional services (finance, legal, personnel, IT, etc.) where these services have been delegated. Fees for these

services would have to be met from the community facilities account and not the school's delegated budget. Services would not have to be purchased from the Authority but schools should satisfy themselves that providers are in a position to offer sound advice without a conflict of interest.

3.15.4 Other consultation

Schools are reminded that section 28(4) of the Education Act 2002 also requires consultation with staff, parents, pupils (where appropriate) and other interested parties. Consultation with these groups is not covered by this scheme.

3.15.5 Funding Agreements – Third Party Agreements - LA Powers

Proposed agreements with third parties (i.e. other than with the Authority) must be submitted to the Director of Children's Services for comment before being signed. Comments would be provided within three weeks. The Authority cannot veto or require that it countersign third party agreements.

Where the third party requires LA consent for an agreement to proceed would be a matter for the third party and not this scheme.

3.15.6 Suspension of delegation

Schools are reminded that an agreement concluded against the Authority's wishes expressed in its comments, or concluded without informing the Authority, which in the view of the Authority is seriously prejudicial to the interests of the school or the Authority, may constitute grounds for suspension of the school's delegated budget.

3.15.7 Agreements with the LA

The LA may enter into funding agreements with schools for the provision of community facilities.

3.15.8 Other prohibitions, Restrictions and limitations – Limited Companies

Section 11(1) of the Education Act 2002 enables governing bodies to form, or participate in forming, limited companies. The liabilities of companies can be limited by share or guarantee.

The Authority can require a school to form a limited company to provide community facilities where it has serious concerns about the financial viability of a proposal with a significant proportion of income derived from usage charges. The concerns must have been expressed in its response to consultation and not adequately addressed by the school.

3.15.9 Indemnity insurance

The Authority can require a school to take out indemnity insurance where it has serious concerns about funding agreements with third parties. These concerns must have been expressed in its comments on the proposed agreement and not adequately addressed by the school or the third party.

3.15.10 Use of surplus accommodation

The Authority may prohibit the use surplus accommodation for community facilities where it is identified as necessary to deliver the School Organisation Plan or Asset Management Plan or where it would result in an unacceptable increase (or the risk of an unacceptable increase) on the LAs revenue or capital budgets.

3.15.11 Pupil welfare

The Authority may prohibit a community facility where there are serious concerns about pupil welfare. The concerns must have been expressed in its response to consultation and not adequately addressed by the school.

3.15.12 Supply of Financial Information

a) Initial budget plan

Schools should supply a budget plan showing estimated expenditure and income for the community facility for three years as part of consultation with the Authority. The plan would identify expenditure according to the standard headings used for delegated budgets e.g. staff, premises, etc. and sources of income.

b) Actual income and expenditure statements and subsequent plans

Schools are required to submit a statement, in the prescribed format of actual expenditure and income after six months and a revised plan for the following six months. If this is satisfactory future returns will be part of the normal arrangements under the Consistent Financial Reporting (CFR) framework.

c) Unsatisfactory statements

If the authority is not satisfied with financial submissions and has concerns about the financial management of the community facility it can give the school notice that it requires a statement every three months. Three monthly statements would continue until the Authority is satisfied with the financial management of the facility. Schools showing a deficit on the community facility may be required to submit and agree a recovery plan.

3.15.13 Audit

Schools must grant access to their records for the community facility in order to facilitate internal and external audit of relevant income and expenditure.

Funding agreements should include a clause allowing the Authority's auditors to have access to the records and property of third parties relating to the community facility either held on school sites or elsewhere in order to satisfy itself as to the propriety of expenditure on the facilities.

Schools will not be charged for the audit of community facilities.

3.15.14 Treatment of Income and Surpluses

a) Retention of income and surpluses

Schools will retain all surplus income over expenditure from the community facility unless funding agreements provide for a sharing arrangement. Surplus income earned on community facilities should be kept separate from the school's delegated budget and carried forward within the community facilities account.

b) Transfer of surpluses to the delegated budget

Surplus income can be paid into the school's delegated budget following agreement with the LA. In these circumstances the Authority will require that a reasonable surplus be retained within the community facilities account to offset potential future deficits.

c) Treatment of surpluses for closing schools

Surplus income on facilities run by community or community special schools will revert to the Authority if it ceases to maintain the school unless otherwise provided for in funding agreements. Surplus income for other categories of school will remain the property of the governing body if the Authority ceases to maintain the school.

d) Deficits

The LA would meet outstanding liabilities on community facilities where there are insufficient surplus funds within the community facilities account. Such deficits would not be charged to the school's delegated budget unless a charge is appropriate under the terms of section 2 of the financial scheme e.g. recovery of penalties.

A school wishing to continue with a community facility following a deficit financed by the LA would have to resubmit proposals for consultation.

3.15.15 Health and Safety

Governing bodies must have due regard to health and safety including compliance with the Authority's policy on health and safety matters when managing community facilities. The Authority may issue directions to the governing body of community, community special or voluntary controlled schools on health and safety matters for the community facility

3.15.16 Police checks

Governing bodies must secure Disclosure and Barring Service clearance for any adults involved in community activities during the school day. The costs of checks should be charged to the community facilities account and not the school's delegated budget.

3.15.17 Insurance

Governing bodies are responsible for ensuring adequate insurance cover for community facilities. Schools should seek professional advice where necessary. The cost of additional premiums and advice should be charged to the community facilities account and not the school's delegated budget.

Schools must notify the Authority of insurance arrangements they have made for community facilities. The Authority can make its own assessment and if cover is inadequate make appropriate arrangements. The cost of such arrangements can be charged to the school and should be charged to the community facilities account and not the school's delegated budget.

3.15.18 Taxation and Employment

a) Value Added Tax (VAT)

Schools cannot reclaim VAT on expenditure on community facilities financed from third part funding agreements. VAT can be reclaimed on other expenditure and should be charged on the use of facilities and repaid to HM Customs and Excise. The Authority will provide VAT forms. Schools should seek advice from the LA and the local VAT office on issues relating to the community facility. Any penalties imposed by HM Customs and Excise can be charged to the school. If there are insufficient surplus funds in the community facilities account, penalties could be charged to the school's delegated budget in accordance with section 6.2.8 of the main financial scheme.

b) Construction Industry Scheme

Schools must follow LA advice in relation to the Construction Industry Scheme where relevant to community facilities.

c) Employment

Staff employed in community, community special, and voluntary controlled schools for community facilities would be LA employees, unless the facilities are provided by a limited company. Staff employed in foundation and voluntary aided schools would be employees of the governing body. In either case schools would be responsible for ensuring deductions are made for income tax, National Insurance and other statutory deductions and returns.

Penalties imposed by the Board of Inland Revenue, the Contributions Agency, and Teacher Pensions Agency can be charged to the school. If there are insufficient surplus funds in the community facilities account, penalties could be charged to the school's delegated budget in accordance with section 6.2.8 of the main financial scheme.

The LA would meet the cost of redundancy in the same way as staff funded from the delegated budget. In cases where expenditure can be charged to schools by virtue of Section 57 of the School Standards and Framework Act 1998 this would be charged to the community facilities account and not the school's delegated budget.

3.15.19 Banking

Schools should maintain a separate bank account for income and expenditure on community facilities from the delegated budget and the voluntary fund. If the same account is used the school must ensure that suitable accounting controls are in place to make separate returns.

The Authority can require a separate bank account or revised accounting controls if an audit reveals an unsatisfactory segregation. The same arrangements regarding the choice of bank, name of accounts and signatories as detailed in section 3.5.1 would apply. Funding partners cannot be signatories to an account for community facilities.

3.15.20 Borrowing

School cannot borrow money for community facilities without the written consent of the Secretary of State. This does not extend to money provided by the LA through the loan scheme described in section 3.1.15 of the main financial scheme.

Section 4 – Torbay Council’s Financial Regulations for Schools

- 4.1 Introduction
- 4.2 Financial Organisation and Responsibility
- 4.3 Business Ethics
- 4.4 Audit
- 4.5 Revenue Expenditure
- 4.6 Capital Expenditure
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- 4.16 Taxation
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- 4.18 Unofficial Funds
- 4.19 Lettings
- 4.20 Credit / Debit / Purchase Card Protocol

4.1 Introduction

4.1.1 The purpose of these Financial Regulations is to:

- a) identify in a helpful way the principles of good financial control and best practice for Governors, Headteachers and staff as required by the Scheme for Financing Schools.
- b) enable Governors to exercise their responsibility for making arrangements for the proper management of the school's finances.
- c) ensure that the highest standards are achieved in the stewardship of public funds along with compliance with all accounting and auditing standards and codes of practice.
- d) encompass the statutory duties required of officers of the Council by Section 1.1(1) of the School Standards and Framework Act 1998, the 1972 and 1988 Local Government Acts relating to the proper administration of the Council's financial affairs and the maintenance of an adequate and effective internal audit, and the 1989 Local Government and Housing Act which defines the role of the Monitoring Officer in establishing the legality of actions.
- e) contributes to the achievement of best value principles.

4.1.2 These Financial Regulations are supplemented by operational and procedural advice from the LA on aspects of financial administration and the use of Torbay Council financial systems e.g. Retention of Documents, Contract Conditions, Payroll, Internal Trading and the Costing and Financial Management system.

Compliance

4.1.3 Failure by individual employees to comply with Financial Regulations, or the instructions issued under them will constitute misconduct.

4.1.4 Review bodies, such as Internal Audit, will evaluate the procedures put into place by schools to establish whether the requirements of these Regulations are being observed.

4.2 Financial Organisation and Responsibility

4.2.1 The Scheme for Financing Schools allows Governors to delegate their powers to the Headteacher. The full Governing Body may also delegate responsibilities to any committees, which it has created. This is achieved by approving Terms of Reference relating to a Scheme of Delegation within the school.

4.2.2 Terms of Reference will include a Finance Policy that identifies which members of staff are empowered to take responsibility for functions within the powers delegated to the Headteacher by the Governors. The individuals exercising this responsibility may have financial limits on the extent of their actions.

4.2.3 Headteachers must ensure that the responsibilities of staff concerned with finance are, as far as practicable, distributed to provide an adequate separation of duties so that effective control is maintained. The following principles should be observed in the allocation of accounting duties:

- a) Responsibility for providing details of, calculating, checking and recording of sums due to, or payable by, the school shall be separated as completely as possible from responsibility for collecting income or authorising expenditure.
- b) Employees responsible for examining or checking records of cash transactions shall not themselves be engaged in any of those transactions.

4.2.4 Headteachers will be responsible for maintaining a current record of members of staff who are authorised to sign documents and have access to computerised financial systems. The record must also include levels of authority and limitations. If the school uses systems provided by the

LA, copies of the approved authority forms submitted to the LA for this purpose are sufficient to create the record.

- 4.2.5 Headteachers must consult with the LA to ensure that proposals to amend financial systems and procedures do not lead to the weakening of controls or duplication of existing accounting systems.
- 4.2.6 Headteachers must ensure that records and systems are properly maintained and arrange for regular independent internal audit to ensure compliance.
- 4.2.7 There are particular requirements for the retention of financial records that include, in particular, special arrangements for VAT, contracts and payroll records. These are included in the procedural advice issued to schools. These arrangements may differ for schools operating local payments.

4.3 **Business Ethics**

- 4.3.1 It is important that Governors and staff not only act impartially, but are also seen to act impartially.
- 4.3.2 The Nolan Committee report on standards in public life (May 1996) identified seven principles that should be applied. These are:
 - selflessness,
 - integrity,
 - objectivity,
 - accountability,
 - openness,
 - honesty and
 - Leadership.

One important way in which a school can demonstrate that it is applying these principles is by maintaining a register of business interests, which must be open to inspection by Governors, staff and parents.

- 4.3.3 The Governing Body of each school should ensure therefore that all Governors and any staff responsible for incurring expenditure must submit details of all their business interests such as directorships, share holdings and other appointments with any business or organisation which may have dealings with the school. The details must include business interests of relatives or other individuals who may be in a position to exert influence. Nil returns are required. There is a need to publish the governors register of business interests on the school website.

For further information please refer to page 10 of the current guidance –

www.gov.uk/government/publications/constitution-of-governing-bodies-of-maintained-schools

- 4.3.4 There is a responsibility on the individual to notify the school when any changes occur to their business interests. In addition, annually, the school should seek confirmation that the information held is up to date.

Gifts and Hospitality

- 4.3.5 All governors and staff responsible for incurring expenditure must record all offers of gifts and hospitality offered in connection with their links with the school and whether the offers were accepted. This will avoid bringing discredit on the school or Torbay Council.
 - a) Gifts can only be accepted when they are low cost, functional items suitable for business use, rather than personal use e.g. diaries, calendars, pens or small value gifts received by Teachers from pupils. Other gifts that may be received from outside contractors or

organisations should be returned with a suitable official letter.

- b) Normally visits to exhibitions, demonstrations, conferences, business meals and social functions in connection with their official duties shall be at the School's or Council's expense. In certain circumstances it may benefit the school to accept the hospitality of an outside agency. This will be a decision for the Chair of Governors and Headteacher. However, the event and the decision must be recorded.
- c) On no account should an employee accept either secondary employment or a financial payment from any person, body or organisation with which the school is involved.
- d) Any promotional offers received must remain the property of the school and must be used for the benefit of pupils.

4.3.6 Schools should ensure that all staff receive a Code of Conduct which clearly sets out the standards of financial conduct and behaviour expected of them.

4.4 Audit

4.4.1 Schools will be subject to regular internal audit provided by the Devon Audit Partnership acting on behalf of the Chief Finance Officer under S151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2003 (as amended 2006), in accordance with Torbay Council's published annual Internal Audit Plan.

4.4.2 The Governing Body of each school will be required to ensure that schools co-operate with all reasonable requirements of internal and external auditors, and allow the Chief Finance Officer access at all times for the purposes of audit.

4.4.3 Torbay LA will publish an Audit Code of Practice informing schools of their responsibilities in respect of the requirements of Internal Audit.

4.4.4 The Governing Body of each school may authorise expenditure in their annual budget plan to obtain external audit certification of their accounts, separate from any LA internal or external audit process.

4.4.5 The Governing Body of each school shall make arrangements for internal audit reports to be considered by the relevant committee dealing with finance, which shall bring any relevant recommendation to the attention of the Full Governing Body.

4.4.6 Audit of voluntary and private funds

The Governing Body of each school shall ensure that annual audit certificates are obtained, in a format prescribed by the LA, for voluntary and private funds held by the school and of the accounts of any trading organisations controlled by the school and that such certificates are sent to the LA as soon as the Audit is complete.

4.5 Revenue Expenditure

Revenue Budget Preparation

4.5.1 Once approved by the Governing Body, the budget must be submitted in the required form to the Section 151 officer, signed by the Chair of Governors, by the 31st of May each year. The budget should make clear references to items in the School's Improvement Plan.

4.5.2 It is good practice for the Governing Body to approve and set the budget for the forthcoming year by 31st March.

Revenue Budget Monitoring

4.5.3 Schools must submit a statement of expenditure to the Governing Body or finance committee at least once each term during each financial year in accordance with Section 1.3 of the Scheme. These must be signed by the Chair of the meeting after approval for inclusion in the minutes, and retained with the minutes.

4.5.4 Transfer of funds (virement) is not permitted between delegated funds and other devolved allocations associated with the school. Examples are:

- a) Specific capital allocations
- b) School Meals Income (if not delegated)

Schools will be required to create commitments in the financial management system for expenditure which has been incurred, e.g. by the issue of an order, but for which payment has not been made.

4.5.5 At the end of the accounting year, schools' accounts must accrue items of income and expenditure, excluding petty cash, for goods or services which have been delivered or received. Advice on this area will be issued annually by the Children's Services Finance Manager.

4.5.6 As soon as possible after the end of the financial year in line with the Council's statutory requirements, the Governing Body must consider a report on actual expenditure and income compared to the approved budget for the preceding year.

4.6 Capital Expenditure

4.6.1 The CIPFA Code of Practice on local authority accounting defines capital expenditure as follows:

- a) the acquisition of land, buildings, plant, apparatus and vehicles;
- b) the construction of roads and buildings;
- c) the enhancement of land, roads and buildings.

"Enhancement" involves either a substantial increase in the asset's value, or a substantial lengthening of its useful life, or a substantial increase in the extent to which it can be used by the school. It excludes repairs. For example, re-roofing a building would normally count as capital expenditure, but replacing missing tiles would not.

4.6.2 Schools must inform the LA of any proposals to finance capital works from their delegated funds. This information is required to ensure that the expenditure is properly identified in the LA's accounts.

4.6.3 If schools are allocated funds by the LA for capital expenditure, the Governing Body shall work with the LA to provide quarterly reports which contain:

- a) the latest estimation of costs and phasing of expenditure,
- b) explanations of variations in total forecast cost above or below the approved cost and revisions to phasing of expenditure over each financial year,
- c) proposals for containing any additional costs within the resources available.

This detail is required to allow the Council to monitor the capital programme. Notwithstanding the specific reporting requirements of any individual capital scheme, schools can set their own de-minimis level for capital works, but it cannot be **higher** than the level set in Torbay's Financial Regulations.

4.6.4 Certain Leasing arrangements are defined as capital expenditure.

4.7 Purchasing And Contracts

General Information

Extent and Application of Contract Standing Orders

4.7.1 These Standing Orders apply to all Contracts for goods, services and works for and on behalf of the School, including ad-hoc one-off requirements and they will be applied by any Governor or staff of the School undertaking any purchasing or procurement activity on behalf of the School.

These Standing Orders will also apply in respect of the Award of any grant funding for which some form of application or bidding process is undertaken.

These Standing Orders apply to all expenditure by the School irrespective of the funding source (except where specific terms and conditions attached to a third party funding source determines the method in which the Contract is to be let) and includes expenditure that has been devolved in any way.

These Standing Orders set out minimum standards and compliance is vital in:

- a. Meeting legislative requirements;
- b. Demonstrating probity in the procurement process;
- c. Delivering economy, efficiency and effectiveness through competition; and
- d. Avoiding practices that may restrict, distort or prevent competition.

Any non-compliance or breach of these Standing Orders can seriously impact upon the legal standing of the Contract and can increase the ability of unsuccessful Economic Operators to seek redress through the courts.

Exemptions from the Application of Contract Standing Orders

4.7.2 An exemption or Waiver from Contract Standing Orders may only be applied where the Governing Body records in its minutes prior approval, whenever possible, to waive compliance which can be only in one of the following circumstances:

- i the contract is urgently required and delay would cause loss, injury or damage, The urgency must be brought about by events that were unforeseeable by and not attributable to the School and which will result in loss or damage to the School if the suspension or exemption is not allowed; and / or
- ii the contract is of such a special nature that no advantage would be gained by inviting competitive tenders or
- iii there is no effective competition because payment is fixed under statutory authority or the item is a patented or proprietary article or is available from only one source.

The appropriate due diligence checks must be undertaken on the Economic Operator (where the request relates to the Award of a new Contract, as opposed to extending an existing arrangement) prior to awarding the Contract.

The following must be considered before applying for a Waiver:

- a. lack of planning and / or internal process delays will not constitute special, exceptional or emergency circumstances;
- b. exemptions from these Standing Orders must not be applied for retrospectively;
- c. exemptions from these Standing Orders must not be applied for where the value of the Contract will exceed the relevant public procurement spend threshold.

Appointment of Management Consultants and Agents

- 4.7.3 Any consultant or advisor appointed to act on behalf of the School must be procured in accordance with these Standing Orders.

It is a condition of appointment that any consultant or advisor appointed to act on behalf of the School in relation to any procurement process or management of Contracts will:

- a. Comply in full with the requirements of the Public Contract Regulations, Contract Standing Orders, all relevant legislation and all School policies;
- b. Have a Contract condition that ensures that copyright in respect of anything created or completed by that external agent in relation to the appointment will be the property of the School.
- c. Sign a Confidentiality Agreement and declare any conflict of interest that may arise prior to starting any procurement process and again prior to completing the Tender evaluations. Where a significant conflict of interest arises the consultant must not be part of the Tender evaluation process.

No consultant shall make a decision on whether to Award a Tender or whom to Award it to.

Procurement Planning

Conflicts of Interest

- 4.7.4 In order to avoid any distortion of competition and ensure equal treatment of Economic Operators, the School is legally required to take all appropriate measures to effectively identify, remedy and prevent any conflicts of interest that may arise during the course of a procurement process.

Confidentiality

- 4.7.5 The School must not disclose information which has been provided by an Economic Operator and designated as being confidential by that Economic Operator, this includes but is not limited to technical or trade secrets and the confidential aspects of Tenders unless it is required to do so under the Freedom of Information Act.

The School must not disclose to prospective bidders the procurement documentation or information that will be used within the procurement documentation prior to the tender being issued, saved for that information which may be shared as part of any preliminary market consultation and only where that market consultation has been undertaken in a fair and transparent manner.

Where procurement procedure requires the sharing of confidential information with Economic Operators, such as details relating to the transfer of staff, this must not be disclosed unless the Economic Operator has signed and submitted an appropriate Confidentiality Agreement.

Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), as amended

- 4.7.6 TUPE Regulations may apply when a service Contract is transferred from one external Economic Operator to another or where Council staff are being outsourced. Under both TUPE and Public Contract Regulations there is a requirement for the School to share anonymous information relating to the staff who may be eligible to transfer.

Market Research and Consultation

- 4.7.7 Preliminary Market Consultation

Pre-procurement market research and consultation can be conducted with a view to:

- a. preparing the procurement; and
- b. informing Economic Operators of the procurement plans and requirements.

All activities must be conducted in a non-discriminatory and transparent manner and without distorting competition.

4.7.8 Prior Involvement of Economic Operators

Where an Economic Operator has advised the Council or been involved in preparing the procurement procedure Officers take appropriate measures to ensure that competition is not distorted by the Economic Operator bidding for the Contract and those measures must be documented.

Procurement Development

4.7.9 Estimated Value of the Procurement

The calculation of the estimated value of a procurement shall be based on the total amount payable including any Contract extension options. Account shall be made of the total estimated value for the School.

The Contract shall not be sub divided, nor should the choice of the method used to calculate the estimated value be made with the intention of avoiding the application of these Standing Orders, nor shall it be sub divided

Where a Contract is proposed to be Awarded in the form of lots, account shall be taken of the total estimated value of all the lots.

The estimated value of the Procurement for goods and services is calculated by taking:

- a. The value of the total amount payable for the full term of the Contract, including extensions and is for 48 months or less; or
- b. The value of the total amount payable for each month multiplied by 48 if the term of the Contract, including extensions, is for more than 48 months, or over an indefinite period

Or, where there is

- c. A requirement over a period of time for goods, or services that are for the same type or have similar characteristics and for that purpose a series of Contracts are entered into, or a Contract with renewable terms is being used, the value shall be calculated by taking the spend from the previous 12 months, taking into account any expected changes in the next 12 months.

The estimated value of the procurement for works shall take account of both the cost of the works and the total estimated value of the supplies and services that are made available to the Contractor by the Council which are necessary for executing the works.

Public Procurement Spend Thresholds

- 4.7.10 Where an estimated value of a procurement is equal to or exceeds the public procurement spend threshold values, then the Public Contracts Regulations 2015 apply to the procurement process. However there are exceptions whereby the Public Contracts Regulations 2015 also apply in certain aspects to a procurement which has been estimated at below the public procurement spend thresholds.

Procurement Process

4.7.11 The procurement process selected must be in accordance with the table below:

Goods/Works/Services Estimated Value of the Procurement	Procurement Process
Up to £10,000	Head teacher or authorised deputies to arrange directly. Obtain one written quotation. To ensure best value, good practice is to obtain more than one quote. All spend in excess of £4,000 to be reported to either the Governing Body or Finance Committee.
£10,001 to £25,000	Where award of the Contract will be based purely on price request written quotes either by post or email from minimum of three preselected economic operators. Retain written evidence to demonstrate the economic operator selected offers best value. Where award of the Contract will be based on a combination of quality and price use the process defined under for spend £25,001 to £50,000. Such expenditure to be reported to either the Governing Body or Finance Committee.
£25,001 to £50,000	Offer the opportunity to a minimum of three preselected economic operators through formal written quotations, taking into account both quality and price. Documentation must be held on file. Expenditure to be authorised by the Governing Body or Finance Committee.
£50,001 to Public Procurement Spend Threshold	Advertised invitation to Tender. Process to be run electronically, giving potential suppliers' free and unrestricted access to the tender documents. Procurement process to be run in accordance with the Public Contracts Regulations 2015 in certain aspects. Documentation must be held on file. Expenditure to be authorised by the Governing Body or Finance Committee.
Public Procurement Spend Threshold and Above	Advertised invitation to Tender. Process to be run electronically, giving potential suppliers' free and unrestricted access to the tender documents. Procurement process to be run in accordance with the Public Contracts Regulations 2015. Documentation must be held on file. Expenditure to be authorised by Governing Body or Finance Committee. The opportunity must be advertised on the government Find a Tender service portal.

Below Public Procurement Spend Threshold Procurements

4.7.12 The Public Contract Regulations stipulate that the following applies to below public procurement spend threshold procurement processes:

- a. Restricted Procedure is not permitted
- b. Selection Criteria used to assess the meeting of minimum standards or Criteria must be relevant to the subject matter of the procurement and proportionate
- c. Selection Criteria used to assess the meeting of minimum standards or Criteria must be in accordance with guidance issued by the Cabinet Office.

Collaborative Arrangements

4.7.13 Where it is of benefit to the School, opportunities to collaborate with other Public Bodies on procurement processes should be sought.

Where a collaborative procurement process occurs, it is the Standing Orders of the Public Body leading the procurement which will apply unless the lead body specifically agrees otherwise.

Other Contracting Options

4.7.14 Schools may be able to use Contracts put in place by the Council, other Public Bodies or Public Buying Organisations. These options include purchasing from Approved Lists and Framework Agreements.

Utilising other Contracts, Approved Lists and Framework Agreements enable direct purchasing and avoid the administrative costs and time involved in sourcing and purchasing goods and services with individual suppliers. The administrative costs and time taken can negate any savings on goods or services that can sometimes be found cheaper elsewhere.

Schools should satisfy themselves that the bodies arranging these contracts have operated under competition requirements which comply with the requirements of these standing orders and Public Contracts Regulations 2015. Regular checks should be carried out to ensure that prices advertised by these bodies are competitive. If they are not, the supply should be subjected to the requirements of these standing orders.

Tender Preparation

Tender Documentation

4.7.15 Appropriate tender documentation must be used for advertised opportunities. These documents must include as a minimum:

- I. Suitable instructions for the Applicants
- II. A specification of your requirements
- III. Procurement Information and Evaluation Criteria
- IV. Pricing requirements
- V. Tender submission requirements
- VI. Contract Terms and Conditions

Evaluation Criteria

4.7.16 Contracts must be awarded on the basis of the evaluation criteria laid out within the Tender, which consists of the following:-

- a. Selection Criteria
 - a. Mandatory Exclusions

- b. Discretionary Exclusions
- c. Economic and Financial Standing
- d. Technical and Professional Ability
- e. Insurance
- f. Compliance with Equality Legislation
- g. Environmental Management
- h. Health and Safety

b. Award Criteria

- a. Pricing requirements
- b. Technical Questions/Method Statements
- c. Presentations
- d. Interviews
- e. Site Visits

Selection and Award Criteria must be treated separately. All Criteria, Sub-Criteria and weightings must be clearly detailed within the Tender documents.

Contract Terms and Conditions

It is recommended that Schools seek advice in relation to the application of the most appropriate Contract Terms and Conditions, which must be included as part of the Tender Documents. Call Off Contracts.

Procurement Process

Advertising

- 4.7.18 All procurement processes over the £50,000 and up to the public procurement spend threshold must be advertised appropriately by a form of public notice and out for at least ten working days. For example School website, newspapers or journals. The length of notice must be appropriate and proportionate to the nature and complexity of the Contract to allow sufficient time for Economic Operators to submit a suitable and compliant Tender.

For above public procurement spend threshold procurements, all Tender documents must be offered unrestricted and with full direct access via an Electronic Tendering System from the date the notice is published on Find a Tender There are exceptions regarding Procurement Documents which are confidential in nature. Email is not a suitable electronic means as this does not offer direct access and requires the Economic Operator to request information.

Conducting the Tender Process

- 4.7.19 All procurement processes over the £50,000 and up to the public procurement spend threshold must be conducted in a manner which enables all communication and information exchange to be provided by electronic means to ensure the process is conducted in a fair and transparent manner, ideally using an Electronic Tendering System. Where communication is via email, the anonymity of all Economic Operators must be maintained.

For above public procurement spend threshold procurements, the process must be conducted using an Electronic Tendering System.

Submission, Receipt and Opening of Tenders

- 4.7.20 Tenders must be submitted in accordance with the requirements set out in the Tender documents.

All Tenders over the £50,000 and up to the public procurement spend threshold must be submitted in a way that enables them to be opened at the same time after the closing time and date for submission. The two options are an Electronic Tendering System or postal submission.

4.7.21 Electronic Tendering System Submission

- a. The Electronic Tendering System is set up to electronically seal Tenders above £50,000. Verifiers are set up in the system, which are Officers who are able to electronically unseal Tenders. Verification may only be undertaken by an authorised Verifier who has duly been approved by the Chair of Governors.
- b. All Tenders shall be electronically unsealed at the same time, in the presence of the Chair of Governors or a nominated Governor, and the Headteacher or Deputy Headteacher and the Verifier, after the prescribed submission date and time.
- c. The Electronic Tendering System keeps an electronic record of the Tenders opened and automatically classifies Tenders which have been received late, as in after the prescribed date and time.

4.7.22 Postal Submission

- a. Every Tender advertisement must state that no tender will be accepted unless it is in an envelope which bears no external mark, e.g franking marks, which will indicate the sender. The envelope must bear the word TENDER, the Tender reference and the address to which it is to be delivered.
- b. Envelopes returned must remain sealed and be endorsed with the date and time of receipt by the receiving officer at the point of receipt. They should be held in a secure place by a nominated senior employee until the opening date.
- c. Tenders must be opened, after the closing time and date for submission, in the presence of the Chair of Governors or a nominated Governor, and the Headteacher or Deputy Headteacher. A list of tenders opened (tender register) must be prepared recording the details of the proposed purchase, the date and time of opening, the name of the person tendering and the price tendered.

For above public procurement spend threshold procurements, only 4.7.20 will apply as postal submissions are not acceptable. In this case the verifier must be independent of the procurement process.

Receiving Late, Irregular or Incomplete Tenders

4.7.23 A Tender submission can be rejected for the following reasons, which must be laid out within the Tender document instructions:

- a. It is incomplete or vague;
- b. Is submitted later than the prescribed date and time;
- c. Not in accordance with the approved format;
- d. Is in breach of any condition contained within it.

Where there are errors or discrepancies in the Tender response, the Economic Operator must be given the details, via post Tender clarification, in order to confirm or withdraw the submission. A correction of an error or omission can be accepted within an appropriate timescale if it is determined that the Economic Operator has gained no unfair advantage.

Abnormally Low Tenders

- 4.7.24 Where a price has been assessed as being abnormally low the Economic Operator is required to explain the price proposed and a decision on whether to accept the price should be based upon the evidence provided.

Tender Evaluation

- 4.7.25 All Tender submissions received must be evaluated in accordance with the pre determined evaluation Criteria, set out in the invitation to Tender documents issued. Criteria, sub Criteria, Weightings and the attributed breakdown must not be changed from what was published in the Tender documents and must be applied consistently for all Tender submissions.

Tender evaluation processes must be recorded on a suitable evaluation matrix. All Criteria, sub Criteria and scoring must be detailed for each Tender submission to enable a complete assessment of what scores are attributed to each Criteria set. Reasons for scores allocated must be recorded which provides an appropriate justification and is used to complete the Tender outcome letter.

An evaluation process for every compliant Tender received must be fully completed. It must not be stopped part way through because it has been assessed that they won't be successful. Economic Operators are entitled to a full assessment of the submission, which must be provided in their Tender outcome letter and available to facilitate a de brief if requested.

Post Tender Clarification

- 4.7.26 Post Tender clarification means clarification with the Economic Operators after the Tender has been submitted and only for the purpose of clarifying or supplementing the content of their Tenders, providing this does not involve discrimination.

Approval to Award the Tender

- 4.7.27 The decision to approve the tender award to the highest scoring bidder must be taken and recorded by the Governing Body. Where approval isn't given no contract award can be made.

Tender Outcome Notifications

- 4.7.28 All successful and unsuccessful Economic Operators must be notified of the Tender Award decision at the same time via a suitable tender award decision letter, including where a decision is not to award.

- 4.7.29 Where the tender is for a contract with a value above the relevant public procurement threshold the outcome notification letters must be issued in accordance with the requirements set out in the Public Contracts Regulations 2015 with regard to content and the need to observe a standstill period prior to formal award of the contract.

Contracts

- 4.7.30 Where a procurement process was undertaken, the Contract terms and conditions must be those that were issued within the Tender documents.

Terms and conditions that must be included in contract documentation are contained in operational and procedural advice. Except where contracts are the responsibility of the Governing Body of Voluntary Aided Schools, Governing Bodies entering into contracts must do so on behalf of, and in the name of the Council.

Every contract which does not exceed £10,000 in value must be signed by the Headteacher. Every contract which exceeds £10,000 in value must be signed by the Chair of Governors or nominated Governor and reported to the Finance Committee.

Prior to issuing a Contract Officers must obtain from the Economic Operator evidence of compliance with any Contractual requirements, such as insurances, disclosure and barring service checks and policies and procedures.

An Economic Operator shall not be allowed to commence performing the Contract prior to the formal Contract documents being signed.

In the case of Framework Agreements an Economic Operator shall not be permitted to participate in any call-off from the Framework until such time as their agreement has been duly signed.

Contract Management

Contract Monitoring and Performance Management

- 4.7.31 Contracts Awarded must be monitored and managed throughout the Contract term to ensure delivery of the Contracted goods, services or works in accordance with the Contract requirements and performance standards.

Contract monitoring and management arrangements must be proportionate to complexity, value and risk associated with the Contract.

Orders for Work, Goods and Services

- 4.7.32 Official orders must be issued to Economic Operators, which must identify that Torbay Council has issued the order, except where

- a) formal agreements have been executed
- b) a statutory duty exists e.g. water and sewerage rates
- c) purchases have been made from imprest accounts
- d) written Variation Orders relating to a formal contract have been issued.
- e) orders are placed on line to Devon Purchasing or other purchasing consortia.

For the purposes of commitment accounting, schools may find it convenient to prepare an order in all cases but retain the supplier's copy with internal copies on file where despatch of the order would be inappropriate.

When orders are printed locally, Torbay Council will supply appropriate stationery detailing the Torbay's payment terms and conditions. Headteachers will be responsible for ensuring that the issue of orders is properly controlled and each order is properly authorised.

Orders must only be signed by persons who are specifically authorised to do so. When deciding who is authorised to sign, schools should take the following into account:

- a) the status of the employee within the school's management structure and the school's internal financial procedures.
- b) the principle of separation of duties requires that an employee authorised to sign orders must not be authorised to certify invoices for payment. This must be applied whenever possible.
- c) employees must sign in their own name.
- d) facsimile signatures must not be used.
- e) when signing an order, employees must ensure that the purchase relates to the school and that there is provision for the expenditure in the budget.

In emergencies, an employee who can authorise an order may approve a verbal order. However, this practice should be kept to a minimum and a confirmation order should be written out and authorised and despatched either the same or next working day. Where suppliers require payment with an order, schools can draw a cheque in advance and collect the invoice when goods are supplied.

A final certificate of payment under any contract shall not be issued, except upon the requirements of a particular contract, by the authorised person acting as supervising officer until:-

- a) A detailed statement of account has been made available, together with such vouchers, documents and information as may be required;
- b) A certificate of completion of the work has been supplied; and
- c) The amount to be certified has been agreed by the Authorised Officer or nominated deputy concerned.

Definitions

4.7.33 Please see appendix 9i

Land, Buildings and Leases / Tenancies / Licences

- 4.7.34 Schools are not empowered to enter into any contract for the sale of any land or interest in land, or for the granting or taking of any lease, tenancy or licence on respect of land or building which is owned by the LA.
- 4.7.35 Schools may purchase additional land and erect buildings, grant leases, tenancies or licences in respect of that land or buildings, and sell that land. Schools must consult the LA if they are proposing to take such action.
- 4.7.36 If a school proposes to lease land the LA must be consulted. Leases of land for periods of ten years or more are not permitted because the ongoing liability will affect the capital funds available to the LA.

4.8 Leasing Arrangements

- 4.8.1 Leasing is a convenient means of acquiring the use of assets and spreading the cost over their life in return for a charge that includes the cost of the finance. There are two types of lease, finance leases and operating leases. It is sometimes not easy to distinguish between the two. Finance leases count towards Torbay Council's approved allocation of capital expenditure. As this allocation is limited, schools must consult with the Director of Children's Services and the Section 151 Officer before they enter into any leasing arrangement. This includes any proposal to take out a Hire Purchase agreement.

4.9 Payment of Accounts

- 4.9.1 Each Headteacher is responsible for arranging for the certification and submission of accounts for payment. Payments will be made on behalf of schools by the Section 151 Officer except for disbursements from petty cash imprests and payments by schools that operate local payments.
- 4.9.2 Payments should be made promptly in order to ensure compliance with the Late Payment of Commercial Debts Act and avoid interest claims. Each Headteacher must ensure that every invoice received is examined, compared to the order, verified and certified. Within the payment process, it is important that the duties of checking the detail of invoices are properly recorded and separated from that of certifying the invoice. Particular care must be taken over payments covered by the Construction Industry Scheme (See paragraphs 4.17.1 to 4.17.3). The details must be evidenced and recorded on the invoice as set out in 9.3 below. (See paragraph 4.7.10 for separation of duties between authorising orders and certifying invoices)
- 4.9.3 Before an invoice is certified, the certifying officer must be satisfied that a member of staff has initialled the invoice to show that:
- a) that the goods/services have been received, examined and approved as to quality and quantity, or that services rendered or work done have been performed satisfactorily;
 - b) that they conform to the order;

- c) that the price is in accordance with the quotation, contract or current market rate, whichever is applicable or is otherwise reasonable;
- d) that the arithmetic accuracy of the invoice is correct and that all trade and cash discounts, other proper allowances and other credits due have been deducted;
- e) that the expenditure has been properly incurred has been duly authorised and is within available budgeted resources;
- f) that the cost allocations are correct;
- g) that the invoice has not previously been passed for payment and is a proper liability of the Council;
- h) that where items of moveable property are purchased costing more than £100, an entry has been made in the appropriate Inventory;
- i) that where the purchase is over £10,000 for a single item, an appropriate entry has been made in the Asset Register;
- j) that appropriate entries have been made in any goods received and/or stores records which are required to be kept.

The use of a grid stamp is often convenient to record this detail.

- 4.9.4 Schools should be aware that periodically attempts are made to defraud organisations by persons who despatch unsolicited invoices. Additionally employees in Schools may be subjected to pressure selling methods. Headteachers should ensure that invoices are not processed for payment unless the goods or services were properly ordered and supplied. It is an offence under the Unsolicited Goods and Services Act 1971 to demand payment for unsolicited goods that have been delivered. Trading Standards and/or Internal Audit can advise on the action to be taken in such cases.
- 4.9.5 All invoices shall be processed promptly and uploaded to the payments team to enable the Council to meet the BVPI on late payment of invoices.

Direct Debits for Local Payment Schools Only

- 4.9.6 Schools are permitted to enter into direct debit agreements to pay recurring charges such as those for mobile telephones. The charges must be set up against the school's IMPREST bank account or school's bank account for those who operate local payments. Schools should liaise with the LA to arrange an appropriate imprest level to meet these commitments.
- 4.9.7 Direct Debit authorisations must only be signed by a member of staff who is authorised to certify invoices for payment. If the proposed payment is a leasing agreement, the Section 151 Officer must be advised.
- 4.9.8 Once the agreement is established, the actual payments must be monitored for accuracy and processed with the next petty cash claim for imprest accounts, or entered in the bank account for schools that operate local payments. Care must be taken to ensure that VAT is properly recorded and supported by a tax invoice.

Taxes Management Act

- 4.9.9 If schools are not using the central payments system, arrangements must be put in place to supply to the Inland Revenue annually the name, address and creditors reference code of every creditor together with details of the gross amount paid to the creditor and a description of the service received.

4.10 Salaries & Wages / Payroll

General

- 4.10.1 The Headteacher is responsible for the integrity of payroll arrangements ensuring compliance with the current version of the Council's Pay Policies. All payments to employees, including casual employees, must be processed in such a manner so as to ensure that they are subject to the correct treatment for income tax and national insurance deductions unless the school has notification, in writing from the tax office responsible for the school as an employer, that:
- a) payment can be made without deduction of income tax and national insurance;
 - b) payment can be made without deduction of tax but with national insurance deducted.
- 4.10.2 If the school is making its own arrangements for payroll processing, the Headteacher must ensure that it is registered as an employer with the Inland Revenue and complies in all respects with the Inland Revenue's requirements.

Staff Appointment and Changes

- 4.10.3 The Governing body should consider the extent to which authority for approving appointments and changes to remuneration for all members of staff is delegated (see paragraph 2.1). However, it is a basic principle that a member of staff must not be able to approve a change to their own conditions and remuneration.
- 4.10.4 Headteachers must ensure that appointments of new staff are only made after the checks required by the Council's Human Resources Department have been made. A checklist should be held on personnel files as evidence that these checks have been carried out and should be supported by certified copies of identity, right to work and, in the case of non-teaching staff, qualifications pertinent to the appointment.

Payroll Administration

- 4.10.5 Authority for advising the payroll provider, or school staff responsible for payroll processing, of changes to information about remuneration should normally rest with the Headteacher. This authority can be delegated to other senior members of staff with the approval of the Governing Body. A member of staff must not be able to advise the payroll provider of changes to their own conditions and remuneration. Any amendment affecting the Headteacher should be countersigned by the Chair of Governors.
- 4.10.6 The Headteacher can approve an appropriate level of delegation for communication of changes to information to the payroll provider, or school staff responsible for payroll processing, which do not affect gross pay or conditions e.g. tax code changes.
- 4.10.7 Communication of information to the payroll provider, or school staff responsible for payroll processing, must be in a controlled manner by the use of pre-numbered stationery, requiring an authorised signature, or automated processes which are password protected for authorisation and despatch. Additions to normal pay, e.g. overtime, must be supported by written claims submitted and signed by the employee giving details of the date, times and hours worked and certified by an authorised member of staff. Whenever possible overtime working should be authorised in advance.
- 4.10.8 The school must ensure that it, or the payroll provider, retains records for the following length of time:
- a) gross pay and superannuation deductions - ten financial years;
 - b) income tax and national insurance - six financial years.

- 4.10.9 Schools should check at least termly that employees receiving payment are properly employed and that their gross pay agrees with their contracts of employment.

Where appropriate Torbay Council's Executive Head of Human Resources shall be provided with information, in an agreed format, to maintain and control records relating to:

- a) Service
- b) Superannuation
- c) PAYE
- d) National Insurance
- e) Statutory Sick Pay
- f) Statutory Maternity Pay
- g) Trade Union Deductions
- h) Inland Revenue requirements related to P11D forms
- i) Any other regular additions or deductions relating to pay

Appointment of all employees shall be made in accordance with the establishment and/or rates of remuneration approved by the Torbay Council. The Head of Human Resources shall be consulted in connection with any proposal to seek approval to any appointment outside the approved rates of remuneration.

4.11 **Banking**

- 4.11.1 Schools have the choice of managing their own local payments account or making use of the Council's banking arrangements. In this latter case the school will also operate an Imprest bank account for small value transactions (see Para 4.15). All bank accounts must be opened and closed, and signatories amended by the Section 151 Officer.

Schools which operate Local Payments.

Choice of Bank

- 4.11.2 Schools that opt for local payments must only make their banking arrangements with a banking institution approved by the Council. The name of the account must include the name of the Council. The selection of the bank and the banking arrangements must then be approved by the Governing Body. Schools will be required to notify their chosen bank in writing that Torbay Council has an interest in the banking arrangements and the Section 151 Officer has been given a letter signed by two cheque signatories allowing access to the records.

- 4.11.3 The approved banking institutions will be reviewed from time to time.

Signatories

- 4.11.4 It is recommended that there should be at least three school signatories in primary and special schools and four in secondary schools. These are to include the Headteacher and other senior staff, e.g. Deputy Headteacher and Bursar, as approved by the Governing Body. With the approval of the full Governing Body individual Governors may, where appropriate, be authorised signatories. The circumstances under which a Governor becomes an authorised signatory should be recorded and on a recurring basis it should usually be for the purposes of authorising travel and expenses payments for the Headteacher, or on an exceptional basis for entering into significant financial contractual commitments. The mandate must specify that cheque and any other documents authorising payment must be signed by two signatories.

Being Overdrawn

- 4.11.5 In no circumstances must a school account be overdrawn or the school enter into an overdraft arrangement or borrow funds without the written permission of the Secretary of State (Section

1.15 of the Scheme). If a school is experiencing cash flow difficulties, it must seek immediate advice from the LA.

Automated Payments

4.11.6 If payments are to be made by BACS transfer, the school must ensure that the details of the receiving bank account are correct and that there are controls in place to guarantee the accuracy and authenticity of transactions.

Other Payments

4.11.7 Schools cannot make private payments relating to unofficial funds through their bank account or make advance payments to contractors or suppliers.

Bank Charges

4.11.8 Schools will be responsible for any bank charges arising from their transactions.

VAT Repayments

4.11.9 VAT repayments will be made to schools that operate local payments one month in arrears.

Investments

4.11.10 Schools operating local payments can only make investments with named institutions and must carry no risk to the capital sum. Arrangements must not be made through intermediaries.

4.12 Income

Form of Records

4.12.1 The form of all records relating to income maintained by each school shall be agreed with the Internal Audit Section. All official receipt books, tickets and any other form acknowledging receipt of income will be ordered, controlled and issued by the Financial Services Section. Receipts for all money received on behalf of the Torbay Council must be on the official form properly recorded and acknowledged.

4.12.2 All invoices raised must be in the joint name of the school and Torbay Council. They should be raised as soon as possible after the goods or services were provided. Schools which issue their own invoices must take particular care to ensure that, when a charge is subject to VAT, a proper tax invoice is issued indicating the Council's VAT registration number, date of supply, the date of the invoice (tax point), the charge excluding VAT, the rate of VAT and the VAT charged and a total charge inclusive of VAT.

Security

4.12.3 All monies received (including cash equivalents such as vouchers, cheque books etc.) must be held securely, normally in a safe or locked receptacle. Employees must ensure that keys entrusted to their custody are held at all times under their personal control. Nominated substitute key holders should be available in the absence of the principal holder.

4.12.4 Whenever cash is transferred from one employee to another, the employee handing over the cash must receive a signed acknowledgement, from the person receiving it, indicating the date and the amount received. These acknowledgements must be retained in accordance with the guidance on retention of documents.

Banking

- 4.12.5 Income shall be promptly receipted and banked in full, in compliance with the Accounts and Audit regulations in force at the time. Such banking shall be made daily or in any case where cash and cheques exceed the insurance level of the respective safe or facility used for holding the income weekly. Payment in must be direct to the Council's bank account. Where the school manages its own cash, payment in must be direct to the school's bank account except for monies collected on behalf of the LA e.g. school meals income, which must be paid in to the Council's bank account. All banking must be intact to include all monies received in the banking period.
- 4.12.6 All cash surpluses shall be paid in and reported to the Headteacher.
- 4.12.7 Personal cheques must not be cashed out of income. Income must not be used to make disbursements or refunds. These should be paid from the imprest or creditors system. Third party cheques should not be accepted.
- 4.12.8 Employees preparing banking documentation must enter on the paying-in slip, and on the counterfoil or duplicate paying-in slip, the total cash analysed by denomination and the total of the cheques. Cheques should be listed showing the amount and some reference to the drawer, debtor or receipt issued which will connect the payment to the debt being discharged.
- 4.12.9 When transporting cash for banking, particular regard must be given to the safety of employees.

Sale / Disposal of Surplus Assets

- 4.12.10 Surplus portable assets financed from funding delegated to the school can be disposed of following written authorisation by the Headteacher that such items are no longer required. Items may be sold and the income retained by the school. Individual items expected to realise income of up to £100 can be sold following advertisement to parents or employees on notice boards. Individual items expected to realise income between £100 and £10,000 should be offered for sale, with priority given to other schools or sections within the Council. Bids should be required in sealed envelopes. Disposal of individual items expected to realise in excess of £10,000 should be approved by the Chair of Governors or other nominated Governor, and should follow the procedures in section 7.24.
- 4.12.11 Surplus portable assets with no second hand value can be disposed of or recycled as appropriate. The school's inventory must be updated as appropriate.
- 4.12.12 Surplus assets funded from non-delegated LA funds should be offered to the LA for relocation. If these items are sold the income must be refunded to the LA. Schools must seek advice on any proposal to sell an asset which was financed from the former Standards Fund Grant.

Recovery of Unpaid Debts

- 4.12.13 Ideally schools should attempt to ensure that income is received in advance. However, as this is not always possible, the Governing Body should agree a policy for debt collection. This should require that
- a) persons who do not pay receive a follow up demand within twenty-one days of the issue of the invoice and a further follow up after a further ten days
 - b) if the service is of a continuing nature, it is withdrawn until payment is received
 - c) If payment is still not forthcoming, the school should consider legal action or the use of a debt collection agency, depending on the sum and cost involved.

Write Offs

- 4.12.14 All unpaid debts more than one year old must be written back to the school's budget if the amount has been accrued. However, attempts to collect should continue.
- 4.12.15 Governing Bodies or a subcommittee of the Governors are authorised to write off individual amounts owed to the school up to £1,000 following consideration of a report from the Headteacher. The decision must be minuted. The LA must be advised of the individual amounts and the LA debtors system invoice number if relevant. A summary of sums written off should be provided to the LA on an annual basis. Governing Bodies are not permitted to write off income relating to the LA e.g. non-delegated school meals income. Amounts above £1,000 can only be written off by the Section 151 Officer.

Charging and remission of fees for school activities

- 4.12.16 Governing Bodies should ensure that a policy regarding the charging and remission of fees for school activities is adopted.

4.13 Insurances

- 4.13.1 Except where the responsibility for the insurance of the buildings lies with the Governing Body, Torbay Council centrally provides insurance cover for the risks set out in the Insurance Schedule provided by the Council, either by way of external insurance or an internal insurance fund. Head teachers should inform the LA of:

- a) all new risks requiring to be insured;
- b) any alterations affecting existing policies;
- c) any event likely to add to a claim.

- 4.13.2 Where schools have opted for delegation of the insurance budget or have arranged additional cover, policies must be in the joint name of the Council and the school. Headteachers must provide the LA with documentary evidence of the initial cover arranged, renewals and amendments so that compliance with the minimum cover required by the LA can be monitored.

- 4.13.3 Schools should ensure that organisations hiring the premises hold adequate and current Public Liability Insurance.

4.14 Petty Cash Imprest Accounts

- 4.14.1 All schools which do not operate local payments will be offered the use of a petty cash Imprest account. The Imprest will be held in a bank account. Schools must not overdraw their bank accounts, overdrawing will result in bank charges and interest which will be chargeable to the school's budget.

- 4.14.2 The value of the Imprest and any subsequent amendments will be agreed with the LA, who will arrange for adjustments to be processed. Income received must not be paid into an Imprest bank account or used to make disbursements but must be banked in accordance with section 12.5.

- 4.14.3 Imprest accounts may be used for minor items of expenditure when the use of the creditors' payments system is not appropriate. The maximum amount payable for one transaction is £200. This limit has been established to give schools some flexibility but in general it is expected that disbursements will be for sums up to £30 in value. Governing Bodies may determine a different level of allowed disbursements providing this is documented in the agreed Finance Policy of the school. Imprest accounts must not be used to make payments subject to the Construction Industry Taxation Scheme (see section 17.4).

- 4.14.4 Personal cheques must not be cashed in imprest accounts and money must not be borrowed from Imprests.

4.14.5 Employees administering an Imprest must:

- a) obtain and retain vouchers to support each payment. This will include a VAT invoice where this tax is charged.
- b) hold all cash, cheque books and vouchers in a secure, locked place, preferably a safe.
- c) liaise with the LA concerning amendments to cheque signatories.
- d) advise the appropriate branch of the bank used, of those employees who are authorised to draw cash together with specimen signatures. Such notification should be on School letter headed paper, and signed by a cheque signatory.
- e) reconcile the account each time that a bank statement is received and a claim for reimbursement is made.
- f) claim reimbursement when the Imprest is approximately two thirds spent to avoid overdrawing.
- g) retain and file all documentation supporting reimbursement claims in accordance with the instructions on document retention included in the procedural guidance issued by the LA.

4.14.6 The Headteacher must periodically check that the imprest is being properly reconciled by re-performing the reconciliation. This responsibility can be delegated to a nominated senior employee who has no involvement in the administration of the Imprest.

4.14.7 At the 31st of March annually the school must submit a reconciliation of the Imprest, certified by the Headteacher, to the LA.

4.15 Travel and Subsistence

4.15.1 The Governing Body should establish levels of approved expenditure for travelling and subsistence. In doing this, it may wish to consider rates approved by the LA.

4.15.2 All claims for travelling and subsistence must be made in writing identifying the reason for the claim and the amount claimed. The claim must be signed by the employee and certified by a senior member of staff. Individuals must not certify their own claim.

4.15.3 All payments for travelling must comply with the Inland Revenue's requirements on the expenses of commuting and declaration of taxable benefits. This makes it desirable that these payments are processed through the payroll.

4.15.4 The Governing Body may draw up a scheme for making expenses payments to members of the Governing Body. In doing this it may wish to consider rates approved by the LA.

4.16 Taxation

4.16.1 Schools are affected by taxation in a number of ways from the retention of documents to having a responsibility to observe the requirements of the collecting agencies as contained in statutes, regulations and case law. Schools will need to be aware of the requirements in the following areas:

- Construction Industry Scheme
- Income Tax and National Insurance
- Taxes Management Act
- Value Added Tax

4.16.2 As a general principle, Schools must ensure that they account for tax on all relevant transactions and that, if there is some doubt about the taxable status of a transaction, advice must be sought.

There are particular requirements for retention of documents where tax is involved. These are covered by procedural and operational guidance issued by the LA.

Construction Industry Scheme

- 4.16.3 The scheme requires payments to contractors by schools do not now fall within the scope of the new scheme. However, this is only the case when a contractor is commissioned by the school to do work at the school. If schools are managing a Council funded capital scheme at the school and paying the contractor directly, they must seek advice from the Payments Section to ensure compliance.

Income Tax and National Insurance

- 4.16.4 All persons employed by Schools must have their earnings processed in such a manner that correct deductions are made for income tax and national insurance. Inevitably this means that the payments must be processed through the payroll so that accurate cumulative earnings and deductions are reported to the Inland Revenue at the end of the tax year. This arrangement must include all casual employees. Schools must not make payments of earning from imprest accounts or unofficial funds.
- 4.16.5 The Inland Revenue will hold the school liable to pay any tax not deducted. This can only be recovered from the employee if it relates to the then current tax year.
- 4.16.6 There is clear guidance available to establish whether the role is on an employed or self-employed basis. HMRC guidance is available at: <https://www.gov.uk/guidance/check-employment-status-for-tax>. Government legislation puts the onus on public sector bodies to decide if Tax and/or National Insurance contributions should be deducted on payments made to workers. Payment needs to be made through the payroll processes if the assessment determines that the role is employed. Contact HR Support for advise on the process to follow. Should the result of the assessment be undetermined or self-employed complete the supplier details form and email this together with the HMRC assessment to Payments before engaging the worker.
- 4.16.7 In addition to pay, individuals may receive allowances which can either be paid in cash or received in kind. Examples are mileage allowances and uniform issues. These may create a taxable benefit which has to be reported to the Inland Revenue. This report has to be made on a form P11D, or P9D for employees earning less than £8,500 per annum, with a copy being sent to the employee by the 6th of July following the relevant tax year. The employee uses the form to complete their self-assessment tax return.
- 4.16.8 It is important that the information on forms P11D and P9D is correct and complete as there are penalties which the Inland Revenue can impose on the employer for non-compliance and non submission. Therefore, Schools must ensure that any payment to employees is correctly treated for tax purposes and recorded for inclusion on forms P11D and P9D if necessary.
- 4.16.9 The Inland Revenue has agreed that a number of allowances paid by the LA do not create a taxable benefit and have granted dispensations so that the detail does not have to be reported on forms P11D and P9D. However, there are conditions attached to a number of these dispensations. Details of the dispensations will form part of the operational guidance issued by the LA.

Value Added Tax

- 4.16.10 Schools are responsible for providing information to enable the LA to maintain proper VAT records and to ensure that returns are made to HM Revenue and Customs in accordance with the prescribed regulations. Further details about VAT are available in operational guidance issued by the LA. HM Revenue and Customs have powers to impose penalties and interest where bodies do not properly account for VAT.

4.16.11 Schools who decide to make their own accounting arrangements cannot be separately registered for VAT. This means that:

- a) information must be passed to the LA in compliance with the LA's accounting period end dates;
- d) information must be submitted within one week of the period end date;
- b) documentation must be in a form approved by the HM Revenue and Customs and retained for at least six years;
- c) VAT claims must be supported by documents relevant to the period;
- d) the school's accounting system and probably feeder systems, e.g. creditor payments, debtors and payroll, will require approval by HM Revenue and Customs.

Input Tax

4.16.12 This relates to payments made. With the exception of off-street parking charges and reimbursement of telephone call costs, and VAT exempt supplies, VAT can only be reclaimed if the following conditions are satisfied:

- a) a full tax invoice is held that shows all the following details:-
 - a unique identifying number;
 - the name, address and VAT registration number of the supplier;
 - the name and address of the school;
 - the time of the supply – the tax point, often the same as the date of the issue of the invoice
 - a description sufficient to identify the goods or services supplied;
 - for each item the rate of VAT and the amount payable' excluding VAT, in any currency;
 - the unit price – if appropriate;
 - the gross amount payable, excluding, VAT, in any currency;
 - the rate of any cash discount offered;
 - the total amount of VAT chargeable expressed in sterling.
- b) where the supplier is a retailer and the purchase does not exceed £250 a 'lesser detailed tax invoice' also known as a 'retailer's invoice' is acceptable. It must show the following details: -
 - the name, address and VAT registration number of the retailer;
 - the time of the supply – the tax point, often the same as the date of the issue of the invoice;
 - a description sufficient to identify the goods or services supplied;
 - the total amount payable including VAT; and
 - for each rate of VAT chargeable, the gross amount payable including VAT and the VAT rate applicable.
- c) for construction industry payments, an authenticated receipt will be obtained, or;
- d) for payment made in advance of a tax invoice being received, a tax receipt is obtained from the supplier to allow an adjustment to be made to the VAT claim;
- e) the VAT is identified correctly in the payments system;
- f) the processing of VAT invoices is not delayed.

Output Tax

4.16.13 This relates to income received. Schools must ensure that:

- a) invoices issued are valid tax invoices in accordance with HM Revenue and Customs regulations (See section 12.2).
- b) invoices are raised promptly.

c) income received is correctly analysed for VAT purposes.

4.17 Information Technology / Data Protection

4.17.1 The Governing Body is responsible for ensuring that the school is fully registered under the Data Protection Act.

4.17.2 The school should establish a Computer Security Policy and Internet and Email Code of Conduct

4.17.3 Headteachers must ensure that only authorised staff have access to computers. This access must be password protected. Passwords must be changed regularly and not disclosed.

4.17.4 Schools must only permit authorised software to be loaded to computers to prevent the importation of viruses. A record of all software loaded must be maintained.

4.17.5 Computer systems must be backed up on a regular basis so that data can be recovered in the event of a hazard affecting the equipment. The backups must be stored in a fireproof location, preferably off site. Regular tests should be undertaken to ensure that data can be recovered from the back up.

4.17.6 Schools should ensure that they comply with the advice issued by the LA concerning the rotation of discs in the back up process and the cleaning of heads.

4.17.7 Schools may dispose of surplus IT assets purchased from delegated funds but must ensure that all software and data is removed prior to disposal. Disposals shall be in accordance with section 12.10 of these regulations.

4.18 Unofficial Funds

4.18.1 Unofficial funds are those funds, which the school raises and spends through activities, which do not relate to the delegated funds received from the LA. In some instances the funds will be registered as Charities, because their general purposes have a direct long-term public benefit to current and future students and under such circumstances Trustees will be expected to comply with the financial requirements of the 2006 Charities Act. Unofficial funds in the context of this document refer to those single purpose and/or short life funds that :-

a) are not consolidated within an existing Charity Registered general fund

b) cannot be described as having a wider long term "public benefit" which would make them subject to Charity Registration.

c) are under the control of the Governing Body (as opposed, for example, to a Friends Group)

4.18.2 Schools are encouraged to apply similar standards to the control and custody of unofficial funds as they are required to apply to their delegated funds. Full guidance will be found in the LA's guidance document "Voluntary Unofficial Funds in Schools and Colleges" (updated Sept 09). In particular, schools should ensure that:

a) bank mandates require two signatures on cheques and instructions to transfer funds between bank accounts;

b) expenditure is relevant to the activities and purposes of the fund;

c) income is properly recorded and receipted;

d) bank statements are reconciled on receipt to the accounting records;

e) staff activities are self-financing;

4.18.3 Subject to annual income thresholds, these funds must be independently examined or audited each year by a person who has no responsibility for deciding how the funds are spent or for the financial administration of the school. An independent examiner's statement or audit certificate signed by the examiner/auditor and Headteacher must be submitted within 3 months of the preceding year end and presented to the Governing Body and the LA, accompanied by the Accounts. The accounts should also be made available for inspection by parents and staff.

4.19 **Lettings**

A Lettings Policy should be agreed by the Governing Body detailing charges, delegation to staff to amend charges and use of hire forms.

4.20 **Purchase Cards, Debit Cards or Cheque Guarantee Cards.**

Schools may enter into arrangements with providers of Debit Cards or Cheque Guarantee Cards.

A copy of a purchase application and accompanying notes on how to manage it are at the back of this document at Annex 6.

All applications for such cards should be made in the first instance to the Payments Team 01803 207261. The operation of such cards will be with the express approval of the LA and subject to the agreed protocol relating to the use of such cards given below:

Debit / Purchase Card Protocol

- a) This protocol must be complied with in all cases where such a card is requested.
- b) The protocol also applies where a debit card or purchase card is used.
- c) The Governing Body must approve any application for a corporate credit card including who should use the card and any credit limit. Such approval must be minuted and cannot be delegated to the Headteacher.
- d) Credit Card accounts must be in the name of the school and the Council.
- e) The Governing Body must consult with the LA and obtain approval for the opening of any credit card account.
- f) Credit cards should only be used by the Headteacher or nominated staff and must be kept securely in the safe at all times, and signed out if taken off site.
- g) It is not intended that in general cardholders will be able to use their cards for travel, accommodation, hospitality and subsistence but travel and accommodation can be booked with the card where appropriate for employees involved in School/Council business as long as the cardholder is not the recipient of the service (i.e. the booking is made by the school administrator on behalf of the staff making the trip).
- h) Any purchases made outside of the approved scheme would lay the cardholder open to tax liabilities and may be required to reimburse the Council for such expenditure.
- i) Credit cards must not be used for personal use or for withdrawing cash without the express approval of the LA.
- j) It is for the Governing Body to decide the maximum credit limit allowed on any credit card account, but an upper limit of £6,000 is reasonable.
- k) Statements must be received at the School and checked by a senior member of staff other than the staff member issued with the card. In the case of cards issued to the Headteacher, statements must be approved by the Chair of Finance or other nominated governor.

- l) Cardholders or the administrator must check that:-
- All items detailed on the card statement have been received
 - There are no incorrect entries
 - The entry amounts match the invoices
 - Each transaction is coded to the correct financial ledger code
 - Disputed items have been credited and a credit transaction voucher is requested so that the transaction log can be updated
 - That you have a valid VAT invoice, you cannot claim VAT until you have received this.
- m) Staff issued with credit cards must sign to accept this protocol and any breach of this code will be considered misconduct.

Section 5 – Torbay Council – Staff Contacts

Finance Helpline

T: 01803 208935
E: Financial.Services@torbay.gov.uk

Rob Parr, Principal Accountant

T: 01803 208273
E: Rob.Parr@torbay.gov.uk

(For queries in connection with Section 2 of the Scheme - How the Formula Works and final allocations)

Devon Audit Partnership - Schools Team

T: 01392 382586
E: edaudit@devon.gov.uk (LA Maintained Schools)
(For queries relating to general Financial Conditions and Financial Regulations)

**LIST OF MAINTAINED SCHOOLS TO WHICH SECTIONS 3 AND 4 APPLY
AS AT 1 APRIL 2023**

Primary Schools

<u>DfE No</u>	<u>Status</u>	
2455	C	HOMELANDS PRIMARY
2469	C	SHERWELL VALLEY PRIMARY
2460	C	WATCOMBE PRIMARY
2439	F	WHITE ROCK PRIMARY

Secondary Schools

<u>DfE No</u>	<u>Status</u>	
4601	VA	ST CUTHBERT MAYNE JC & C OF E SCHOOL
4117	F	THE SPIRES COLLEGE

Special Schools

<u>DfE No</u>	<u>Status</u>	
7042	C	MAYFIELD SCHOOL

C = Community; F = Foundation; V = Voluntary Aided; VC = Voluntary Controlled

LIST OF ACADEMIES AS AT 1 APRIL 2023 (for information only)

Primary Academies

ALL SAINTS BABBACOMBE C OF E PRIMARY
BARTON HILL ACADEMY
BRIXHAM PRIMARY
COCKINGTON PRIMARY
COLLATON ST MARY C OF E PRIMARY
CURLIDGE STREET ACADEMY
EDEN PARK PRIMARY ACADEMY
ELLACOMBE ACADEMY
FURZEHAM PRIMARY
GALMPTON C OF E PRIMARY
HAYES SCHOOL
ILSHAM ACADEMY
KINGS ASH ACADEMY
OLDWAY PRIMARY
OUR LADY OF THE ANGELS PRIMARY
PRESTON PRIMARY
PRIORY PRIMARY
ROSELANDS PRIMARY
SACRED HEART PRIMARY
SHIPHAY LEARNING ACADEMY
ST MARGARET CLITHEROW PRIMARY
ST MARGARETS ACADEMY
ST MARYCHURCH C OF E PRIMARY
ST MICHAEL'S C OF E ACADEMY
TORRE C OF E PRIMARY
UPTON ST JAMES C OF E PRIMARY
WARBERRY C OF E PRIMARY

Secondary Academies

BRIXHAM ACADEMY
CHURSTON FERRERS ACADEMY
PAIGNTON COMMUNITY & SPORTS ACADEMY
TORQUAY ACADEMY
TORQUAY BOYS' ACADEMY
TORQUAY GRAMMAR SCHOOL FOR GIRLS

Special Academies

LODESTAR ACADEMY
BRUNEL ACADEMY
COMBE PAFFORD ACADEMY

Operational Protocol for Cross Border working regarding Admissions and Top-Up between Devon, Plymouth and Torbay

Principles:

- Transparent
 - Fair
 - Reduction in administration
1. Any request for a Special School place will be made to the appropriate Local Authority's SEND Panel. Special Education Teams will not approach other LA schools direct.
 2. The cost of a Special School place to another LA will be the same as that paid to the school by its own LA. The 'band/level' will be allocated by the school's own LA SEND panel.
 3. If an enhanced level of funding is required this will be determined following a conversation between the two LAs as part of the consultation process.
 4. If a Special School is not full, another LA buying a place will pay ~~the top-up rate elements 1, 2 & 3~~ determined by the school's LA.
 5. If a special school is full but could accommodate another pupil the internal policy for buying additional places used by the school's LA will be used to determine the cost of a place for another LA.
 6. Funding will be paid for the whole month if a child joins the school by the 15th of the month.
 7. Funding will start from the 1st of the next month if a child joins the school after 15th of the month.
 8. The same principle (6&7) will apply to ending funding.
 9. Inter LA funding will be paid on a termly basis.
 10. ~~This year Post 16 charges to other LAs will reflect the place led cost as is currently the case. This will be reviewed as required.~~ The cost of Post 16 provisions will be charged to the placing LA.
 11. Mainstream charges will work in the same way as Special Schools. Cases will be taken to the LA SEND panel where ~~top-up element 3~~ funding will be decided ~~and the school's LA will then consult with the school~~ and communicated with the school.
 12. LAs using The Protocol will ~~share information on their banding details and place costs~~ consult on their banding details and placement costs before the start of each financial year.
 13. ~~There will be ongoing monitoring of the protocol to ensure~~ There will be an annual meeting of all the LAs using The Protocol to monitor effectiveness and make changes as required.

**PROTOCOL FOR COMMISSIONING PLACES IN SPECIAL SCHOOLS/
ENHANCED PROVISIONS**

The agreement for placing pupils in both special schools and enhanced provisions is described below;

The review of commissioned places in Torbay Special Schools is undertaken annually.

1. Places in special schools & ERP's will be monitored via the monthly returns made by schools on the 15th of each month.
2. The annual review of places commissioned in schools will take place in ~~September to inform budget setting in December~~ September to October to inform the budget setting and commission of places to the ESFA in November.
3. The commissioning meeting will review the pattern of schools' NOR over the past two years, waiting lists, referral lists, likely levels of transfer / starting school information and information from other agencies.
4. The commissioning meeting will review pupil allocations to designated SEND categories for school funding.
5. If a school has more than 5% vacancy rates over the past financial year, and there is no clear evidence from the discussion and information outlined at point 3, then the commissioned places for the next financial year will be reduced by 5%.
6. If a school has more than 10% vacancy rates over the financial year then, unless there is clear evidence arising from the discussion outlined at point 3, the places commissioned in the following financial year will be reduced by 7.5%.
7. If a school is required to admit more pupils than places commissioned in a financial year, then the school will receive the additional place funding and individual pupil top up pro rata from when the pupil attended the school. If a pupil starts at a school after the 16th of the month they will be funded from the start of the following month.
8. Higher than commissioned numbers will form part of the annual discussion to inform the following year commissioned numbers.

SCHOOLS FINANCIAL VALUE STANDARD (SFVS) – CHECKLIST

		Answer	Comments, evidence and proposed actions
A. Governance			
1	In the view of the governing body and senior staff, does the governing body have adequate and up-to-date financial skills among its members to fulfil its role of challenge and support in the field of budget management and value for money? Is there a plan in place to address any gaps?	Q1 guidance	Choose an item.
2	Does the governing body have a finance committee, or equivalent, with clear terms of reference and a knowledgeable and experienced chair?	Q2 guidance	Choose an item.
3	Does the governing body receive clear and concise monitoring reports of the school's budget position at least 6 times a year?	Q3 guidance	Choose an item.
4	Are business interests of governing body members and staff properly registered and taken into account so as to avoid conflicts of interest?	Q4 guidance	Choose an item.
5	Does the school have access to an adequate level of financial expertise, including when specialist finance staff are absent, for example, on sick leave?	Q5 guidance	Choose an item.
B. School Strategy			
6	Does the school have a realistic, sustainable and flexible financial strategy in place for at least 3 years, based on realistic assumptions about future funding, pupil numbers and pressures?	Q6 guidance	Choose an item.
7	Is the financial strategy integrated with the school's strategy for raising standards and attainment, through integrated curriculum and financial planning?	Q7 guidance	Choose an item.
8	Does the school have an appropriate business continuity or disaster recovery plan, including an up-to-date asset register and adequate insurance?	Q8 guidance	Choose an item.
C. Setting the annual budget			
9	Does the school set a well-informed and balanced 3-year budget and has this been	Q9 guidance	Choose an item.

	submitted to the local authority?				
10	Does the budget setting process allow sufficient time for the governing body to scrutinise and challenge the information provided?	Q10 guidance		Choose an item.	
11	Is the school realistic in its pupil number projections and can it move quickly to recast the budget if the projections and the reality are materially different?	Q11 guidance		Choose an item.	
12	Is end year outturn in line with budget projections, or if not, is the governing body alerted to significant variations in a timely manner, and do they result from explicitly planned changes or from genuinely unforeseeable circumstances?	Q12 guidance		Choose an item.	
13	Are balances at a reasonable level and does the school have a clear plan for using the money it plans to hold in balance at the end of each year?	Q13 guidance		Choose an item.	
D. Staffing					
14	Does the school review its staffing structure regularly to ensure it is the best structure to meet the needs of the school whilst maintaining financial integrity?	Q14 guidance		Choose an item.	
15	Has the use of professional independent advice informed part of the pay decision process in relation to the head teacher and is it tightly correlated to strong educational outcomes and sound financial management?	Q15 guidance		Choose an item.	
16	Has the school published on its website the number of employees (if any) whose gross salary exceeded £100k?	Q16 guidance		Choose an item.	
17	Does the school benchmark the size of its senior leadership team annually against that of similar schools?	Q17 guidance		Choose an item.	
E. Value for money					
18	Does the school benchmark its income and expenditure and investigate further where any category appears to be out of line?	Q18 guidance		Choose an item.	
19	Has the school leadership team considered the results of the self-assessment dashboard or other DfE benchmarking tools?	Q19 guidance		Choose an item.	
20	Does the school have procedures for purchasing goods and services that both meet legal requirements and secure value for money?	Q20 guidance		Choose an item.	

21	Is the governing body given the opportunity to challenge the school's plans for replacing contracts for goods and services that are due to expire shortly?	Q21 guidance	Choose an item.	
22	Does the school consider collaboration with others, for example, on sharing staff or joint purchasing, where that would improve value for money?	Q22 guidance	Choose an item.	
23	Do you compare your non-staff expenditure against the DfE recommended national approved frameworks to ensure you are achieving best value?	Q23 guidance	Choose an item.	
24	Does the school maintain its premises and other assets to an adequate standard and make best use of capital monies for this purpose?	Q24 guidance	Choose an item.	
F. Protecting public money				
25	Is the governing body sure that there are no outstanding matters from audit reports or from previous consideration of weaknesses by the governing body?	Q25 guidance	Choose an item.	
26	Are there adequate arrangements in place to manage related party transactions and has a complete list of related party transactions been appended to the checklist document (see template for recording related party transactions)?	Q26 guidance	Choose an item.	
27	Are there adequate arrangements in place to guard against fraud and theft by staff, contractors and suppliers?	Q27 guidance	Choose an item.	
28	Are all staff aware of the school's whistleblowing arrangements and to whom they should report concerns?	Q28 guidance	Choose an item.	
29	Does the school have an accounting system that is adequate and properly run and delivers accurate reports, including the consistent financial reporting return?	Q29 guidance	Choose an item.	
30	Does the school have adequate arrangements for audit of voluntary funds?	Q30 guidance	Choose an item.	

The Schools financial value standard (SFVS) documents:

<https://www.gov.uk/government/publications/schools-financial-value-standard-sfvs>

BUILDINGS: CATEGORISATION OF CAPITAL AND REVENUE CRITERIA**ILLUSTRATIVE EXAMPLE (NOT DEFINITIVE):**

ELEMENT	CAPITAL: IMPROVEMENT/ REPLACEMENT	REVENUE: REPAIRS & MAINTENANCE
<u>Roofs</u>		
Flat	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace small areas of rotten or defective timber, make good minor areas of spalling concrete where reinforcing bars exposed
	Screed / insulation in a new building/extension	Repair/replacement of screed/ insulation where defective.
	Screed / insulation. Replacement/repair of substantially all. Improve effectiveness of insulation	Work to improve insulation standards, during work to repair/ replace small areas of roof.
	Finish on new build. Replacement of all/substantially all on existing roof	Replacement of roof finishes on existing building. Re-coating chippings to improve life expectancy
	Edge Trim/ Fascia on new build	Repairs/ replacement. (UPVC) Repainting.
	Edge Trim/ Fascia, Replacement of all/substantially all on existing roof	Repairs/ replacement. (UPVC) Repainting.
	Drainage on new build	Clearing out gutters and downpipes. Replacement/repair/ repainting of/ individual gutters/pipes
Pitched	Other e.g. Flashings, Roof lights on new build Replacement of all/substantially all on existing roof	Repair/ Replacement/ Cleaning of individual items
	Structure. New (not replacement) structure	Repair/replacement of small parts of an existing structure
	Structure. Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	Replace/ repair small areas of rotten/ defective joists, rafters, purlins etc. Not complete trusses
	Insulation in a new	Repair/replacement/ increasing

	building/extension	thickness of insulation in an existing roof
	Insulation. Replacement /repair of substantially all. Improve insulation to current standards	
	Roof finish in a new building/extension, replacement of all/substantially all on existing roof	Replace missing/ damaged
	Bargeboards/ Fascias in a new building/extension, replacement of all/substantially all on existing roof	Repairs/ replacement/ Repainting
	Drainage in a new building/extension	Clearing out gutters and downpipes. Replacement/repairs of individual pipes/gutters
	Drainage. Replacement of all/substantially all on existing roof	
	Other e.g. Flashings, Roof windows in a new building/extension, replacement of all/substantially all on existing roof	Repair/ Replacement Cleaning
Other	Provide new covered link etc. between existing buildings	Minor repairs, maintenance to existing covered link
	Rebuild or substantially repair structure of existing covered link	
	Add porch etc. to existing building	Minor repairs, maintenance to existing
	Rebuild or substantially repair structure of existing porch	
<u>Floors</u>		
Ground Floor	Structure and dpc in new building	Repair/replacement of small parts of an existing structure
	Structure and dpc - Replacement of all or substantial part of an existing structure to prevent imminent or correct actual major failure of the structure	
	Screed and finish in new build, replacement of all/substantially all on existing floor - e.g. replacement of most carpets/ tiles in a room	Replacement and repair of screed and finishes/ Replacement of mats/ matwells. Maintenance e.g. revarnishing wooden floors.
Upper Floor	Structure - as ground floor	As ground floor

	Screed and Finish - as ground floor	Repairs of finishes/ Replacement - as ground floor
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Ceilings

Top/ only storey

	Suspension	Repair/ replacement incl. From water damage, & necessary decoration
	Membrane	
	Fixed	Repair/ replacement inc. from water damage
	Access panels	Repair/ replacement

Lower storeys

	Suspension	Repair/ replacement
	Membrane	
	Fixed	Repair/ replacement

All

	Specialist removal/ replacement of damaged/ disturbed Asbestos based materials, planned or emergency	Inspection/ air testing Applying sealant coats to asbestos surfaces for protection
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External walls

Masonry/ cladding

	Structure Underpinning/ propping for new build	Repairs Preventive measures e.g. tree removal
	External Finish on new build	Repair/replacement of small parts of an existing structure. e.g. repointing/ recladding a proportion of a wall where failure has occurred.
	External Finish on existing build where needed to prevent imminent or correct actual major failure of the structure. e.g. repointing/recladding work affecting most of a building /replacement build	

Windows and Doors

	Framing - new build	Repair/ replacement of individual frames. Repainting frames
	Framing - structural replacement programme	Repair/ replacement of individual windows. Repainting frames
	Glazing - new build	Replacing broken glass
	Glazing Upgrading existing glazing	

	Ironmongery Improved security	Repair/ replacement, upgrading locks etc.
	Jointing including mastic joints	
	Internal and external decorations to new build	Internal and external decoration to include cleaning down and preparation.
Masonry chimneys	Structure	
	Jointing including expansion and mortar joints/ pointing/ DPC	Repair/ re-pointing
<u>Internal walls</u>		
Solid	Complete including various internal finishes, linings and decorations	Repairs and redecoration to internal plaster/ linings tiles, pin boards etc.
	Refurbishment and alterations	Minor alterations
Partitions	Complete structure including linings, framing, glazing, decoration etc.	Repairs and redecoration.
	Refurbishment and alterations	Minor alterations
Doors & Screens	Framing/ Screens/ Doors to new buildings including glazing, ironmongery, jointing and internal decorations	Internal maintenance and redecoration. Repair/ replacement of defective doors and screens
All	Glazing to meet statutory Health & Safety requirements	Replacement of broken glass
<u>Sanitary Services</u>		
Lavatories	In new buildings provision of all toilet fittings, waste plumbing and internal drainage.	Repair/ replacement of damaged sanitary ware, fittings, waste plumbing etc.
	Large scale toilet refurbishment	Small areas of refurbishment
	Provision of disabled facilities, and specialist facilities related to pupils with statements	Repair/ replacement of damaged fittings, waste plumbing etc.
Kitchens	Kitchens in new buildings complete with fittings, equipment, waste plumbing and internal drainage. Internal finishes and decorations.	Maintain kitchen to requirements of LA Cleaning out drainage systems
	General refurbishment	Redecoration Repairs

Large and costly items of equipment

Repairs/ replacement parts

Mechanical services

Heating/ hot water

Complete heating and hot water systems to new projects, including fuel, storage, controls, distribution, flues etc.

General maintenance of all boiler house plant including replacement of defective parts.
Regular cleaning.
Energy saving projects

Safe removal of old/ damaged asbestos boiler and pipework insulation, where risk to Health & Safety.

Monitoring systems

Planned replacement of old boiler/ controls systems past the end of their useful life

Health & safety issues

Replacement of defective parts

Emergency replacement of boiler plant/ systems

Cold water

Provision of cold water services, storage tanks, distribution, boosters, hose reels etc. in major projects

Maintenance and repair/ replacement of defective parts such as servicing pipes. Annual servicing of cold water tanks.

Gas

Distribution on new and major refurbishment's, terminal units

Repairs, maintenance and gas safety
All servicing

Ventilation

Mechanical ventilation/ air conditioning to major projects

Provision of local ventilation. Repair/ replacement of defective systems and units

Other

Swimming pool plant and its complete installation, including heat recovery systems

Repair/ replacement of parts to plant, pumps and controls. Water treatment equipment and all distribution pipework.
Simple heat recovery systems.
Solar heating plant and equipment.

Electrical services

General

Main switchgear and distribution in major projects.

Testing / replacement of distribution boards. The repair and maintenance of all switchgear and interconnecting cables including that in temporary buildings.

Replacement of obsolete and dangerous wiring systems, including distribution boards

All testing, earthing and bonding to meet Health & Safety. All servicing.

Power

Control gear, distribution, fixed equipment, protection etc.

All testing, repair and replacement of small items of equipment

Lighting	Provision of luminaires and emergency	Replacement of luminaires, all testing, adjustments and improvements to emergency
Other	Lightning protection in new build	Repair / replacement
	Alarm systems, CCTV, lifts/ hoists etc.,	Repair and maintenance
	New installation of communication systems, radio/ TV, call, telephone, data transmission, IT etc. and provision in new build.	Repair/ replacement/ maintenance, including all door access systems

External Works

Pavings	Provision of new roads, car parks, paths, court, terraces, pitches, steps and handrails, as part of major project, including disabled access	Maintenance and repair Car park and playground markings.
Miscellaneous	Provision of walls, fencing, gates and ancillary buildings as part of major project	Maintenance and repair of all perimeter/ boundary/ retaining walls, fencing and gates.
Drainage	Drains, soakaways, inspection chambers and sewage plant as part of new projects	Maintenance and repair of drains, gullies, grease traps and manholes between buildings and main sewers. Cleaning of the above and unblocking as necessary.
Open air pools	Structure, Hygiene/ safety in new build	Hygiene, cleaning, maintenance and repairs, including replacement parts. Simple energy saving systems.
Services distribution	Heating mains gas mains water mains Electricity mains, Renewal of any above.	Annual servicing

DRAFT

A Specimen Statement of Internal Control For Schools APPENDIX 7i

This statement relates to the Consistent Financial Reporting (CFR) Return for the (*Insert Name*) school for the year ended 31st March 20(X). The governing body is responsible for ensuring that the school:

- keeps proper accounting records during the year which will disclose, with reasonable accuracy and at any time, the financial position of the school, have been drawn up in accordance with the DCSF' (CFR) guidelines, and will enable it to prepare an annual income and expenditure statement that complies with DCSF guidelines
- maintains and operates an effective system of internal control to safeguard all the resources delegated, granted or otherwise entrusted to the school and ensure they are used cost effectively

The system of internal control has been developed and is co-ordinated by the Head teacher. It aims to provide as much assurance as is reasonably possible (not absolute assurance) that assets are safeguarded, transactions are properly authorised and recorded and that material errors or irregularities are either prevented or can be detected promptly

3 Our review of the effectiveness of the systems of internal control is informed by:

- our regular scrutiny of financial and other performance monitoring data
- regular reports from the Head teacher and other managers to the governing body
- the most recent report of the school's internal auditor dated (*insert date of last report*)
- our most recent self-evaluation of the internal controls undertaken (*insert date*)

4 We are, therefore, satisfied that the internal control systems in operation at the school during the year were adequate and effective (*except for:*

- *List any notable weaknesses here i.e. those rated as requiring remedial action as a high priority*)

5 We propose over the coming year to take the following steps to address the weaknesses noted above. (*This paragraph should provide either brief details of the action taken, or proposed, to rectify weaknesses in the system of internal control, or a short explanation of why corrective action has not been considered necessary.*)

By order of the Governing Body of (Name) School

(Signed) _____ Dated _____
(Head teacher)

(Signed) _____ Dated _____
(Chair of Governing Body)

(Signed) _____ Dated _____
(Chair of Finance Committee of the Governing Body)

Note: The sections in brackets and (*italics*) need tailoring to reflect the schools particular circumstances

Statement of Internal Control - Pre-Certification Checklist for Governors

The Statement of Internal Control (SIC) is designed to accompany the Consistent Financial Reporting (CFR) Return and Financial Summary, and so relates to the same completed financial year. The internal controls it refers to are those required as best practice by the Schools Financial Value Standard (SFVS).

The issues for governors and the Head teacher to consider before authorising their representatives to sign the SIC fall into two categories:-

- Specific actions and more general control processes that should have occurred during the financial year in question; and
- Specific actions needed after the year end when the CFR Return is available.

The questions are split into these two categories for ease of consideration. That consideration is probably best achieved as a group, perhaps at the finance committee meeting that approves the CFR Return, and needs to be formally recorded. The questions are structured so that:-

- A "yes" answer to every question would allow the SIC to be signed without any amendment; and
- A "no" answer to any question will require either further action or explanation in the SIC.

Controls that should have operated during the financial year		
Question	Agreed Yes or No	Implication of the Answer
<i>Did we set the school budget in line with the priorities detailed in the school development plan either before the beginning of the financial year (1st April) or as soon as possible thereafter?</i>		<i>If yes, no action. If no, paragraph 4 should disclose this weakness. Paragraph 5 should explain the steps being taken to ensure next year's budget is set on time and reflects the school's priorities.</i>
<i>Did we see regular reports on the school's financial position during the year, did the Head teacher and bursar answer all the questions raised with them and were we satisfied that materially accurate records have been maintained throughout the year? (Regular in this context would refer to termly reports as a minimum and possibly more frequent in larger schools.)</i>		<i>If yes, no action. If no, paragraph 4 should disclose the inadequate base financial records as a weakness. Paragraph 5 should explain the steps being taken to rectify the position.</i>
<i>Did we take appropriate action on all significant matters raised in reports from the internal auditor?</i>		<i>If yes, no action. If no, ensure this decision is justified. If, after reflection, it is considered that some action needs to be taken, describe this briefly in paragraph 5.</i>
<i>Did we review a risk assessment and taken appropriate steps to manage the risks identified including the introduction of internal controls and/or external insurance cover where required?</i>		<i>If yes, no action. If no, the need to conduct a comprehensive risk assessment should be noted in paragraph 4. Paragraph 5 should explain the steps being taken.</i>
Question	Agreed Yes or No	Implication of the Answer

Control activities required after the end of the financial year		
<p>Has the Head teacher confirmed that he/she has seen a reconciliation of the school's base financial records with the CFR Return (either prepared from the school's own system or by the local authority) and Financial Summary that shows they are:</p> <ul style="list-style-type: none"> • a complete record of the School's transactions for the year and that the two documents are consistent with each other? • based on financial records that have met the requirements of the DCSF' Consistent Financial Reporting (CFR) framework? 		<p>If yes, no action.</p> <p>If no, to the first question, make arrangements for the Head teacher to complete/review the reconciliation before the SIC is signed and published.</p> <p>If no to the second question, the non-compliance should be noted at paragraph 4 as a weakness. Paragraph 5 should explain the steps being taken to rectify the position.</p>
<p>Have we received a report from the internal auditor giving us assurance that the systems of internal financial control, where examined in any given period, operated satisfactorily during the year?</p> <p>OR</p> <p>Have we undertaken a thorough self-evaluation of the internal control systems in operation during the year and did not find any weaknesses that needed to be addressed as a high priority?</p>		<p>If yes to either question, no action.</p> <p>If no to both questions, either:</p> <ul style="list-style-type: none"> • delay signing the statement until you have received the report or undertaken the self-evaluation <p>OR</p> <ul style="list-style-type: none"> • if the report or the self-evaluation has identified weaknesses that need to be addressed as a high priority, list them at paragraph 4 and briefly explain in paragraph 5, the action planned to rectify them.
<p>Are we confident that there are no significant litigation, liabilities or commitments that have arisen after the year-end, and are not referred to or accounted for in the published financial summaries?</p>		<p>If yes, no action.</p> <p>If no, consider if the accounts need adjusting in order to be complete, or whether a Contingent Liability or Gain disclosure note should be added and the Local Authority Finance Department informed.</p>
<p>Have we been advised that there has been no actual or potential non-compliance with laws, regulations and codes of practice that could reduce the school's ability to meet its objectives or cause the school to incur a financial loss, and is this supported by our own knowledge of the school and its activities?</p>		<p>If yes, no action.</p> <p>If no, add the appropriate disclosure notes to the income and expenditure account before it is signed and published.</p>

Notes:

- Given the s151 officer has ultimate responsibility for the internal control systems of the whole authority it will be necessary to report the details of any “No” answers to him or her or more realistically to a representative of the s151 Officer.
- The completed internal controls self-evaluation should be copied to the Local Authority internal audit section to inform its risk assessment and audit planning processes

FINANCIAL COMPETENCIES NEEDED BY THE SCHOOL GOVERNING BODY**Brief guide to the financial management competencies needed by the Governing Body****Introduction**

The attached matrix summarises the financial management competencies that best practice determines should be available within the Governing Body. This competencies matrix has been designed as a practical document which can be used by schools at different levels:

- by individuals who wish to identify their personal training and development needs
- by Governing Bodies or their Finance Committees to ascertain their collective financial management competencies

It should be stressed that this is seen as a key development tool for both individuals and the Governing Body as a whole. Experience shows that for most schools only small numbers of governors will initially be at levels 1 and 2.

How to use the matrix

First, Identify who within the Governing Body should have key financial competencies and fill in their details at the top of the grid. This allows for the grid to be tailored to the individual schools Governing Body financial management requirements. The Key Financial Management competency is in bold (e.g. the first is "provides strategic leadership and management"), and examples of the characteristics that demonstrate this competency are provided beneath it

The aim, in completing the matrix, is to determine the relative Financial Management skills available within the Governing Body. However, this needs to be related to the way that the Governing Body deals with financial management issues and so not all governors will need the highest levels of financial management competence. Typically, for a school with a Finance Committee, the Finance Committee members and the Chair of the Governing Body would be the most appropriate governors to complete the matrix. For schools without a Finance Committee the Chair of Governors, any governor specifically tasked with finance issues and those governors from the Governing Body who possess Financial Management Skills should complete the matrix.

Second, for each governor identified use the ratings (which are explained in some detail below) to identify the level at which the person has the relevant competencies by making reference to the key indicators and the typical examples.

Third, on completion analyse the results to ensure the skills, knowledge and attitudes are spread across the staff in the most appropriate way i.e. there is not over or under concentration of competencies with one specific staff member.

A Key Point is that not all Governors need all these skills, but collectively the Governing Body (& Finance Committee if it exists) will ideally have these competencies between them.

RATING SYSTEM	1	2	3
	HIGHLY COMPETENT	COMPETENT	DEVELOPING

Purchase Card Advice & Receipt Confirmation - Schools

This guide is intended only as a brief overview of the procedures for the use of the Government Purchasing Card. The full version of the procedures and guidance notes can be found on the Intranet.

The Card should only be used by the person it is issued to, you must not lend the card to any other individual or let them know your pin number; but you can order goods or services on behalf of another as long as you have ensured that an individual with the authority to authorise orders on the relevant budget has agreed the transaction.

The Card should only be used for purchasing goods & services when;

- Purchases need to be made out of office hours to ensure service provision.
- Its use gains a significant discount for the School.
- It's the only method of payment accepted by the supplier.

The Card must **NOT** be used for purchasing goods & services when;

- It's for your own personal use.
- It's from an established Council supplier.
- The items are already available from stock or on contract.
- It exceeds the transaction limit.
- Buying IT Hardware and Software
- Buying Fuel, Oil or Derv
- Hires
- Paying for Hospitality and Subsistence (Unless this meets the criteria agreed by Audit / Payments)

PLACING AN ORDER

You Must:

- Ensure the Supplier is **VISA** capable.
- Ensure the goods are available and are within your Transaction Limit.
- Give the Supplier **ALL** the following details:-
 - Your Name
 - Card Number
 - Expiry Date
 - Delivery Address
- Ask the Supplier to send **YOU** a VAT receipt.- please refer to the Schools VAT Guide if you require information on what constitutes a VAT invoice/receipt.
- Up-date the Transaction Log at each stage.
- If ordering or paying on behalf of another School employee ensure that documentation is obtained to support the Transaction Log entry.

INTERNET ORDERING

If using the internet to place an order or make a purchase remember to ensure that the site and your details are secure. **Always be on your guard. Remember YOU are responsible for the security and proper use of the card.**

DEALING WITH THE MONTHLY STATEMENT

You Must:

- Ensure that all items on the statement are listed clearly and accurately on your Transaction Log.
- Ensure that any credits due are identified and dealt with correctly.
- Contact the Supplier promptly if you have a problem.
- Ensure the Transaction Log, with **ALL** VAT receipts attached, is signed and passed to your Head teacher or authorised member of the SLT without delay each month and sent to the Payments Section via SCAMP by the **required payment deadline**.

MISUSE OF THE CARD

- Misuse of the card or allowing your card to be used by a third party may result in the withdrawal of the facility and may also lead to disciplinary action in accordance with Torbay Council's disciplinary procedures.
- Fraudulent use of Purchasing Cards **may** result in dismissal and **could** lead to criminal prosecution.
- Cards may also be withdrawn if you consistently fail to complete Logs accurately and on time.

RESOLVING PROBLEMS

- Contact the Payments Section Tel No 20(7277) within office hours, for advice or help.
- Contact RBS for lost /stolen cards or if your PIN or password is known by an unauthorised person on Tel No 0870 6000459 (24 hour).

INCREASING LIMITS OR UNBLOCKING OF SPENDING CATEGORIES

Before you contact the Payments Section the Children's Finance Manager and the school Head teacher must approve any increase in your monthly Credit Limit or changes to Spending Categories. No limits can be increased without their approval and authorisation.

DECLARATION

Card Holder

I have received and signed my Purchase Card and noted the PIN. I have also read the above information and understand my obligations with regard to its use.

Card Holder	
Signature	
Date	
If the card has been collected on your behalf then this form must be signed & returned to the Payments Section, Town Hall, Castle Circus, Torquay within 5 working days otherwise a block will be put on the card preventing its use.	

NEW CARDHOLDER APPROVAL

Before completing please refer to the instructions on the Payments Intranet site. If you have any questions then please contact the Payments Helpdesk on 20(7277) or payments.section@torbay.gov.uk

Cardholder Name (BLOCK CAPITALS)	
Business Unit	

Reason for Request	Please specify that you;	Please Tick ✓ all boxes that are	
	relevant		
	- are not Office based		<input type="checkbox"/>
	- make out of hours purchases to ensure service provision		<input type="checkbox"/>
	- regularly use one-off Suppliers for ad-hoc purchases		<input type="checkbox"/>
	- regularly use a Supplier who will only accept Card payments*		<input type="checkbox"/>
	- regularly use a Supplier who gives a <u>significant</u> discount for Card payments*		<input type="checkbox"/>
	* Please confirm Supplier(s)		
	Other (please give details)		<input type="checkbox"/>
	Details		

Requested Card Limit	Per Transaction (Limit for each transaction)	£
	Card Limit (Card limit per month)	£

Categories Required	Please specify overleaf the Merchant Categories that you will require
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Please indicate the Merchant Categories that you feel will be required by the Applicant

Transaction Blocking Details

Mark all categories where the cardholder is NOT allowed to spend. Please note that some categories are already blocked and these will only be unblocked in exceptional circumstances where a specific need is identified. This form should reflect only the type of spending that is LIKELY to occur so please block additional categories as appropriate.

1	Building Services	X	2	Building Materials	X	3	Estates & Garden Services		4	Utilities & non-automotive fuel	X
5	Telecommunication Services		6	Catering & Catering Supplies	X	7	Cleaning Services & Supplies		8	Training & Educational	
9	Medical Supplies & Services		10	Staff - Temporary Recruitment	X	11	Business Clothing and Footwear		12	Mail Order/Direct Selling	
13	Personal Services		14	Freight & Storage		15	Professional Services		16	Financial Services	
17	Clubs /Associations /Organisations		18	Statutory Bodies		19	Office Stationery, equipment & Supplies		20	Computer Equipment	X
21	Print & Advertising		22	Books & Periodicals		23	Mail & Courier Services		24	Miscellaneous Industrial /Commercial Supplies	
25	Vehicles, Servicing & Spares		26	Automotive Fuel	X	27	Travel		28	Auto Rental	
29	Hotels & Accommodation		30	Restaurants & Bars	X	31	General Retail & Wholesale		32	Leisure Activities	
33	Miscellaneous		34	Cash	X						

Approved Budget Holder (PRINT NAME)		Date:
(SIGNATURE)		
Approved by Children's Finance Manager		Date:
(SIGNATURE)		
Processed by Payments Section		Date:

Definitions for purchasing and contracts

Term	Definition
Approved List	Shall mean a list of pre-selected and approved Economic Operators
Authorised Officer	Shall mean an Officer with the authority to make a decision or undertake the particular activity
Award	Shall mean the process by which the School shall determine to whom the Contract will be Awarded in accordance with the pre-determined evaluation Criteria, set out in the invitation to Tender documents issued and the Public Contract Regulations 2015 if applicable.
Call Off Contract	Shall mean a Contract Awarded under a Framework Agreement
Central Purchasing Body	Shall mean a Contracting Authority which: <ul style="list-style-type: none"> • acquires goods or services intended for one or more Contracting authorities; • Awards public Contracts intended for one or more Contracting authorities; or • concludes Framework Agreements for work, works, goods or services intended for one or more Contracting authorities.
Confidentiality Agreement	Shall mean a Contract through which one or more parties agree not to disclose information covered by the agreement
Contract	A legally binding agreement between two or more parties
Contract Standing Orders	Shall mean the rules and processes in place to ensure the Council is compliant with legislation, fair and accountable in its dealings with Economic Operators and obtains value for money
Contract Value	Shall mean the proposed price of the Contract to be Awarded
Contracting Authority	Shall mean a public authority or body governed by public law
Criteria	Shall mean the standards against an Economic Operator's Tender will be assessed
Directives	Shall mean the Public Contracts Directives currently in force
Economic Operator	Shall mean the generic term to cover a Contractor, supplier, service provider, applicant, bidder, candidate, Tenderer, company or organisation

Electronic Tendering System	Shall mean the internet based system used to facilitate the complete Tendering process, covering advertising, issuing and receiving Tender related information, evaluation and Contract Award
Framework Agreement	Shall mean an 'umbrella agreement' that sets out the terms under which individual Contracts (call-offs) can be made through the period of the agreement
Procurement Documents	Shall mean all of the documents required by an Economic Operator in order to respond to a PQQ or submit a Tender
Public Body	Shall mean an organisation whose work is part of the process of government but is not a government department
Public Contract Regulations	Shall mean the legislation incorporated in to English law concerning public procurement, which can be found at: www.legislation.gov.uk
Regulations	Shall mean the same as Public Contracts Regulations
Selection	Shall mean the process by which Applicants will be selected to move forward to the next stage of the procurement process, in accordance with the Criteria listed at Regulations 23, 24 and 25 of the Public Contracts Regulations 2006 as amended in 2009.
Standing Orders	Shall mean the rules which set out the procedures and codes of practice for governing the Council's business
Sub-Criteria	Shall mean the standards that sit below the main Criteria, against which the Economic Operator's Tender will be assessed
Tender	Shall mean an invitation to bid for a Contract or an Economic Operator's written offer for a Contract
Tender Award	Shall mean the Award of a Contract following a procurement process
User Agreement	Shall mean the agreement signed by other public bodies in order to allow them to use a Contract or Framework Agreement
Verifiers	Shall mean the Officers authorised to unseal Tenders
Weighting	Shall mean the score allocated to each Criteria and sub Criteria against which the Economic Operator's Tender will be assessed

Waiver Procedure

APPENDIX 9ii

All staff are responsible for ensuring that all contracts made or entered into on behalf of the Council comply with the Financial Regulations and Standing Orders – Contracts as set out within the Council Constitution.

Please note:

- No Contract may be entered into with the relevant approval via the Waiver Procedure
- Waivers will not be authorised retrospectively
- All Waiver Requests relating to the appointment of Agency Staff will require approval by the Mayor and/or Executive Lead Member and the relevant Director/Assistant Director, due to the

level of Council-wide off-contract spend.

Written authorisation is required to waive the Standing Order requirements, the authorisation process is as follows:

