

# AGENDA



## SCHOOLS FORUM

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Date: Thursday 9 May 2019  
Time: 4.30pm  
Place: Room 0012, Badminton Road Offices, Yate,  
BS37 5AF

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### Distribution

#### Members of the Committee

Rhona Allgood	Keith Lawrence (Chair)
Dave Baker	Louise Leader
Penny Chislett	Jim Lott
Mark Dee	Sarah Lovell
Jo Dent	Diane Owen
Mark Freeman	Lisa Parker
Kim Garland	Peter Smart
Elizabeth Gibbons	Susie Weaver
Clare Haughton	Bernice Webber
Emma Jarman	

#### Appropriate Officers

Mustafa Salih  
Hilary Smith

#### Councillors

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# AGENDA

1	WELCOME AND INTRODUCTIONS	5 mins
2	APOLOGIES FOR ABSENCE	5 mins
3	EVACUATION PROCESS	5 mins
4	ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT	5 mins
5	MINUTES OF THE MEETING HELD ON 28 MARCH 2019	5 mins
6	UPDATE OF SCHOOLS FORUM CONSTITUTION AND MEMBERSHIP	10 mins
7	HIGH NEEDS WORKING GROUP	10 mins
8	NATIONAL AUDIT OFFICE VISIT	10 mins
9	DSG RECOVERY PLAN	10 mins
10	FINALISED VERSION OF FINANCIAL REGULATIONS FOR SCHOOLS AND CONSULTATION FEEDBACK	10 mins
11	NOTIFICATION OF CHANGES TO SCHEME FOR FINANCING OF SCHOOLS	10 mins
12	APPROVAL OF FUTURE FORUM DATES 2019/2020	5 mins
13	SCHOOLS FORUM FORWARD PLAN	2 mins
14	ANY OTHER BUSINESS	5 mins

**SCHOOLS FORUM**  
**Thursday 28<sup>th</sup> March 2019**  
**Room 0012, Badminton Road Offices, Yate, BS37 5AF**

**PRESENT:**

Dave Baker	CEO, Olympus Academy Trust
Jo Dent	Headteacher, Hambrook Primary School
Nicky Edwards	Natural Choice Nurseries
Mark Freeman	Headteacher, St Michael's Primary School
Kim Garland	Headteacher, Brimsham Green School
Keith Lawrence (Chair)	Governor, Enable Trust
Louise Leader	Headteacher, Pathways Learning Centre
Sarah Lovell	Finance Director, Cabot Learning Federation
Simon MacSorley	CSET
Pippa Osborne	Headteacher, Christ Church Junior School
Diane Owen	Chair, Kings Oak Academy
Will Roberts	CEO, CSET
Susie Weaver	Executive Principal, Cabot Learning Federation

**Officers:**

Mustafa Salih, Head of Financial Management and Business Support  
 Julie Cathcart, Interim Head of Education, Learning and Skills (arrived late due to previous commitment)  
 Duane Chappell, Strategic Lead 0-25  
 Caroline Warren, Finance Business Partner – CAH Children Management Accounts  
 Kate East, SEN Consultant

**Attending for Item 6:**

Carol Bowes, Headteacher, Tortworth Primary School  
 Sally Moreton, Chair of Governors, Tortworth Primary School  
 Alison Cooper, School Business Manager

**Attending for Item 7**

Amanda Luke, Headteacher, Olveston Primary School  
 David Prothero – Governor (Chair of finance committee)  
 Nicola Hemming – Business Manager

**Attending for Item 8**

Karen Cornick, Headteacher, Patchway Community School  
 Claire Banks, Executive Headteacher, Olympus Trust

**1. WELCOME AND INTRODUCTIONS**

Attendees were welcomed by the Chair.

## 2. APOLOGIES FOR ABSENCE

Julie Cathcart, Colleen Collett, Clare Haughton, Trevor Jones, Jim Lott, Lisa Parker, Toby Savage, Bernice Webber

## 3. EVACUATION PROCESS

The Chair drew attention to the emergency evacuation procedure

## 4. ANY OTHER ITEMS THE CHAIR DECIDES ARE URGENT

None.

## 5. MINUTES OF THE MEETING HELD ON 17 JANUARY 2019

Minutes accepted as a true record.

## 6. Tortworth Primary School, Financial Support Request

Carol Bowes, Headteacher, Sally Moreton, Chair of Governors and Alison Cooper, School Business Manager attended for this item and presented a report summarising the details of their request for financial support of a one off sum of £132,000 which would clear their deficit for 2019/20 and then to look at clearing the ongoing in year deficit within the following 3 years. This request was made under the schools in financial difficulty criteria relating to pupil fluctuations and the financial impact that had on a small school. A request was also made for £25,000 for IT investment.

JC confirmed that the Council was working with small schools to review long term sustainability and this would be an ongoing area of review. Members of the Forum also expressed the need for further information on pupil number projections relating to the school. Although members of the Forum were supportive, it was decided not to approve this request at this stage. The Forum proposed that they would welcome the opportunity to receive a further paper detailing exactly what the funding would be spent on. Also, Will Roberts, CEO CSET offered to contact the school to discuss the school's position.

**Action: More information is required from the school detailing exactly what the funding would be used for and information and planning in place around future pupil numbers and the Forum would welcome the school bringing a report back to Schools Forum in order for members to look at the school's request again. Will Roberts offered to contact the school to discuss the school's position.**

## 7. Olveston Primary School, Financial Support Request

Amanda Luke, Headteacher, David Prothero, Governor (Chair of finance committee) and Nicola Hemming, Business Manager attended for this item and reported that due to a continuing fall in Reception intake, they would need to

reduce the 7 classes to 5 by September 2021 as retention of 7 classes is not sustainable. Their request is for support to remain at 7 classes for one further academic year to give them time to prepare for the reduction in classes.

Julie Cathcart said that the LA is in the process of planning a strategy to explore the situation of small schools and this will eventually be referred to the Local Schools Standards Board.

**Action: It was decided not to approve this request, primarily at the funding would just delay what seemed a necessary decision by one year. However, Will Roberts offered to contact the school to discuss their situation.**

## 8. Patchway Community School – Financial Support Request

Karen Cornick, Headteacher and Claire Banks, Executive Headteacher, Olympus Trust attended for this item and reported that they are significantly under-subscribed with a PAN of 180 and pupil numbers in all year groups are significantly below this number. Only 98 allocated places in Year 7 for September 2019 have confirmed acceptance. The school is requesting financial support for the recruitment of additional teachers in Maths, English and Science which would reduce class sizes and improve student progress in all year groups. The cost of these additional posts, including on costs, would be £153,000.

**Action: It was agreed to allocate the school £100,000 to support the recruitment of 3 (or) 2 teachers, preferably in Maths and English, with the expectation that this will be monitored and reported back to the Forum in the future.**

## 9. SEND CLUSTER PILOT

Kate East attended for this item to update the Schools Forum on the progress with the SEND Cluster Pilot and to agree the next steps for the programme.

There are 20 schools out of 21 in Cluster 2 and 24 schools out of 33 in Cluster 3. Work on Cluster 4 will follow later once Clusters 2 and 3 are up and running.

The pilot will continue to be evaluated and an update report will be presented to Schools Forum on 18<sup>th</sup> July 2019 which will provide an evaluation of the pilot and further recommendations.

Following the Schools Forum meeting on 18<sup>th</sup> July, an Executive Member Decision report will be produced to approve the next steps in taking forward the Cluster model across all schools.

Continued regular reporting will be made to the Schools Forum with updates on progress and for Schools Forum to provide a steer on the next steps and to plan any financial implications for budget planning 2019/20.

The recommendation is that this pilot will roll out to other Clusters from September 2019.

Funding of £260,000 from the High Needs Funding Block has been made available to support the two pilot programmes. Funding has been passed on to the lead schools in each cluster on a monthly basis so that they have greater day-to-day control and flexibility in managing the fund. Any unspent monies are to be returned to the LA.

**Agreed: Members of the Forum agreed with the recommendations and the next steps.**

#### **10. MEMBERSHIP OF THE SCHOOLS FORUM**

To be deferred to the next meeting.

#### **11. FINAL SCHOOLS BUDGET UPDATE**

Mustafa gave an update on the Schools Budget. He referred to the letter sent to all Schools regarding the 2019/20 School Budget Share Allocations, which was included in the Agenda and papers.

The DfE has commissioned a national audit to visit LAs where there are SEND pressures and they are coming to visit us. Members of the High Needs Working Group have been invited to join that meeting to set out the case where pressure is exacerbated by the system and putting together a set of papers. This will specifically be around SEND.

#### **12. HIGH NEEDS WORKING GROUP TERMS OF REFERENCE AND MEMBERSHIP**

Susie Weaver was asked to cover this item.

It was suggested that the draft Terms of Reference requires amending with the proposal that there is a broader group covering High Needs. Work planning has started to make sure that schools across South Gloucestershire know what is happening. A letter will be made available to all Headteachers/SENCOs after the next HNWG meeting outlining the progress of the group to date.

Amendments to the TOR are needed and will be taken back to the next HNWG meeting on 24<sup>th</sup> April 2019.

Rachel Webb has been included as the representative from Early Years. Dave Baker will be the CEO representation from the South Glos MATs. Comment was made that there were no SENCO representation in the group; however SENCOs will be invited when their expertise is needed.

### 13. DATES OF FUTURE MEETINGS AND THE SCHOOLS FORUM WORK PROGRAMME 2019

Provisional dates for September 2019 to July 2020

<b>2019</b>	<b>2020</b>
20 <sup>th</sup> September	23 <sup>rd</sup> January
25 <sup>th</sup> October	26 <sup>th</sup> March
29 <sup>th</sup> November	7 <sup>th</sup> May
	16 <sup>th</sup> July

Meeting closed at 19.00 hours

# UPDATE OF SCHOOLS FORUM CONSTITUTION AND MEMBERSHIP

## SOUTH GLOUCESTERSHIRE COUNCIL

### SCHOOLS FORUM

9<sup>th</sup> May 2019

#### Schools Forum Constitution update

#### Purpose of Report

1. The purpose of the report is:
  - To ensure that the Schools Forum is representative and quorate – Recent scrutiny exercise of local authorities schools forums minutes has shown that some local authorities are not complying with the governing regulations or the schools forum good practice guide.

<https://www.gov.uk/government/publications/schools-forums-operational-and-good-practice-guide-2015>

#### Background

2. The last update to the schools Forum constitution was published in April 2016.

Governor services (Integra) were commissioned to provide an updated version of the constitution and now the SEND Financial Planning Lead is taking forward the required developments.

This report represents an updated version of the rules and membership needed to comply with ESFA rules.

ESFA have communicated to all Local Authorities regarding their compliance with School Forum requirements.

#### Key Requirements to be fulfilled:

- 1) Vacancies to fill
- 2) Substitutions list for absent members
- 3) Meeting Frequency
- 4) Agenda and minutes 7 days before and draft minutes 5 days after (this is a requirement and not a recommendation).

The recommendations below will enable a fully compliant forum, most of these rules are set out in the 2016 constitution but need revisiting and complying with.

## RECOMMENDATIONS

### 1) Fill the following vacancies:

Currently there are the following vacancies, which will be recruited through the Executive Head's committee and governor services:

- x2 Primary Headteachers from Maintained Schools (excluding special schools)
- x3 Primary Governors from Maintained Schools (excluding special schools)
- x2 Secondary Academy Headteachers.

### 2) Recruit Substitute Members:

"It is the responsibility of members of the forum unable to attend the meeting to inform the clerk in advance of the meeting. The clerk will invite the named substitute to attend in their place.

Any substitute provided by a member that is not on the list of names substitutions held by the Forum will have no rights to vote but may participate in the meeting.

Substitutions - recruitment					
Maintained Primary	1 of 1	Headteacher	Primary Executive Head's – Jon Bird		
Maintained Primary	1 of 1	Governor	Maxine - Governor Services		
Maintained Secondary	1 of 1	Member Representative	Kim Garland		
Maintained Special School	1 of 1	Member Representative	Lisa Parker – Special School Headteachers		
Pupil Referral Unit	1 of 1	Member Representative	Louise Leader – PRU rep.		
Primary Academy	1 of 1	Member Representative	Dave Baker		
Special Academy	1 of 1	Member Representative	Dave Baker		
Secondary Academy	1 of 1	Member Representative	Dave Baker		

### 3) Meeting Requirements

The recommendation is that the number of meetings will be kept at around 6 per academic year. These dates will be published in advance on the schools forum website (requirement of the new constitution is that there are at least 4 meetings a year).

### 4) Agenda and papers (this is a requirement and not a recommendation).

These are required to be published and sent out at least 7 days before any Forum meeting. Draft minutes should be produced and published on the website 5 days after the meeting.

#### ESFA UPDATE – Schools Forum



Schools Forum  
update EFSA April 21

#### Schools Forum assessment toolkit



Schools\_forum\_self  
-assessment\_toolkit.



**South Gloucestershire Schools Forum  
Constitution**

**September 2018**

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## 1 Introduction

The 2002 Education Act amended Fair Funding legislation in the School Standards and Framework Act 1998, requiring local authorities to establish a Schools Forum.

The function of a Schools Forum has been changed by Regulations over time. The current constitution is consistent with **The Schools Forum (England) Regulations 2012** (hereafter referred to as ‘the Regulations’), which came into force in October 2012. The Regulations set regulatory requirements for procedural matters, voting and the conduct of meetings. The following Constitution complies with the Regulations and takes account of advice published by the DfE, **Schools Forum Operational and Good Practice Guide**, **Schools Forum Structure** and **Schools Forum Powers and Responsibilities**.

## 2 Revisions and Review

- 2.1 Subject to the requirements of the Regulations, this Constitution can be reviewed and amended at any time with agreement of both the Local Authority and the Schools Forum.
- 2.2 The Schools Forum constitution and membership will be reviewed annually at the last meeting of the academic year.

## 3 Name

- 3.1 The South Gloucestershire Schools Forum

## 4 Membership

- 4.1 The South Gloucestershire Schools Forum (hereafter referred to as ‘the Forum’) will consist of 25 members. The membership is consistent with the Regulations.
- 4.2 The membership provides for all school types to be represented and reflects the education provision across South Gloucestershire. Places shall be divided between maintained primary and secondary members and academy representatives in proportion to the pupil numbers in each category (September pupil census 2017).<sup>1</sup>
  - Schools members (primary, secondary) in addition to
  - At least one member for both maintained special schools and PRU<sup>2</sup>
  - Academies members<sup>3 4</sup>
  - Non-school members
- 4.3 The composition of the Forum is set out in the attached **Appendix 1**.

## 5 Term of Office

- 5.1 Forum members shall be elected/appointed for a term of 4 years. They may be re-elected at the end of their term of office provided they continue to meet the criteria for election.

A Forum member remains in office until:

<sup>1</sup> Although all other calculations have been based on the September 2017 pupil census, these have been adjusted to account for the opening of Enable Trust from September 2018.

<sup>2</sup> Where the LA maintains one or more special schools the Forum must have at least one school member from that sector, same applies for PRUs and nursery schools.

<sup>3</sup> At least 1 academies member must represent mainstream academies (which include free school, UTC’s and Studio Schools) and, if there are any in the local authority area, one member for each special academies and alternative provision academies.

<sup>4</sup> There is no requirement for academies members to represent specific primary and secondary phases, but it may be encouraged to ensure representation remains broadly proportionate to pupil numbers.

- The members term of office expires;
- The member ceases to hold office by virtue of which the member became eligible for election/appointment to the Forum;
- The member resigns from the Forum by giving notice in writing to the Forum clerk.

## 6 Disqualification

6.1 Any member who fails to attend three consecutive meetings of the Forum (even if they have nominated a substitute member to attend) may be asked to resign unless the Forum considers that there are particular or exceptional circumstances that have prevented their attendance.

## 7 Election and Nomination – School Members

7.1 The representative group in consultation with the Local Authority has set out the following election/nomination procedure. At the request of the relevant group, the clerk shall act as returning officer for any election, with costs to be met from the Forum budget.

7.2 **Maintained** primary school members are divided into the following sub-groups:

- Headteachers or headteachers representatives;
- Governors.

7.3 Maintained secondary school members, special school members and pupil referral members (PRU) will not be subdivided and will be made up of members from the following:

- Headteachers or headteachers representatives and governors.

7.4 Before proceeding to an election or appointment, all prospective nominees will be helped to understand the commitment and expectations of the role. Example nomination letter available in [Appendix 2](#).

7.5 All eligible candidates can self-nominate using the form attached [Appendix 3](#).

7.6 The procedure for operating school member elections is as follows. Sample letters can be found at [Appendix 4](#):

- An election will take place where, after a nomination period there are more candidates than vacancies available;
- All elections or nominations where appropriate will take place within 3 calendar months of any vacancy arising. In the event of a tie, or failure to elect a representative (within the 3 calendar months of the vacancy arising) the Authority may appoint a representative;

7.7 In the case of elections, eligible voters<sup>5</sup> as set out below will be entitled to one vote only<sup>6</sup>:

- Maintained primary school headteacher members – the headteacher of each maintained primary school.

7.8 In the case of elections, eligible voters<sup>7</sup> as set out below will be entitled to one vote only:

<sup>5</sup> The person acting as substantive headteacher of each maintained primary school at the time of election (not special or PRU).

<sup>6</sup> If there are substantive maintained primary co-headteachers then both may vote (not special or PRU).

- Maintained primary school governor members – the governing board of each maintained primary school.

7.9 For **maintained secondary schools, special schools and PRU's** representative members will be elected by the governing board or management committee, of that type of school in consultation with the headteacher.

- Maintained secondary school member – the governing board of each maintained secondary school in consultation with the headteacher.
- Maintained special school member – the governing board of each maintained special school in consultation with the headteacher.
- Maintained PRU school member - the management committee of each PRU in consultation with the headteacher.

## 8 Election and Nomination – Academies Members

8.1 The representative group in consultation with the Local Authority has set out the following election/nomination procedure. At the request of the relevant group, the clerk shall act as returning officer for any election, with costs to be met from the Forum budget.

8.2 Academies members must be elected by the proprietor bodies<sup>8</sup> of the academies in the Local Authority. There are three sub-groups, mainstream, special and alternative provision academies.

8.2 Academies members are representatives of the proprietor bodies of academies and are, therefore, not restricted to principles, senior staff or governors<sup>9</sup>. Although there is no requirement for academies members to be split into primary, secondary, special groups, South Gloucestershire encourages academies to invite nominations in accordance with the pupil proportions across all academies when electing their representatives. The current membership has been calculated on the basis pupil numbers. See **Appendix 1** for proportional representation.

8.3 All eligible candidates can self-nominate using the form attached **Appendix 3**.

8.4 Before proceeding to an election or appointment, all prospective nominees will be helped to understand the commitment and expectations of the role.

8.5 The procedure for operating academy member elections is as follows:

- An election will take place where, after a nomination period there are more candidates than vacancies available;
- All elections or nominations where appropriate will take place within 3 calendar months of any vacancy arising. In the event of a tie, or failure to elect a representative (within the 3 calendar months of the vacancy arising) the Authority may appoint a representative.

8.6 In the case of elections, eligible voters, as set out below will be entitled to one vote only:

- Each academy trust board responsible for primary academies within the Local Authority in consultation with the chief executive officer;

<sup>7</sup> It is the Governing Board that registers the vote (exercised by the Chair on behalf of the Governing Board as a whole) not individual governors.

<sup>8</sup> The proprietor body is the academy trust board.

<sup>9</sup> Governors include trustees and directors.

- Each academy trust board responsible for secondary academies within the Local Authority in consultation with the chief executive officer;
- Each academy trust board responsible for special academies within the Local Authority in consultation with the chief executive officer.

## 9 Non-School Members

9.1 Must not exceed a third of the Forums total membership.

9.2 Non-school members must not be:

- An elected member of the local authority who is appointed to the executive of that LA;
- A director of Childrens Services or any officer who works under the management of the Director of Childrens Services;
- Other officers with a specific role in management of and/or who advise on funding for schools

9.3 South Gloucestershire Non-school members include:

- A 16-19 education provider must be elected (FE and sixth form colleges);
- Early year providers from the private, voluntary and independent sector;
- Dioceses (Church of England and Catholic).

## 10 Observers

10.1 The Regulations require that the Education and Skills Funding Agency (ESFA) has observer and participation<sup>10</sup> status at Forum meetings.

10.2 The Forum may ask other observers to attend meetings.

10.3 Observers may not take part in decision making or voting.

## 11 Participation of Local Authority Officer's & Executive Members

11.1 Only the following officers can speak at meetings of the Forum:

- Executive members with responsibility for education/children's services
- Director of Children Adults and Health or their representative
- Chief financial officer or their representative
- Any person invited by the Forum to provide financial or technical advice
- Any person presenting a paper to the Forum, however their ability to speak is limited to the paper they are presenting.

## 12 Substitution

12.1 Named substitute member(s) will be formally nominated by each of the following groups:

- 1 maintained primary headteacher members;
- 1 maintained primary governor members;
- 1 maintained secondary member representative;
- 1 maintained special school member representative;
- 1 pupil referral unit member representative;

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<sup>10</sup> The right to attend and speak at Forum meetings.

- 1 primary academy member representative;
- 1 special academy member representative;
- 1 secondary academy member representative.

12.2 It is the responsibility of members of the Forum unable to attend the meeting to inform the clerk in advance of the meeting. The clerk will invite the named substitute to attend in their place and to receive any necessary papers. Any substitute provided by a member that is not on the list of named substitutions held by the Forum will have no right to vote but may participate in the meeting, if invited to do so by Forum members.

### **13 Procedures**

13.1 Although many procedural matters are not prescribed in regulations the following have been agreed by the Forum to prevent any ambiguity in practice and to aid in the effective, efficient functioning of the Forum.

### **14 Meetings**

14.1 The Forum must meet at least four times a year, in a public place.

14.2 All meetings of the Forum will be convened by the clerk in accordance with directions given by the Forum.

14.3 Written notice of a meeting, along with a copy of the agenda and papers for the meeting will be provided to all Forum members and appropriate officers and published on the Forum website at least seven days before the date of the meeting.

14.4 Where it is not possible to make available reports to members seven days in advance of meetings, members will be notified before the meeting when the information will be available or whether it will be tabled at the meeting. Where information is not available seven days in advance or it is proposed that the information will be tabled at the meeting, the Forum has the discretion to accept or reject the matter and where necessary reschedule to a later agenda.

14.5 It may be necessary to arrange additional meetings at times when the Forum has urgent unforeseen or significant matters to discuss. Where the dates of scheduled meetings are changed, or additional meetings arranged, all members will be notified directly of the changes and the public website will be updated.

14.6 Additional meetings may be called allowing at least 7 days' notice, unless the chair determines, on the grounds that there are matters demanding urgent consideration. In which case the chair may determine a shorter period of notice.

14.7 Any person is entitled to attend Forum meetings however they do not have the right to participate in Forum meetings, unless they are asked to do so by the chair with the agreement of the Forum members.

### **15 Agenda Setting**

15.1 The Forum will agree an annual work plan which outlines the key items of business to be discussed. Additional agenda items for each meeting will be determined in consultation with the chair and clerk.

### **16 Meeting Minutes**

16.1 The clerk will minute all meetings of the Forum. Minutes of each meeting will record the Forum votes where there are contrary views, recommendations and decisions.

16.2 Draft minutes will be put in the Forum website within 7 days of each meeting.

## 17 Quorum

- 17.1 A meeting is quorate if 40% of the total membership is present<sup>11</sup>. Substitutes taking the place of members, who are absent at the meeting, are counted in the quorum calculation.
- 17.2 In the event of a meeting not being quorate, members present may by majority vote decide to continue the meeting and thus be able to offer advice and respond to any consultations, however the Forum cannot legally take decisions.

## 18 Voting Procedures

- 18.1 The following restrictions must be taken into account when voting on:
- The funding formula is limited to schools members, academies members and PVI representatives;
  - De-delegation is limited to the specific primary and secondary phase of maintained schools members;
  - Retaining funding for statutory duties relating to maintained schools only is limited to maintained primary, secondary, special and PRU members.
- 18.2 All decisions will be made on a simple majority of those present and eligible to vote. In the case of an equal number of votes, the chair of the meeting shall have a second or casting vote. The outcome of any vote or resolution will be recorded in the minutes.
- 18.3 It is not permitted for the chair to take a decision on behalf of the Forum no matter how urgent the matter in question.

## 19 Declaration of Interest

- 19.1 Members of the Forum should make a declaration of interest when relevant. Members should not use their position on the Forum to advance their own sectional or specific interests.
- 19.2 Any member with such an interest should not take part in the decision on the matter and the Forum will consider whether the member should withdraw from the meeting whilst the matter is being discussed.

## 20 Election of Chair

- 20.1 The Forum must elect a chair and vice chair from amongst its own members<sup>12</sup>, the clerk to the Forum must act as chair during the part of the meeting at which the chair is elected. The following process applies:
- Before electing a chair the Forum must decide the length of term of office;
  - The clerk must ensure that all eligible Forum members are invited to nominate themselves for the post in advance of and at the meeting;
  - If a vote is required it should be held by secret ballot. It is not necessary to vote if there is only one nomination, however the nominee should leave the room to enable Forum members to discuss whether to accept the nomination and approve the appointment.

<sup>11</sup> This excludes observers, and is 40% of current membership excluding vacant positions.

<sup>12</sup> Any elected member or officer of the LA who is a member of the Forum may not hold the office of chair.

## Appendix 1 - Forum membership

Type & number of Members	No	Sub-Group Represented	Forum Representative	Establishment	Term of Office/Position
<b>Maintained school members (5 Primary Headteachers/4 Primary Governors/1 Secondary/1 Special/1 PRU representative) – 12</b>					
Primary	1 of 5	Headteacher/Headteacher Representative	Bernice Webber, Headteacher, Old Sodbury CE Primary		
Primary	2 of 5	Headteacher/Headteacher Representative	Mark Freeman, St Michael's CE VC Primary		
Primary	3 of 5	Headteacher/Headteacher Representative	Jo Dent, Hambrook Primary		
Primary	4 of 5	Headteacher/Headteacher Representative			
Primary	5 of 5	Headteacher/Headteacher Representative			
Primary	1 of 4	Governor	Jim Lott, Governor, The Tynings		
Primary	2 of 4	Governor			
Primary	3 of 4	Governor			
Primary	4 of 4	Governor			
Secondary	1 of 1	Headteacher/Headteacher Representative or	Kim Garland, Brimsham Green		

## Appendix 1 - Forum membership

Type & number of Members	No	Sub-Group Represented	Forum Representative	Establishment	Term of Office/Position
		Governor			
Special Schools	1 of 1	Headteacher/Headteacher Representative or Governor	Lisa Parker, Warmley Park		
PRU (only has to be 1)	1 of 1	Headteacher/Headteacher Representative or Governor	Louise Leader, Headteacher, Pathways Learning Centre		
<b>Academies members (1 Primary/1 Special/6 Secondary member representatives) = 8</b>					
Primary Academy	1 of 1	Headteacher/Headteacher Representative or Governor	Susie Weaver, Principal, Wallscourt Farm Academy		
Special Academy	1 of 1	Headteacher/Headteacher Representative or Governor	Keith Lawrence, Chair of Enable Trust.		
Secondary Academy	1 of 6	Headteacher/Headteacher Representative or Governor	Simon MacSorley CSET – Academy Rep		
Secondary Academy	2 of 6	Headteacher/Headteacher Representative or Governor	Dave Baker CEO OAT		
Secondary Academy	3 of 6	Headteacher/Headteacher Representative or Governor	Diane Owen – Chair to Academy Council at King's Oak Academy		

## Appendix 1 - Forum membership

Type & number of Members	No	Sub-Group Represented	Forum Representative	Establishment	Term of Office/Position
Secondary Academy	4 of 6	Headteacher/Headteacher Representative or Governor	Sarah Lovell, Senior Finance Manager, Cabot Learning Federation		
Secondary Academy	5 of 6	Headteacher/Headteacher Representative or Governor			
Secondary Academy	6 of 6	Headteacher/Headteacher Representative or Governor			
<b>Non-school members</b>					
16-19	1 of 1	Representative	Penny Chislett- Deputy CEO and Vice Principal,SGS		
Early Years	1 of 2	Representative	Clare Houghton/Nicky Edwards	ncn ltd	
Early Years	2 of 2	Representative			
Diocese	1 of 2	Representative			
Diocese	2 of 2	Representative			
<b>Substitutions</b>					
Maintained Primary	1 of 1	Headteacher			
Maintained Primary	1 of 1	Governor			
Maintained	1 of 1	Member Representative			

## Appendix 1 - Forum membership

Type & number of Members	No	Sub-Group Represented	Forum Representative	Establishment	Term of Office/Position
Secondary					
Maintained Special School	1 of 1	Member Representative			
Pupil Referral Unit	1 of 1	Member Representative			
Primary Academy	1 of 1	Member Representative			
Special Academy	1 of 1	Member Representative			
Secondary Academy	1 of 1	Member Representative			

## Appendix 2 – Example invitation for representatives

South Glos letter Header

Dear **Primary School Governor**

### **SELF-NOMINATION FOR ELECTION TO THE SCHOOLS' FORUM: PRIMARY MAINTAINED PHASE GOVERNOR REPRESENTATIVE**

You are invited to nominate yourself for a vacancy that has arisen on the Schools' Forum for an Maintained Primary School Governor Representative to reflect the views of schools within the Primary Sector.

#### **The Schools' Forum**

The Schools' Forum is a statutory body of 25 members consisting mainly of Headteachers and School Governors. Schools' Forums have an important role, recent legislative changes mean that Forums not only have a consultative role in relation to the local distribution of school funding. They can also decide on certain proposals from their local authority that previously required the Secretary of State's approval.

#### **Nominee Requirements**

There are no formal requirements for this role, except an interest in school funding, a commitment to attending meetings and enthusiasm to represent the views of schools. To help you to take an informed view of the role you will be required to play, you may find it useful to read the South **Gloucestershire Schools Forum Constitution** and the **Education and Skills Funding Agency** guidance. Copies of the Schools' Forum agendas and minutes, are available using the following **Link**. The Schools' Forum usually meet **XXX** times a year at **XXXX** usually in **XXXXXX**. The successful candidate's term of office will start in the **XXXX** Term. The first meeting the successful nominee will attend is **XXXXXXX**.

#### **The Nomination Process**

The purpose of this letter is to invite you to submit a single self-nomination for election to the Forum.

Following the nomination process I will be arranging elections (if necessary) in **XXXX** to determine the successful candidate before the Schools Forum meeting in February.

Should you be interested in joining the Schools' Forum please arrange for the completion of the enclosed self-nomination form and return it by **XXXXXXX** together with a personal statement (please try to make it no greater than 100 words).

Please contact me should you have any further queries.

Yours sincerely

**Appendix 3 – Example self-nomination form**

**SELF-NOMINATION FORM**

Pro-forma for nomination to the South Gloucestershire Schools' Forum

**Academy Secondary Sector Governor Representative**

**PRIMARY MAINTAINED PHASE GOVERNOR REPRESENTATIVE**

Name	
School	
Contact Address (this could be home or school)	
Email address	
Contact number	

**It is essential that the following declaration is completed:**

I agree to my self nomination for membership of the South Gloucestershire Schools' Forum.

Sign .....

Print Name .....

Date .....

All nominees are invited to append a statement of **up to 100 words** which will be used to provide information as part of the election process if required.

These details should be fully completed and returned by <b>XXXXXX</b> to:
---

Tel:

Email:

## Appendix 4 – Example election letter

South Glos letter Header

Dear **Primary School Chair of Governors**

**SCHOOLS FORUM ELECTIONS**

I am writing to ask your Governing Board to vote in the election process to elect **X** Maintained Primary School Governor Representative/s to the Schools Forum.

I have attached a ballot paper together with supporting statements from candidates.

All maintained Infant, Junior and Primary School Governing Boards are entitled to one vote per number of vacancies. In this case the Board should select **X** different nominees. Although the Chair lodges the vote/s on behalf of the Board, the vote must represent the view of the whole Governing Board.

Please can I encourage you to take this opportunity to influence this process and vote for your preferred nominee/s. The candidate/s elected to the Schools Forum will be representing the Maintained Primary Sector on a range of funding related issues for the next **X** years.

Please return the ballot paper either by email or post to me by **XXXXXXXXXX**.

Thank you for your assistance in this matter.

Yours sincerely

**Name**

**Email**

**Postal Address**

## Appendix 5 – Example ballot paper

*The example below provides a template for the election of 4 representatives, please amend depending upon the number required.*

South Gloucestershire Schools Forum Ballot Paper for **4 Maintained Primary School Governor Representative/s**.

Personal statements from nominees overleaf.

Each Maintained Infant, Junior and Primary School Governing Board has **4** votes.

Please only vote once against any one nominee,

Nominees Names (alphabetical order)	School	Vote 1	Vote 2	Vote 3	Vote 4

Name of voting school	
Name of person signing returning ballot paper	
Signature	
Date	

Please return by XXXXXXXXXXXXX  
To XXXXXXXXXXXXXXXXXXXX

**Appendix 6 - Nominee statements**

Nominee 1

Name:
School:
Statement:

Nominee 2

Name:
School:
Statement:

Nominee 3


Nominee 4




Department for Children, Adults and Health

Date: 04/04/2019

Tel: 01454864183

Email: [stuart.thomas@southglos.gov.uk](mailto:stuart.thomas@southglos.gov.uk)

Dear Primary Headteacher

**SELF-NOMINATION FOR ELECTION TO THE SCHOOLS' FORUM: PRIMARY MAINTAINED PHASE HEADTEACHER REPRESENTATIVE (excluding Special Schools)**

You are invited to nominate yourself for vacancies that has arisen on the Schools' Forum for Maintained Primary School Headteacher Representatives to reflect the views of schools within the Primary Sector.

**The Schools' Forum**

The Schools' Forum is a statutory body of 25 members consisting mainly of Headteachers' and School Governors. Schools' Forums have an important role, recent legislative changes mean that Forums not only have a consultative role in relation to the local distribution of school funding. They can also decide on certain proposals from their local authority that previously required the Secretary of State's approval.

**Nominee Requirements**

There are no formal requirements for this role, except an interest in school funding, a commitment to attending meetings and enthusiasm to represent the views of schools. To help you to take an informed view of the role you will be required to play, you may find it useful to read past copies of the Schools' Forum agendas and minutes, they are available using the following link:

<http://www.southglos.gov.uk/education-and-learning/schools-and-education/financing-schools/the-schools-forum/>

The Schools' Forum usually meet 6 times a year at Badminton Road offices usually in room 12 on a Thursday at 16:30. The successful candidate's term of office will start in the Autumn Term. The first meeting the successful nominee will attend will be in September 2019.

**The Nomination Process**

The purpose of this letter is to invite you to submit a single self-nomination for election to the Forum.

Following the nomination process I will be arranging elections (if necessary) in June to determine the successful candidate before the Schools Forum meeting in September.

Should you be interested in joining the Schools' Forum please arrange for the completion of the enclosed self-nomination form and return it by 3<sup>rd</sup> June 2019 together with a personal statement (please try to make it no greater than 100 words). Please contact me should you have any further queries.

Yours sincerely

**Stuart Thomas**

0-25 SEND Financial Planning Lead  
Department for Children, Adults and Health

**Self-nomination form**

## SELF-NOMINATION FORM

Pro-forma for nomination to the South Gloucestershire Schools' Forum

**PRIMARY MAINTAINED PHASE HEADTEACHER REPRESENTATIVE (excluding Special Schools).**

Name	
School	
Contact Address (this could be home or school)	
Email address	
Contact number	

**It is essential that the following declaration is completed:**

I agree to my self-nomination for membership of the South Gloucestershire Schools' Forum.

Sign .....

Print Name .....

Date .....

All nominees are invited to append a statement of **up to 100 words** which will be used to provide information as part of the election process if required.

These details should be fully completed and returned by 3<sup>rd</sup> June to:

Stuart Thomas  
 Department for Children, Adults and Health  
 South Glos. Council  
 Badminton Road  
 Yate  
 BS37 5AF

Tel: 01454864183

Email: [stuart.thomas@southglos.gov.uk](mailto:stuart.thomas@southglos.gov.uk)



Department for Children, Adults and Health

Date: 04/04/2019

Tel: 01454868154

Email: [stuart.thomas@southglos.gov.uk](mailto:stuart.thomas@southglos.gov.uk)

Dear Primary School Governor

**SELF-NOMINATION FOR ELECTION TO THE SCHOOLS' FORUM: PRIMARY MAINTAINED PHASE GOVERNOR REPRESENTATIVE (excluding Special Schools)**

You are invited to nominate yourself for vacancies that has arisen on the Schools' Forum for Maintained Primary School Governor Representatives to reflect the views of schools within the Primary Sector.

**The Schools' Forum**

The Schools' Forum is a statutory body of 25 members consisting mainly of Headteacher's and School Governors. Schools' Forums have an important role, recent legislative changes mean that Forums not only have a consultative role in relation to the local distribution of school funding. They can also decide on certain proposals from their local authority that previously required the Secretary of State's approval.

**Nominee Requirements**

There are no formal requirements for this role, except an interest in school funding, a commitment to attending meetings and enthusiasm to represent the views of schools. To help you to take an informed view of the role you will be required to play, you may find it useful to read past copies of the Schools' Forum agendas and minutes, they are available using the following link:

<http://www.southglos.gov.uk/education-and-learning/schools-and-education/financing-schools/the-schools-forum/>

The Schools' Forum usually meet 6 times a year at Badminton Road offices usually in room 12 on a Thursday at 16:30. The successful candidate's term of office will start in the Autumn Term. The first meeting the successful nominee will attend will be in September 2019.

**The Nomination Process**

The purpose of this letter is to invite you to submit a single self-nomination for election to the Forum.

Following the nomination process I will be arranging elections (if necessary) in June to determine the successful candidate before the Schools Forum meeting in September.

Should you be interested in joining the Schools' Forum please arrange for the completion of the enclosed self-nomination form and return it by 3<sup>rd</sup> June 2019 together with a personal statement (please try to make it no greater than 100 words). Please contact me should you have any further queries.

Yours sincerely

**Stuart Thomas**

0-25 SEND Financial Planning Lead  
Department for Children, Adults and Health

**Self-nomination form**

SELF-NOMINATION FORM

Pro-forma for nomination to the South Gloucestershire Schools' Forum

**PRIMARY MAINTAINED PHASE GOVERNOR REPRESENTATIVE (excluding Special Schools).**

Name	
School	
Contact Address (this could be home or school)	
Email address	
Contact number	

**It is essential that the following declaration is completed:**

I agree to my self-nomination for membership of the South Gloucestershire Schools' Forum.

Sign .....

Print Name .....

Date .....

All nominees are invited to append a statement of **up to 100 words** which will be used to provide information as part of the election process if required.

These details should be fully completed and returned by 3<sup>rd</sup> June to:  
 Stuart Thomas  
 Department for Children, Adults and Health  
 South Glos. Council  
 Badminton Road  
 Yate  
 BS37 5AF

Tel: 01454864183

Email: [stuart.thomas@southglos.gov.uk](mailto:stuart.thomas@southglos.gov.uk)

## HIGH NEEDS WORKING GROUP

Proposed letter updating headteachers of the work of the High Needs Working Group.



Department for Children, Adults and Health

To: Headteachers, SENCOs and Chair of Governors of all South Gloucestershire Schools.

Date: 24<sup>th</sup> April 2019

Your Ref: HNWG/1

Enquiries to: Stuart Thomas

Section: Education, Learning and Skills

[Tel: 01454864183](tel:01454864183)

[Email:stuart.thomas@southglos.gov.uk](mailto:stuart.thomas@southglos.gov.uk)

**Dear Headteacher/SENCO/Chair of Governors**

### **Re: High Needs Working Group (HNWG)**

The need for both the Local Authority and Schools to work together is greater now than ever before. We are writing to provide an update on the work of the High Needs Working Group (HNWG), which has been formed following feedback from the recent Schools Budget Consultation.

The HNWG is made up of members from South Gloucestershire's Schools Forum, the South Gloucestershire Parent/Carers Forum and the Local Authority. The Group is led by Senior Leaders from across the school sector with support from Senior Local Authority Officers. The aim of the group is to improve outcomes for pupils with Special Educational Needs and Disabilities and to develop a culture in which Schools and the SEND system can be financially sustainable within South Gloucestershire. The work of the HNWG also forms part of the Council's Sustainability Plan.

The HNWG have used local and national data to ground conversations and steer further developments and investment. We have invested time and expertise, with members of the group representing a broad spectrum (see Terms of Reference) to provide a range of perspectives to the work of the group.

Following a detailed examination of the data available, the HNWG has begun to focus on and develop a smaller number of work streams.

**Key areas of work include the following:**

- Looking at best practice for SEND support and Quality First Teaching to meet needs in the classroom
- Examining the process for EHCPs and pre-plan work in schools
- Considering resources and professional development to support the front-line practitioners in schools
- Developing clear descriptors and guidance to support schools.
- Cost of Independent Provision to the Local Authority
- Improved joined up working with key partners like Health.

We have gathered information from local schools and are pursuing links with statistical neighbours in other Local Authorities to share best practice and learn from others to support and improve the work of the group.

The work of the HWNG forms part of a wider strategy to support children and families with SEND, and this work is coordinated by South Gloucestershire Council. Other related work includes that of the School Improvement Team and a SEND review pilot which is currently underway across 4 South Gloucestershire Primary Schools.

South Gloucestershire remains committed to meeting all statutory requirements of the SEND Code of Practice. The **HNWG** will keep you updated over the course of the coming months, and we hope you are able to work in partnership to ensure we are meeting the needs of all the children we serve.

The HNWG and the Local Authority realise the importance of working collaboratively with all schools and parent/carers in developing this improved system and has planned for regular consultation and communication with all schools and stakeholders but would also welcome involvement and ideas at any opportunity from anyone that felt they had a useful contribution to make.

If you would like to discuss any aspect of this letter or the work of the HNWG further, please feel free to contact [Stuart.thomas@southglos.gov.uk](mailto:Stuart.thomas@southglos.gov.uk)

We appreciate your ongoing partnership and collaboration.

Yours sincerely

*S. Weaver*

Susie Weaver  
Chair, High Needs Working Group  
Executive Principal, Cabot Learning Federation

### Terms of reference



Terms of Reference  
HNWG.docx

## NATIONAL AUDIT OFFICE VISIT

### Contact information

Duane Chappell  
 Strategic Lead 0-25 Education  
 01454 863362  
[www.duane.chappell@southglos.gov.uk](mailto:www.duane.chappell@southglos.gov.uk)

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The National Audit Office visited South Gloucestershire on 1 April 2019, this visit was part of a small number of visits to local authorities for their value for money examination on “Supporting pupils with special educational needs and disabilities”.

This examination covered school-aged children needing support for special educational needs and disabilities, both those with an education, health and care plan and those without. It primarily considers services funded by the Department for Education, but also bears in mind the effectiveness of connections between education, health and social care services. Their examination is addressing whether the Department for Education supports pupils with special educational needs effectively. Methods include interviews and evidence collection at the Department for Education; data analysis; stakeholder consultation; and visits to four local authorities.

The National Audit Office’s aims for the local visit included:

- gaining an understanding of the local picture, different experiences, and local issues;
- help in developing their understanding of the factors underlying local variations;
- understanding how local areas use the discretions available to them, in supporting pupils with Special Educational Needs and Disability; and
- hear directly from a range of people at a local level.

South Gloucestershire invited key stakeholders from across the Local Authority which included:

- Headteacher Primary/Secondary Academy
- Headteacher Special School
- Headteacher Primary – maintained
- Headteacher Secondary – maintained
- Chair of Schools Forum
- Parent Carer Forum both Local and Regional Representatives
- Director of Children’s Services
- Head of Education, Learning and Skills
- Head of Finance
- Strategic Lead 0-25 Education
- Strategic Lead SEND

Should the National Audit Office draw directly upon information received during their visit to South Gloucestershire Council in their report, they will give South Gloucestershire the opportunity to see, and to comment upon, anything they may say.

The National Audit Office (NAO) works on behalf of Parliament and taxpayers to hold government to account for the use of public money and to help public services improve performance. The findings from this NAO review into SEND will be reported to Parliament's Public Accounts Committee, which is currently chaired by Meg Hillier MP. The Public Accounts Committee will then publish its own report (anticipated to be in September 2019) with recommendations, to which the Government must respond.

Chris Sivers  
Director of Children's, Adult and Health



National Audit  
Report Whole Repo

## DSG RECOVERY PLAN

Attached as a separate document.

# FINALISED VERSION OF FINANCIAL REGULATIONS FOR SCHOOLS AND CONSULTATION FEEDBACK

## SOUTH GLOUCESTERSHIRE COUNCIL

### SCHOOLS FORUM

Date 9<sup>th</sup> May 2019

### Financial Regulations for Schools

#### Purpose of Report

3. The Council's Financial Regulations for Schools are in the process of being updated and refreshed.
4. The purpose of this report is:
  - (1) To receive a finalised version of the Financial Regulations for Schools and summary of consultation feedback.

#### Background

5. Financial Regulations govern the way the Council controls and manages its financial responsibilities. Under the Schools Standards and Framework Act 1998 legislation local authorities must distribute the individual schools budget amongst their maintained schools using a formula which accords with regulations made by the secretary of state. The financial controls within which delegation works must be set out in a document by South Gloucestershire Council, this document is referred to as the Scheme for Financing of Schools ("the scheme"). This scheme sets out the financial relationship between the Authority and the schools maintained by the Authority. The scheme contains requirements relating to financial management which are binding on both the local authority and the governing bodies of schools. This includes a requirement for local authority funded schools to comply with the specified financial regulations for schools.
6. Financial regulations apply to every member of the governing body and member of staff at local authority maintained schools including contractors and temporary staff engaged to carry out duties relevant to the financial management and administration of the school.
7. The regulations shall not override any statutory provisions that apply and complement the statutory requirements laid down in the South Gloucestershire scheme for the financing of schools.
8. The Financial Regulations for Schools shall only apply to maintained schools and not Academies of Free Schools. Academies and Free Schools have to follow different arrangements put in place by the ESFA.

## Key Points

9. The Financial Regulations for Schools have been refreshed and updated to reflect current practice. The Financial Regulations for Schools were circulated to all Local Authority Maintained Schools on 13<sup>th</sup> December 2018 with an opportunity to comment on their contents prior to the close of the consultation period on 30<sup>th</sup> January 2019.
10. Three consultation responses were received from Schools. The feedback and associated responses from the three schools are as follows:
- (1) Jackie Orr School Business Manager – Christ Church Infants – *“As myself and headteacher have gone through the regulations, most of the parts are pretty self-explanatory, workable and practical within a school, giving a guidance that was not previously given. However, I would like to point out, that when newly appointed as a school business manager, this information would have been key to my role. Coming into the role with this guidance, has made the role harder than it needed to be. This would have acted like a training guide, which was really lacking when I started working for South Glos.”*

Response from Internal Audit – Comments noted and acknowledged. Financial Regulations have always been in existence and the basic requirements are unchanged. The School are responsible for ensuring staff have access to adequate training. Internal Audit have offered free events to schools finance staff on internal controls and financial regulations.

- (2) Ruth Abrahams Business Manager – Little Stoke Primary School – *“Following a consultation between the Chair of Governor, Head and Business Manager we would like to give feedback and have questions on the Financial Regulations for schools proposals:*

- i. The requirement to submit a deficit recovery plan – what does this look like? Is there a template to follow to ensure schools include all the information you would be requiring?*

Response from Internal Audit - A template has been developed by the Council. This will be provided on request. We will encourage all Schools to use the standard template.

- ii. The Governing Body shall approve a counter fraud, bribery and corruption policy – is this a new policy? Is there a sample of this policy we can see and adapt if necessary?*

Response from Internal Audit - The School can access the Council’s Anti-Fraud, Bribery and Corruption Strategy on the council intranet. A template school specific policy will be available on request. The important change is to ensure Governors and Staff are aware of fraud risks.

- iii. Commercial Activity and Additional Services (2.97) – if a Breakfast and After School Club is charged for and run by the school but not*

*at a profit, similarly with sports clubs and lettings (income < £15K) are we still needing to advise the Director for approval.*

Response from Internal Audit – This has been clarified in the financial regulations.

- iv. *If the school deals with Integra Finance and Finance Officers monitor budgets which such clubs and lettings are operated through, is this sufficient or how would you want schools to advise the Director of these activities.”*

Response from Internal Audit – No this would not be sufficient. Integra operate independently and would not ordinarily share this information without the Schools permission.

- (3) Darren Stanley Head Teacher – Manorbrook Primary School – *“Having scrutinized the financial regulations consultation document at our Governors’ Resources Committee meeting, we wish to make the following observation: it was felt paragraph 2.97 was ambiguous and would benefit from being written more clearly: Commercial Activity & Additional Services 2.97 – The governing body has a responsibility to notify the Director for Children, Adults and Health of any activity which is anticipated to have one or more of the following circumstances:*

- i. Income generation attracting an anticipated turnover of greater than £15,000 per annum;*
- ii. A service and/or activity that will involve the employment of staff on a regular basis*
- iii. A service and/or activity that may require the purchase of assets and resources to be used mostly for the purpose of that service*
- iv. A service and/or activity which will require regular usage of the grounds/property of the school on a regular basis*

- (4) *Examples of this type of service or activity could include: a catering service (owned and run by the school), an after school club, a breakfast club, a posts activity club a learning or research organisation, a Head Teacher being paid to work in another school, a teaching school.*

- (5) *We assume that the highlighted section means that schools should be reporting any SINGLE activity that generates £15,000 per annum or above. We also assume that there may be a number of schools who generate total income of over £15,000 through a range of activities (rentals, clubs etc). Our feeling is that this section is rather ambiguous in its current wording, therefore our recommendation would be that you adjust the wording to clarify that schools only ‘notify the Director for Children, Adults and Health’ when a SINGLE activity exceeds the £15,000 threshold, rather than a total income in excess of £15,000 from all income-generating activities.”*

Response from Internal Audit – Agreed it would be a single activity and the financial regulations have been amended to reflect this.

11. Each individual has been provided with a full response to their questions. The areas of ambiguity have been clarified in the financial regulations for schools, in particular 2.97. Where appropriate, templates will be made available to assist schools, for example in the development of a counter-fraud policy.
12. The intention is now to implement the Financial Regulations for Schools, effective immediately. Integra Schools Finance have planned some events in early June 2019 for School Business Managers and administrative staff, internal audit will participate to raise awareness of the regulations and answer any specific questions schools may have.
13. It is intended that further guidance to accompany the financial regulations and standing orders for schools will be developed later in 2019.

## **RECOMMENDATIONS**

The Schools Forum is recommended to:

- Note the consultation feedback received
- Approve the implementation of the refreshed financial regulations for schools

FINAL VERSION

# Financial Regulations for Schools

[www.southglos.gov.uk](http://www.southglos.gov.uk)



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# Financial Regulations for Schools

## **Introduction**

Financial Regulations govern the way the Council controls and manages its financial responsibilities. These financial regulations apply to all Schools who receive their funding from the Local Authority under the legislative provisions in section 45-53 of the School Standards and Framework Act 1998. Under this legislation local authorities must distribute the individual schools budget amongst their maintained schools using a formula which accords with regulations made by the secretary of state. The financial controls within which delegation works must be set out in a document by South Gloucestershire Council, this document is referred to as the Scheme for Financing of Schools ('the scheme'). This scheme sets out the financial relationship between the Authority and the schools maintained by the Authority. The scheme contains requirements relating to financial management which are binding on both the local authority and the governing bodies of schools. This includes a requirement for local authority funded schools to comply with these financial regulations for schools.

These financial regulations for schools are published in accordance with Section 151 of the Local Government Act 1972 and in accordance with Section 48 of the School Standards and Framework Act 1998.

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**Definitions**

1. Local Authority – South Gloucestershire Council is the local authority, referred to in these regulations as ‘the local authority’.
2. The Chief Financial Officer is the Director for Corporate Resources and Deputy Chief Executive. He/she may choose to delegate his/her oversight and responsibilities for these regulations to the Director for Children, Adults and Health supported by the Head of Business and Finance for Children, Adults and Health.
3. School(s) – the use of the words ‘school’ or ‘schools’ throughout these regulations refers collectively to the governing body, a committee of the governing body, the Head Teacher or other Headship arrangements at the school and other staff employed at the school, including contractors and agency staff operating the schools financial processes. In certain cases the regulations refer specifically to the governing body or the Head Teacher.
4. Governing Body – References to the ‘the Governing Body’ may refer to a committee of the governing body where delegated authority to carry out tasks is permitted and those tasks have been properly delegated to such a committee by the Governing Body.
5. Head Teacher – reference to ‘the Head Teacher’ may refer to other staff of the school where delegating authority is permitted and has been properly delegated by the governing body or Head Teacher.
6. Regulations – the term ‘regulations’ in this context means the financial regulations for schools.
7. Any points of clarification on these regulations should be initially addressed to the Audit Manager, Internal Audit Services, [internalauditmail@southglos.gov.uk](mailto:internalauditmail@southglos.gov.uk)

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## 1. Financial Management

### Roles and Responsibilities

- 1.1 Financial regulations apply to every member of the governing body and member of staff at the school including contractors and temporary staff engaged to carry out duties relevant to the financial management and administration of the school.
- 1.2 These regulations relate mainly to official funds. However, please refer to the section on voluntary funds and extended provisions for financial standards relating to these other types of funds.
- 1.3 These regulations shall not override any statutory provisions that apply and complement the statutory requirements laid down in the South Gloucestershire scheme for the financing of schools.
- 1.4 The governing body of each school is responsible for ensuring the sound, proper and effective use of the schools financial resources. In practice governors will need to delegate to the Head Teacher some of their authority to conduct the management of the school's finances. The governing body must maintain a written record where decision making has been delegated to committees of the governing body and/or school staff. These regulations will specify where decisions cannot be delegated and must be referred to the Council's Chief Financial Officer. Where responsibilities have been delegated or devolved to other responsible officers' reference to the chief officer in the regulations should be read as referring to them.
- 1.5 The Chief Financial Officer is, for the purpose of Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988, responsible for the proper administration of the Council's financial affairs including maintained schools.
- 1.6 Substantial breaches of Financial Regulations must be reported to the **Chief Financial Officer** and may be treated as disciplinary offences. **The South Gloucestershire scheme has a section on withdrawal of delegation. The Local Authority can issue a Notice of Concern for breaches of these regulations requiring the Governing Body to comply with provisions set out by the Local Authority in the Notice of Concern. The Local Authority has the ultimate power to withdraw a Governing Body's right to a delegated budget including establishing an Interim Executive Board to replace the Governing Body for breaches to these regulations.**
- 1.7 In order to discharge the statutory responsibilities referred to in regulation 1.5 and 1.6 the Chief Financial Officer, or a representative, may attend any meeting of governors to observe, give advice and/or report on financial matters.
- 1.8 These procedures shall be reviewed regularly by the **Chief Financial Officer (delegated to the Head of Financial Management and Business)**, at least every 3 years. The **Council** should approve all amendments and summaries of changes resulting from reviews of codes of best practice, procedures or explanatory notes.
- 1.9 All members of the governing body and staff have a general responsibility for taking reasonable action to provide for the security of assets under their control, and for

ensuring that the use of these resources is legal, is properly authorised, efficient and provides value for money.

- 1.10 The Chief Financial Officer may issue, from time to time, financial manuals and instructions for the administration of the financial affairs of schools. Such advice may provide further guidance on arrangements dealt with in these regulations including the form and content of any document or report on financial matters, accountancy procedures and financial instructions.
- 1.11 Financial instructions, whether issued separately or included in the Schools Financial Manual, shall form part of these regulations.
- 1.12 Electronic copies of the regulations will be supplied to all schools for distribution. The Head Teacher must additionally ensure that members of the governing body have access to these regulations and any financial documents they may request.

### **Budget Management - Annual Budget Setting & Accounting Policies**

- 1.14 Schools must abide by the local authority's accounting policies and procedures, including year-end procedures. Budget Management requirements are specified in the scheme for the financing of schools and these financial regulations, governing bodies are responsible for ensuring that the school is in compliance with these responsibilities.
- 1.15 The local authority must notify each school of its budget share before the commencement of the financial year. The local authority is also required to publish a section 251 budget statement.
- 1.16 The governing body must establish formal processes and timetables to ensure that all relevant financial and non-financial factors are considered in the school's budget setting.
- 1.17 As soon as possible after 31<sup>st</sup> March each year, schools must establish the amount of any carry forward budget surplus or deficit. Schools are required to take this into account when determining their new financial year budget plans. Any budget surplus shall be earmarked for any current or future needs.
- 1.18 Each school is required to submit their budget plan approved by the full governing body by the 31<sup>st</sup> May of each year in a format to be determined by the local authority.
- 1.19 Revised plans approved by the governing body must be completed and forwarded as soon as practical after 31<sup>st</sup> October each year but no later than 30<sup>th</sup> November in the financial year to which it relates.
- 1.20 Schools are not permitted to plan for an unlicensed budget deficit (see paragraphs 1.43 to 1.48 for more information).
- 1.21 All reports and accounts provided to the local authority by a governing body must be on an accruals basis. A prudent approach must be adhered to and the governing body must include all known commitments for the financial period.
- 1.22 The school's budget must link to the school's development plans and the school will be able to provide documents providing the basis of all budget assumptions and priorities. If the school intends to make surplus balances of greater than 8% up to

15%, an explanation should be presented to the governing body for their approval and sign off. Where surplus balances are expected to exceed 15% Governing Bodies must include within their budget submission a report on the use that the school intends to make of surplus balances. Balances exceeding 15% may be reviewed by the Schools Forum.

### Authorisation Levels

- 1.23 In these financial regulations, various references are made to authorisation levels. Expenditure should only be incurred if authority to purchase goods and services has been delegated to a member of the school's staff by the Governing Body.
- 1.24 The Governing Body is responsible for approving a scheme of delegation which must specify the delegated authority for the following areas of financial responsibility:
- Authorising the purchase of items (requisition/official order authorisation)
  - Authorising of invoices for payment
  - Authorising budget virements
  - Certifying travel and expense claims
  - Authorising petty cash expenditure, including signing cheques
  - Approval of petty cash reimbursement claims
  - Issue of official receipts
  - Raising of invoices and credit notes
  - Authorisation of write offs
  - Authorisation to fill a staffing vacancy
  - Approval of starters and leavers
  - Approval of changes to the staffing establishment
  - Payment of overtime, bonus, time off in lieu
  - Notification of sickness
  - Authorisation of salary adjustments
- 1.25 An authorised signatory listing must be prepared and approved by the Governing Body to complement the scheme of delegation. The authorised signatory listing should be submitted Finance, Revenues and Welfare the School's HR provider.
- 1.26 The scheme of delegation and signatory list should be reviewed at least annually and approved by the full governing body.

### Budgetary Monitoring and Control

- 1.27 Schools must submit financial information and reports to the local authority in line with the requirements and timescales stipulated in the scheme for the financing of schools.

- 1.28 Governing Bodies must ensure that they have adequate arrangements for finance to undertake the following:
- Monitor at least three times per year actual income and expenditure against budgeted, for all of their budgets and ensure that targets are achieved. The aim is to ensure that overspends do not occur and that problems can be identified and tackled at an early stage.
  - Recommend corrective action without delay
  - Report any substantial-deviations from budget to the Director for Children, Adults and Health without delay.
  - Report to the full governing body on a regular basis (at least three times per year)
- 1.29 Governing bodies must formally allocate those budgets, for which they wish to give responsibility to the Head Teacher and responsible budget holders who, in turn must monitor expenditure in the context of amounts allocated. Any potential material variations (£500 or more) must be brought to the attention of the governing body so that appropriate action can be identified and taken.
- 1.30 Governing bodies must ensure that responsible budget holders:
- Receive reliable information to monitor their budgets
  - Are aware of their responsibilities,
  - Comply with the scheme for the financing of schools and the financial regulations for schools
  - Have received adequate training to carry out their responsibilities
- 1.31 Where supplementary accounting records are maintained, Governing bodies must reconcile these to the council's main accounting systems, or bank statements, on a regular basis (at least monthly but more frequently where necessary).

#### Virements

- 1.32 The Governing Body should set a policy for the approval of virements. This may be where a transfer is required between budget headings to either correct changes of a technical accounting nature (technical adjustment) or if extra expenditure is needed on an existing budget head, then, providing equal savings can be made within the school's budget, or there are sufficient unallocated savings brought forward from earlier years, schools can transfer budgetary provision; such movement is known as virement.

#### Capital Expenditure

- 1.33 Section 16 of the Local Government Act 2003 and Regulation 25 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 provide a definition of capital expenditure. Capital expenditure is principally in respect of acquiring, constructing or enhancing physical assets (including buildings, land and immovable equipment) which provide benefits over several years. In this instance, enhancement relates to works which are intended to lengthen the useful life of an

asset, increase the open market value of the asset or substantially increase the extent to which an asset can be used in the delivery of services. Capital is also defined more widely for example expenditure on computer software and on the making of loans or grants for capital expenditure by another body. The Government places strict controls on the financing capacity of the authority. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

- 1.34 Governing Bodies may use part of their budget share to meet the cost of capital expenditure to enhance, repair and maintain their school premises. The governing body must take into account advice from the local authority on the merits of proposed expenditure. Priority should be given to delivery of the School's Asset Management Plan. Refer to the Scheme for financing of schools for more information (section 2.14).
- 1.35 If the expected capital cost in any one year will exceed £25,000, then the Governing Body must notify the Director for Children, Adults and Health and take into account any advice from the Director for Children, Adults and Health as to the merits of the proposed expenditure. If the Council owns the premises, then the Governing Body must obtain the consent of the local authority to the proposed works.
- 1.36 Schools may incur expenditure of a capital nature on an approved project in a financial year and fund it over a period not exceeding four years, including the year in which the expenditure is initially incurred. Approval must be given by the Chief Financial Officer and the Director for Children, Adults and Health.
- 1.37 A governing body or Head Teacher must not permit the use of any part of the delegated budget for the acquisition of any interest in land or buildings whether in the form of freehold, leasehold or otherwise without prior consent, in writing, from the local authority.

#### Loans, Borrowing & Investments

- 1.38 The governing body must not enter into a contract for the construction of any works or buildings or, for acquisition of any vehicles, plant, computer or other equipment through a finance lease, hire purchase or any other form of credit arrangement without prior consent, in writing from the Chief Financial Officer.
- 1.39 **Governing Bodies of schools may only borrow money (which includes the use of finance leases) with written permission of the Secretary of State. This provision does not apply to loan schemes run by the Authority or the use of purchase cards authorised by the Authority. The definition of borrowing predominantly covers cash loans from financial institutions but also includes finance leases which are equivalent to committing the school to a loan, which is a form of borrowing. Some equipment leases, including photocopier and IT equipment leases, may be finance leases, and therefore it is important that schools refer terms and conditions of proposed leases to the Authority for checking.**
- 1.40 No loans from the school fund or other unofficial funds to the delegated budget or vice versa are permitted.

### Legality of Commitments

- 1.41 Governors shall have proper regard to the legality of their commitments and if there is any doubt they must consult with the Chief Financial Officer at the earliest opportunity.

### Financial Information and Reporting

- 1.42 All Schools must be required to provide information to enable the Chief Financial Officer to prepare the annual accounts of the Local Authority in accordance with the timetable determined by that officer.

### Surplus and Deficit Balances

- 1.43 Governing Bodies are required to carry forward from one financial year to the next any surplus or deficit in net expenditure when compared with the school's budget share for the year, adjusted for any balance brought forward from the previous year.
- 1.44 Governing Bodies that anticipate at any time during the financial year, that they may incur a deficit by the end of that year, must notify the Head of Business Management and Finance in writing as soon as this position becomes known.
- 1.45 Governing Bodies are able to apply in writing to the Chief Financial Officer for permission to incur a deficit budget in accordance with the conditions set out in the Scheme for Financing Schools. Governing Bodies must support requests with an agreed recovery plan immediately as soon as it is determined there will be a deficit.
- 1.46 In accordance with the Scheme for Financing Schools, requests for licensed deficits must be considered jointly by the Chief Financial Officer and the Director for Children, Adults and Health.
- 1.47 If the school intends to make surplus balances of greater than 8% up to 15%, an explanation should be presented to the governing body for their approval and sign off. Where surplus balances are expected to exceed 15% Governing Bodies must include within their budget submission a report on the use that the school intends to make of surplus balances. Balances exceeding 15% may be reviewed by the Schools Forum.
- 1.48 The local authority cannot write off the deficit balance of any school. Governing Bodies must recover from the deficit over an agreed period up to the maximum period defined in the Scheme for Financing Schools.

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## 2. Financial Administration

The Chief Financial Officer has an overall responsibility for the proper administration of the Council's financial affairs, this includes producing these regulations associated with proper financial administration and maintaining an effective internal audit of schools' financial affairs.

### Roles and Responsibilities

- 2.1 In these regulations various references are made to authorisation levels. Expenditure should only be incurred if authority to purchase goods and services has been delegated to a member of the school's staff by the Governing Body.

- 2.2 The school must complete an authorised signatory listing for all those members of staff with delegated responsibilities. This document should contain specimen signatures and should be held ready for inspection. The document should be regularly reviewed and updated when there are any changes to staff. A copy should be supplied to Finance, Revenues and Welfare.
- 2.3 Schools should prepare a financial procedures manual for all staff who may have involvement with income, orders, petty cash expenditure, school fund monies, inventories and equipment.

### Register of Pecuniary and Business Interests

- 2.4 It is important that Governors and school staff not only act impartially, but are also seen to act impartially. Certain practices should be avoided such as obtaining goods and services, which may include an element of private use for governors or school staff. **The school should have a policy and register on the acceptance of gifts, hospitality, awards, prizes or any other benefit that might be seen to compromise their judgment or integrity, and should ensure all staff are aware of it. When making gifts, the school must ensure the value is reasonable, is within its scheme of delegation of financial powers, the decision is documented, and has due regard to propriety and regularity in the use of public funds.**
- 2.5 The governing body of each school must establish a register listing for each member of the governing body and school employee engaged in contractual or purchasing transactions/decisions on behalf of the school, any business and/or pecuniary interests they or any member of their immediate family have; to keep the register up to date and available for inspection by governors, staff, parents and Local Authority representatives.
- 2.6 Governors and school staff have a responsibility to avoid any conflict between their business and personal interests and affairs and the interests of the school. They should withdraw from meetings while matters of a personal or pecuniary interests are discussed. A register of pecuniary interests whether direct or indirect interests should be maintained. For clarity where no interest exists then a nil declaration should be made.

### Financial Systems

- 2.7 Any amendments to approved financial systems or proposals to introduce new financial systems must be agreed in advance with the Chief Financial Officer.
- 2.8 The advice of the Chief Financial Officer must be sought regarding any matter that could, materially, affect the finances or financial systems of the Council before any commitment is made.

### Fraud Prevention, Detection and Investigation

- 2.9 Under no circumstances must governors or staff use council resources and/or assets for their own benefit.

- 2.10 The governing body shall approve a counter fraud, bribery and corruption policy and ensure that all staff are provided with access and made aware of its contents.
- 2.11 Governors and school staff must report to the Director for Children, Adults and Health and/or the Council's Chief Financial Officer any occasions where they believe that financial regulations, or other council policies or instructions are not being followed, or where the school or council's resources are at risk. Provided governors or school staff act in good faith, they will be fully supported when reporting under this regulation.
- 2.12 Prompt action must be taken by schools whenever a matter arises which involves, or is suspected of involving, any loss or irregularity or any circumstances that may suggest the possibility of such a loss or irregularity. This must include cash, stores, stocks, or other property held for the purpose of the School or in any other way affecting school finances or any breach of these regulations. The Head Teacher or any governor or other member of staff must immediately on its discovery, report the matter to the Audit Manager who may thereupon take action they consider necessary.
- 2.13 Although the chances of money laundering in a school setting are limited, the governing body must pay due regard to any guidance issued by the Local Authority relating to anti-money laundering regulations.

### **Income, Banking and Bank Account Administration**

- 2.14 Governors may delegate responsibility for ensuring that all sources of income due to the school and the council are identified, collected promptly and that payments received are accepted, recorded, banked and reconciled promptly and correctly.
- 2.15 Governors responsibilities for income should be to:
- Monitor and challenge when income is not received by anticipated due dates
  - Agree a lettings policy and the schools approach to lettings
  - Agreed a schedule for all discretionary fees levied by the school
  - Agree the process for disputes arising from fee related matters procedure and policy for bad debts and write off (see below for further details)
  - Receive assurances from the school staff that fees levied will cover associated cost so that there is no strain placed on the delegated budget
  - Receive assurances that the funding formula has been received and is being used for its intended purpose.
- 2.16 Governing Bodies must have clearly defined and documented procedures for setting a budget for their income on an annual basis and monitoring against that budget as appropriate. They should have procedures in place to monitor income and expenditure trends so that anomalies can be promptly investigated.
- 2.17 Governors must ensure that they and all school staff are aware of the controls that should exist. All school staff should:
- Understand their responsibilities to maintain key controls over areas of

income which they must collect and monitor

- Receive adequate support and training to carry out their financial responsibilities
- Comply with the council's scheme for the financing of schools
- Be personally protected from associated risks.

2.18 Schools must only operate a bank account that conforms to the Scheme for Financing Schools and these regulations. In practice, this means:

- Using the Council's bank account (general fund) for distribution and holding of delegated budget
- A separate account for petty cash (which must be labelled Imprest and the name of the School)
- A separate bank account/(s) for semi-official fund.

2.19 The organisation of bank mandates and changing authorised signatories shall be undertaken as follows:

- For the general fund - this must be organised via South Gloucestershire Council Corporate Finance.
- For the Imprest bank account – this must be organised via South Gloucestershire Council, Finance, Revenues and Welfare Service
- For Semi-Official funds - the Governing Body maintains responsibility for updating all other bank mandates.

2.20 The Head teacher must maintain a list of all bank accounts held and signatories to the accounts held.

2.21 Amounts due to the school should be collected at the earliest opportunity and where possible in advance of a service/goods being supplied. Consecutively numbered invoices should be used and spoiled invoices marked as such and retained for audit inspection. The following safeguards/controls must be observed:

- Invoices and other forms of income correctly account for VAT
- Income is not banked net of expenditure or any other deductions made from income received (i.e. all income is banked fully and intact)
- Personal cheques must not be cashed from money on behalf of the school or the council
- Where possible a separation of duties in operation between collection and reconciliation/banking of income (where not achievable in small school settings regular monitoring of income levels and spot checking of income received must be undertaken)
- A regular reconciliation is performed to compare income received to income banked on the financial accounting system of the council. Any anomalies to be promptly investigated.
- Cash income collected should be banked promptly, where this is not possible, the school should have sufficient secure storage arrangements in

place commensurate to the value of income held (further guidance on this is available on request).

- 2.22 Each person who receives money on behalf of the school must record an acknowledgement using only official stationery (e.g. receipt book, cash register, manual register). Where low value income is received (less than £10), individual receipts need not be issued.
- 2.23 A debt must only be considered irrecoverable after all appropriate measures have been taken to obtain payment. Governing Bodies are only permitted to write off debts up to the value of £2,000 which are related to their own income generation. Above this level the school must seek approval for the Chief Financial Officer (or Deputy Chief Financial Officer in his absence) at the earliest opportunity. This regulation must apply except in the following circumstances:
- The debtor is bankrupt or in liquidation and an independent written statement has been received indicating that no payment will be paid to the council
  - Legal action has been taken and the debt has been remitted by a court
  - The debtor no longer resides in this country.
- 2.24 The Governing Body must maintain a record of all irrecoverable debts.

## **Risk Management & Insurance**

- 2.25 Governors are responsible for ensuring that adequate risk management arrangements are in place. This includes ensuring:
- Governors and staff are aware of their responsibilities in relation to risk management
  - Receive adequate training and support to carry out their responsibilities
  - Take risk management into account in the course of their work.
- 2.26 Governors and Head Teachers are responsible for the identification of potential risks of loss or damage to resources and operations they control. Risk could include: liability for injury/death of employees or third parties, property damage, theft/loss of equipment or finances and/or interruption to the working of the school, reputational damage, risk to pupils well-being.
- 2.27 The Governing Body should regularly assess the key risks affecting the school (at least annually) and consider the likelihood and impact of each risk. This could take the form of a risk register. The Governing Body could articulate their appetite to risk and approach to reviewing risk registers in a risk management policy.
- 2.28 Governing Bodies must take steps to minimise potential losses through preventative measure. Effective action to manage risks will represent a judgement between the probable risk and the cost or effort required to safeguard against it.
- 2.29 Not all risks are insurable. Where it is possible and cost-effective/prudent to insure against major risks, the Governing body has a responsibility to ensure that such insurance is in place. This includes ensuring:

- Staff have received adequate support and training to carry out their financial responsibilities
  - Adequate insurance cover is in place for all potential liabilities the school may face
  - That Governors and staff are personally protected from associated risks.
- 2.30 Governors and Staff should ensure that day to day procedures work towards protecting the interest of the school. This might include ensuring:
- The School has health and safety advice and support in place and regular checks of the site and associated equipment is undertaken
  - The School adheres to these financial regulations, the scheme for the financing of schools and their own financial procedures, this includes ensuring there is robust oversight of key financial processes on a regular basis
  - Preparing for the impact of emergencies and incidents through the compilation and regular testing of business continuity and emergency plans
  - Limiting losses once they arise through rapid and appropriate action
  - Prompt expert advice is obtained (where appropriate) and work is undertaken in the best interests of the school to limit further damage.
- 2.31 The Risk Management and Insurance section of the council is responsible for securing insurance cover for all Schools subject to the requirements of the Scheme for the Financing of Schools. The insurance section must be notified immediately of:
- All new risks and liabilities which may require specific insurance cover
  - Any alteration which may affect existing insurance
  - Any loss, damage or claim likely to give rise to a claim by or against the school
  - All leases of property granted by or to the school which involve a transfer of insurance cover.
- 2.32 An ex-gratia payment relates to compensation or settlement made to employees in respect of loss or damage to clothing or personal belongings which occurred in exceptional circumstances at work or in the course of the performance of their duties and which was not due to the employee's fault or negligence. Any proposal to make such a payment by the Governing Body must be discussed and agreed, in advance with the Head of Financial Management and Business, the Risk Management and Insurance Manager and a representative of the Head of Legal Services.

### **Internal Audit**

- 2.33 The Chief Financial Officer is responsible for maintaining a continuous internal audit of schools' accounting and financial transactions, including any operations affecting the Council's finances or financial arrangements.
- 2.34 The school's records and accounts will be available for inspection, as necessary, by the Council's internal and external auditors. Governing Bodies are required to co-operate with both internal and external auditors. Schools must provide a right of

access to records for both internal and external auditors.

- 2.35 Internal audit services reviews the key risks and controls at schools on a risk assessed basis. The frequency of audit will be dependent on a number of factors including: previous audit opinion, carry forward balances, changes in key personnel, OFSTED results and information obtained from the Department for Children, Adults and Health. Internal audit services will produce a report for the Director for Children, Adults and Health, a copy will be made available to the governing body and Head Teacher and a formal response is required from the school within 2 months of issue of the report.
- 2.36 The local authority may request internal audit services to undertake investigations where it is considered there is a risk of irregularity or where a deficit budget has been set and there is not a clear recovery plan, internal audit services may conduct a notice to improve visit. These visits will be funded by the local authority.
- 2.37 The governing body may commission internal audit services to undertake an internal audit for the purposes of self-improvement and achievement of value for money. However, in these circumstances the audit must be funded from the school's own budget.
- 2.38 A governing body's right to a delegated budget may be suspended if the financial controls within the scheme for the financing of schools have been substantially or persistently breached, or if the budget share has not been managed satisfactorily.
- 2.39 The governing body of each school must provide, to the council's internal audit service, audit certificates for each of its voluntary and private funds (such as the School Fund and accounts for trips/camps and other activities) and the accounts of any trading organisations controlled by the school. These audit certificates must be forwarded not later than six months after the end of the accounting period to which they relate.

## Purchasing

- 2.40 Governors may delegate responsibility for the purchasing of goods and services to a level set by the Full Governing Body in the scheme of delegation. All purchases exceeding the levels set must be referred to the Full Governing Body in advance of making the purchase for decision. The decision should be clearly recorded in the minutes of the meeting.
- 2.41 Governors responsibilities for purchasing should be to:
- monitor and challenge all purchasing activity to ensure it is necessary, in line with expectation and does not exceed budgets
  - Agree a purchasing policy which includes requirements for seeking quotations and tenders.
  - Ensure there is an effective separation of duties in operation to minimise the risk to staff
  - Where a separation of duties is difficult to achieve due to limited staffing, the governing body should seek assurance that there is regular independent spot checking of purchasing activity.

- Ensure that purchasing activity is only undertaken when formal approval has been received, in advance, in practice this means purchase orders/requisitions must always be approved prior to an invoice being received.
- Where the electronic ordering system is not being used, that only official controlled stationery order pads are used for procurement activity
- Ensure there is a procedure in place for staff to check and record when goods and services are received so that payment is only made on satisfactory receipt (except for certain exceptions see below)
- On occasions where payment may be needed in advance of receipt of a good or service, that these situations are carefully monitored to ensure that the school does receive value from the payment
- Ensure there are robust procedures in place for the usage, administration and monitoring of payment cards, including, not sharing purchase cards, holding the card securely, promptly transferring expenditure to appropriate expenditure codes so that spending is transparent and regular spot checks and oversight of what is being bought.

2.42 Governors must designate specific school staff who are authorised to place orders on their behalf and must operate procedures to secure value for money. The procedures must be properly recorded, communicated to staff, and continuously monitored.

2.43 When procuring goods and services the Governing Body and staff of the school must take into account the following considerations:

- Schools must pay due regard to the Council's contracting rules for schools and the Scheme for the financing of schools when setting limits for obtaining quotations and tenders. (Currently tenders must be sought for purchases and contracts expected to exceed £75,000 over the life of the contract).
- Schools are required to comply with EU tendering requirements for all procurement activity. (The current EU threshold is £181,302 and £615,278 for light touch services e.g. educational supply)
- The health and safety competence and qualifications to perform the tasks being purchased
- The financial stability and capacity of the contractor to perform the tasks being purchased

Schools could seek advice on a range of compliant deals via [Buying for Schools](#).

2.44 Governors must ensure that they and all school staff are aware of the controls that should exist. All school staff should:

- Understand their responsibilities to maintain key controls over purchasing arrangements (this includes controls to prevent common purchasing fraud and invoice scams, such as mandate fraud)
- Receive adequate support and training to carry out their financial

responsibilities

- Comply with the council's standards of financial management and be personally protected from associated risks.
- Not, under any circumstances, use the council's ordering or payment systems for personal use or benefit.

2.45 Governors have a responsibility to ensure that due regard is being paid to value for money, this includes ensuring that:

- The council's contracting rules are being followed
- For all purchases (even lower value) cost and quality considerations have been taken into account in the decision
- The most cost effective method of purchasing has been employed (it may be cheaper to purchase with a council purchasing card rather than raise a purchase order for certain goods and services)
- Late payment of invoices could result in the school being liable for late payment charges under the "Late Payment of Commercial Debts (interest) Act 1988".

2.46 Governors and staff have a responsibility to prevent the risk of fraud and irregularity in the area of purchasing. This includes the following:

- Being suspicious of unsolicited offers of goods and services, if it sounds too good to be true it usually is
- Never, under any circumstances, allowing authorised signatories to pre-sign cheques (this is relevant for the imprest/petty cash account)
- Being suspicious of emails/correspondence purporting to be from the Head Teacher authorising purchases (if this is not their usual method of authorising expenditure) – always check
- Protecting against mandate fraud by ensuring the school has independent methods for verifying changes to bank account details for regularly used/high value suppliers.
- Ensuring cheques/payments are not returned to the originating members of staff (except in exceptional circumstances). In the majority of circumstances, payment must be made to the intended payee.
- Schools have a responsibility to ensure they are not purchasing goods/services from suppliers actively engaged in the activity of evading payment of tax. The school should observe the requirements of the Criminal Finances Act 2017.
- Ensuring that the risks of bribery in purchasing is understood, this could include, but not be limited to, suppliers offering inducements to staff to show favour on them in purchasing decisions.
- Ensuring that all staff have clearly recorded all business interests (see section xx) and are not actively involved in purchasing decisions where they hold an interest.

- 2.47 When ordering services such as painting, decorating, plumbing or any other general building works, the regulations stipulated within the Construction Industry Scheme must be observed. The scheme requires that the Council acts as agent to HMRC, deducting income tax where appropriate, for the labour element only. Any enquiries relating to this matter should be referred to the Finance, Revenues and Welfare division of the Council.

### **Petty Cash**

- 2.48 Schools with only a small petty cash requirement may opt to use an encashment facility. If petty cash claims regularly exceed £250, the School must obtain an imprest cash account.
- 2.49 Increases in petty cash facility should be referred to the Finance, Revenues & Welfare Service in the first instance. Imprest requirements may need to be referred to internal audit services for review and decision if they are considered to be excessively high.
- 2.50 The Head Teacher must maintain a bank mandate and listing of authorised signatories for the petty cash account. This information must be made available to Finance, Revenues and Welfare Service. The name of the petty cash account must include the wording 'imprest' and the name of the school.
- 2.51 All cheques must be personally signed (not pre-signed nor, signature obtained from a stamp) by an authorised signatory who must at the same time, be presented with documents supporting requested payments.
- 2.52 Cheque books must be held securely when not in use. Cheques must not be manually amended, but cancelled and replaced where necessary.
- 2.53 The petty cash account must be reconciled regularly (at least every term). The associated documentation must be signed by the person undertaking the reconciliation and counter-signed by the Head Teacher. All discrepancies must be promptly investigated.
- 2.54 A separation of duties must be in place between those monitoring the account, and those who are operating the account. The advice of the council's internal audit services shall be sought where there is any doubt over the strength of such a separation of duties.
- 2.55 Schools are not permitted to allow petty cash accounts to become overspent. A petty cash reconciliation and reimbursement claim shall be submitted on at least a termly basis and must not exceed one half to two thirds of the overall imprest level. The school will be liable for any fees incurred by the council for a school petty cash account becoming overdrawn.

### **VAT**

- 2.56 Governing Bodies must ensure that school staff:
- Are aware of their responsibilities and account for taxable transactions
  - Know how to obtain more detailed information and support and identify any training needs

- Maximise the use of resources ensuring tax is reclaimed wherever possible and not charged to their budgets
- Avoid financial penalties for the council
- Refer to the VAT manual on the Council's intranet (under 'v' on the A to Z directory). This contains a wide range of VAT guidance with links to additional advice and is kept regularly under review.

2.57 The council is normally able to reclaim all VAT, provided a valid tax invoice is held. School staff must obtain a valid tax invoice for all goods and services on which VAT is payable. Failure to do so will mean the gross amount being charged to the school budget. Care must be taken not to recover VAT to which the council is not entitled, for instance where VAT is incurred on payments made on behalf of third parties.

2.58 The school has a responsibility to check validity of VAT on authorisation of invoices. School staff should ensure that:

- Transactions where no VAT is paid are correctly identified as zero rated, exempt or outside of scope
- There is a valid tax invoice
- The correct VAT indicator is used
- The VAT is correctly calculated

It is possible to check the validity of VAT registration numbers online:

[https://europa.eu/youreurope/business/vat-customs/check-number-vies/index\\_en.htm](https://europa.eu/youreurope/business/vat-customs/check-number-vies/index_en.htm)

2.59 Governing Bodies must ensure that tax is charged on income collected by the school when due. Liability is determined by the type of organisation being charged and the nature of the service provided.

2.60 School staff must correctly identify taxable income and customers. Any new sources of income where the VAT treatment is unclear must be referred to the Council's VAT Accountant.

2.61 School staff must correct identify non-taxable items as zero-rated, exempt or outside the scope for output tax purposes.

2.62 The school must issue a tax invoice for taxable goods or services supplied to anyone outside of the council, this must be accounted for to HMRC. Where the value of the transaction covered by the invoice (including the VAT) is more than £250, staff must ensure that the following details are shown on the tax invoice:

- An identifying invoice number
- Name, address and VAT registration number of the supplier
- The date of supply
- Name and address of the person to whom the supply was made
- The type of supply
- A description which identifies the goods or services supplied including

quantity, charge made excluding VAT and the rate of VAT

- The total charge excluding VAT
- The rate of any cash discount offered
- Total amount of any VAT payable

2.63 Where the value of the transaction (including VAT) is £250 or less a “less detailed tax invoice” will suffice. Staff must ensure that the following details are shown on a “less detailed tax invoice”:

- Name, address and VAT registration number of the supplier
- The date of supply
- A description which identifies the goods or services supplied
- The total amount payable, including VAT
- The rate of VAT

2.64 Receipts of dividends and interest must normally be net of tax deducted and accompanied by a tax deduction certificate from the payee. If a tax certificate is not supplied, one must be obtained from the payee. These must be forwarded to the Finance, Revenues and Welfare division of the council.

## Salaries, Wages and Pensions

2.65 The governing body will ensure that all appointments are made in accordance with the school’s policies and that appropriate delegations are in place and recorded and approved annually in the scheme of delegation.

2.66 Under no circumstances should staff approve changes to their own terms and conditions including, for the avoidance of doubt, pay decisions. Changes to the Head Teacher’s pay must be authorised by an appropriate committee and clearly evidenced in the minutes of that committee.

2.67 Governing Bodies must ensure controls are in place to safeguard staff pay to ensure:

- A vacancy review and approval process is in place so that vacancies are only filled where there is an established need and a cost-effective alternative staffing arrangement is not available
- There is sufficient budget provision for the appointment of new employees, this includes considering the future budget availability for permanent employments
- The most appropriate method of employment (in the context of need and budget availability) has been considered, i.e. permanent, limited term contract.
- That arrangements have been appropriately authorised and records of that authorisation are retained by the school
- That all payroll variations and new appointments are notified to the payroll

service at the earliest opportunity possible and in accordance with agreed timescales, this includes staff who start working for the council, resign or are dismissed, transfer to another post or any other changes affecting the payroll

- That an appropriate separation of duties is in place for payroll related activity and that there is monitoring and oversight of variations to pay
- That there are appropriate controls and checks and balances over the use of overtime pay for staff. This includes the completion of an overtime form, detailing the name of the employee claiming overtime, the purpose of the overtime and number of hours claimed, the date and clear authorisation of the payment in line with the School's scheme of delegation.

2.68 The school cannot transfer all risks associated with the payment of staff to their payroll provider. The governing body has a responsibility to satisfy themselves that their payroll provider:

- Is suitably qualified and able to perform the role of payroll service on the school's behalf
- Has the necessary arrangements in place to securely hold all records relating to pay, superannuation, national insurance and income tax
- Is making payments as required to any third parties, e.g. HMRC
- Has issued guidance to schools staff on the requirements for pension auto-enrolment and how to opt out of the scheme

2.69 Employees have a responsibility to check the accuracy of their pay. They must immediately notify Payroll Services of any change in circumstances, or situations (such as payments received in error), likely to affect their entitlement. Should employees receive any payment to which they are not entitled, they must refund this to the Council.

2.70 Complex and stringent rules govern circumstances where payment can be made to individuals without deducting national insurance or tax contributions. To avoid breaching these regulations, payments to employees must only be made through the payroll.

2.71 When the school engages staff/consultants/contractors outside of the payroll careful consideration needs to be made of these individuals' employment status. Schools should refer to the [www.gov.uk](http://www.gov.uk) website for further information about the requirements of IR35. Where individuals are working in any capacity on behalf of the school off payroll through an intermediary (IR35) the school should check the employment status using the <https://www.gov.uk/guidance/check-employment-status-for-tax> online tool. A copy of the result of any check should be retained by the school.

## Stocks and Stores

2.72 The Governing Body is responsible for ensuring there are proper controls over stocks and stores to prevent unnecessary expenditure and/or loss.

2.73 The Head Teacher must be responsible for the custody and physical control of the stocks and stores of consumable items held in the school.

- 2.74 Where stocks and stores form part of a trading account, e.g. catering, or individually have a significant value, stock records must be maintained. All such records must be kept in a form that gives sufficient information to ensure that receipts and issues can be readily identified to confirming documentation and balances in hand.
- 2.75 Head Teachers must pay particular attention to the control of liquid fuel deliveries and storage. They should ensure that where staff check deliveries they are vigilant in relation to reading quantities of fuel in both holding tanks and delivery vehicles.
- 2.76 Any stocks or stores held must not be in excess of normal requirements except in special circumstances approved by the Governing Body.
- 2.77 Head Teachers must arrange regular stock checks and ensure that all stocks are checked at least annually by a person other than the usual storekeeper. Significant surplus or deficiencies must be advised in writing by Head Teachers to the Governing Body with adjusting entries on stock records being referred to such notifications. Any cases of potential misappropriation should be reported to the internal audit services [internalauditmail@southglos.gov.uk](mailto:internalauditmail@southglos.gov.uk)
- 2.78 Surplus stocks and stores over a value of £100, unless transferred to another department within the school, must not be disposed of without the written authority of the governing body. Consultation should also take place with the Local Authority's Property Services team regarding possible use elsewhere with the Local Authority and best options for method of disposal.
- 2.79 All proceeds from the sale of items purchased from public funds or donated to the school and therefore owned by the school, must be paid directly into the school's bank account as income to the school budget.

### Property, People and Information

- 2.80 The governing body has a responsibility to ensure that school staff are:
- Aware of their responsibilities with regard to property, people and information
  - Have received adequate training in these areas of responsibility
  - Are personally protected from any associated risks
- 2.81 Governors must ensure that they and all school staff are aware of the controls that should exist for property related matters. All school staff should:
- Understand their responsibilities for maintaining controls over property related matters
  - Report regularly to the governing body on any site health and safety checks performed and swiftly bring their attention to any issues that need promptly addressing, either through alternative arrangements or purchase of repairs to property
  - Prepare an asset management plan, on at least an annual basis, and regularly submit it to the governing body for review and prioritisation
  - Ensure there is adequate security in place for the site to safeguard against

unauthorised access/damage/theft

- Where CCTV is operated to protect the property, ensure that the school adheres to the requirements of the surveillance commissioner in operating clear policies and signage (for more information refer to: <https://www.atl.org.uk/advice-and-resources/rights-and-conditions/cctv-and-other-surveillance> and <https://www.ipco.org.uk/>)
- Ensure they have access to an adequate Health and Safety advice service which provides for regular property inspections and keeps key staff and governors informed of legislative changes affecting schools and particular risks.
- Safeguard the fabric of the property and site by not making any major, changes and/or enhancements to the estate without prior authorisation of the Head of Property Services or associated Religious Organisation (for VA/VC schools)

- 2.82 All equipment valued in excess of £100, or likely to be attractive to thieves must be recorded in a formal inventory. This should be kept in a fireproof safe and/or electronically on a server off site. The accuracy of inventories should be checked at least once a year and certified by the Head Teacher. The inventory must contain the following information:
- Date of acquisition
  - Description of the asset including any unique identifying serial number
  - Cost
  - Location of asset
  - Details of any disposal/write off
- 2.83 The governing body should be promptly advised of any equipment that cannot be accounted for. The school should observe the requirements of their fraud prevention policy in the event that it is determined property has been stolen.
- 2.84 Valuable equipment must be visibly security marked. A record must be held of all items issued to staff members for use during the course of their employment. Leavers procedures must include the requirement for property and equipment to be surrendered back to the school at the end of a staff member's employment. Staff may be subject to tax liabilities relating to benefits in kind if they retain the equipment for personal use and an extended period of time.
- 2.85 Governors and school staff should have due regard to environmental legislation associated with the purchases of equipment and resources. Where possible, action should be taken to minimise the consumption or wastage of resources and/or the associated negative environmental impacts of resource usage. Similar considerations should be applied to the disposal of equipment and resources.
- 2.86 Obsolete, unserviceable or unnecessary assets must be disposed of in accordance with the school's disposal policy and legislative requirements. Disposal of surplus items will usually be by offer to other schools, other council departments, tender or auction, although this requirement can be waived for low value items after

consulting with internal audit services. All items must be disposed of for the best possible price.

- 2.87 The proceeds of the sale should only be spent for the purposes of the school. The governing body cannot dispose of land or buildings, this remains the responsibility of the council/or the religious organisation (in the case of VA/VC). There are exceptions to this rule where the school has opted to become a co-operative trust and the freehold of its land and buildings have been successfully transferred by the council to the Trust.
- 2.88 Governors must ensure that they and all school staff are aware of the controls that should exist for people related matters. All school staff should:
- Follow the policies and procedures approved by the governing body related to the safety and security of students and visitors to the school, including ensuring that the policies accord with latest guidance and legislation
  - Follow the policies and procedures approved by the governing body related to staff appointments and conduct, including ensuring appropriate pre-employment checks are undertaken prior to commencing in post to confirm qualifications, suitability, references, DBS and health screening.
  - Seek advice from the school's procured HR service, where necessary and prudent to do so, in relation to staffing issues arising
  - Ensure that the school has an up to date and approved whistle blowing policy which has been communicated to all staff and is freely available for their access
  - Ensure all staff, as required by their role and position, have been subject to disclosure and barring screening and that evidence of this check is retained on their personnel file (note the actual check result, subject to current guidance, must not be retained)
  - Ensure that personnel records of staff are held with sufficient security and are only held for the length of time advised by the school's HR service and in line with document retention policies
  - National working time regulations (amended 2003) must be observed for all school staff
  - Ensure that the school is in compliance with national requirements and council policy relating to national minimum wage and living wage

### **Information Security**

- 2.89 Governors must ensure that they and all school staff are aware of the controls that should exist for information related matters. All school staff should:
- Follow the school policies and procedures relating to the retention, control, security and disposal of data and information
  - Ensure that the school has adequate security over their data and information systems and as well as completing mandatory ICT Security and Information Sharing training, all staff are regularly reminded of their responsibilities. For technology related elements this could include: password controls, locking computer screens when not in use, back up

arrangements, security of systems and applications, firewalls etc. You can demonstrate much of this capability by attaining [Cyber Essentials](#) certification.

- Adhere to the requirements of the Data Protection Act.
- Maintain a software inventory (responsibility cannot be transferred to a third party provider) containing: details of software, number of licences, expiration date and any identifying serial numbers.
- Ensure that the school has adequate security over their data and information systems and staff are regularly reminded of their responsibilities, this could include: password controls, locking computer screens when not in use, back up arrangements, security of systems and applications, firewalls.
- Consider the merits of procuring a specialist IT advisor to provide the school with guidance on security and system related matters
- Have due care and regard for paper based sensitive information, for example: ensuring all sensitive data is locked away securely when not in use, not taken off school premises unless absolutely necessary, making use of redaction policies to limit data availability, taking due care with information on photocopies and fax machines.
- For data in paper form, such as printed documents or handwritten notes, how to appropriately control, mark and securely dispose of it where it contains personal or sensitive data. Additionally, conversations are verbal data and are needed to be treated as accordingly, discussed in setting appropriate to the topic, not with non-entitled people present or in areas where you can be overheard and that any recorded conversations or notes are deleted and not recoverable.
- Ensure the school is aware of its responsibilities in relation to the Freedom of Information Act. This includes requirements for policy and procedural documentation and adhering to national timescales for responding to requests. For more information refer to: <https://ico.org.uk/for-organisations/guide-to-freedom-of-information/>

2.90 The Data Protection Act 2018, which fully encompasses General Data Protection Regulation (GDPR) is now in effect. Schools are each individually data controllers under the provision of these regulations, and as such are each individually responsible for adherence to its requirements. The accountability for the data protection of personal information cannot be transferred to a third party through the purchase of a service and remain the responsibility of the school. Schools are recommended to:

- Refer to the Information commissioner's office website to obtain an overview of the school's responsibilities (<https://ico.org.uk/for-organisations/>)
- Consider procuring access to a specialist adviser, as needed, to ensure compliance with the requirements of the regulation
- Consider any commercial/partnership/shared activity that the school may be

engaged in. Such arrangements will need to be governed by a contract and it is recommended that a contract addendum is used to ensure both parties comply with their specific Data Protection accountabilities

- A Data Protection policy must be in place and approved by the governing body which ensures personal information is handled in compliance with the DPA 2018/GDPR requirements
- Consider regular training in Data Protection for governors and staff as mandatory in order to demonstrate compliance with the regulations
- Conduct a review of the management of the school's data to consider whether any prompt redress is needed to minimise risk of penalties.

### Voluntary (Semi-Official) Funds

- 2.91 Governing Bodies and Head Teachers must ensure that the standards outlined elsewhere in these regulations are followed for all voluntary funds as parents and other benefactors are entitled to the same standards of stewardship for such funds. Such funds must be accounted for separately using other accounting arrangements independent from those used to account for the school official funds.
- 2.92 Semi-official funds must be held in a separate bank account. The bank accounts and supporting records must be regularly monitored by the Head Teacher who has a responsibility to ensure that regular reconciliations are undertaken.
- 2.93 The Governing Body has responsibility for setting the accounting period for the semi-official fund and must appoint an independent auditor to promptly undertake a verification audit at the end of that accounting period. The Auditor must complete a school fund auditor's certificate and supporting documentation in the form of a short report and submit it to the governing body for approval.
- 2.94 Following governing body approval, the School Fund Auditors certificate must be submitted to internal audit services within six months of the year-end. The School fund auditor must be independent of the school.
- 2.95 Governing Bodies must be aware of any responsibilities placed upon them in terms of financial management and reporting by the Charities Commission.
- 2.96 Governing Bodies must ensure that voluntary and private funds are covered by appropriate insurance arrangements.

### Commercial Activity & Additional Services

- 2.97 The governing body has a responsibility to notify the Director for Children, Adults and Health of any **single** activity which is outside the normal operations of the school and if it is anticipated to have one or more of the following circumstances:
- Income generation attracting an anticipated turnover of greater than £15,000 per annum
  - A service and/or activity that will involve the employment of staff on a regular basis
  - A service and/or activity that may require the purchase of assets and resources to be used mostly for the purpose of that service

- A service and/or activity which will require regular usage of the grounds/property of the school

Examples of this type of service or activity could include: a catering service (owned and run by the school), an after school club, a breakfast club, a sports activity/club, a learning or research organisation, a Head Teacher being paid to work in another school, a teaching school.

2.98- The governing body must ensure the following for these types of activity:

- Approval has been sought from the Director for Children, Adults and Health
- A clear and transparent business case and costing model has been established which is available for review and demonstrates that the activity will meet its costs through income
- Where a governing body decides to operate an activity at a loss, they must justify to the local authority how any shortfall will be met (this cannot be from the delegated budget)
- Schools have a responsibility to not generate excessive balances from activities and should have due regard to their purpose and role. Where net balances exceed £2,000, the governing bodies should be prepared to justify how they will use the funds for the benefit of the school
- Provision is made for the payment of redundancy costs for staff in the event that the provision needs to be ceased/wound up
- That the school is adequately insured for the purposes of the activity being pursued and there is adherence to all relevant legislation (e.g. safeguarding, OFSTED, health and safety)
- There is security and control over the resources of the activity
- That there is no conflict of interest between the duties and responsibilities of staff employed to work for the school and for the additional provision.
- There is adequate contractual documentation as required to cover any legal considerations associated with any such arrangement
- On an annual basis the governing body should receive a report on the activity of the provision including a financial report clearly itemising associated costs and income.
- A certified return must be provided to internal audit services, six months after the conclusion of the financial year setting out the opening balance, associated costs, income and closing balance of the provision/activity.

### List of Key Contacts

To be updated before final release

### Reporting Schools Commercial Activity

This self-assessment should be completed by Schools for any activity that is not part of their curriculum delivery and is anticipated to generate total income (and expenditure) in excess of £15,000 in one financial year.

Brief Description of the Intended Activity:

*e.g. Teaching School alliance, trading company, after school club owned and operated by the School*

Date Activity Expected to Start (commenced):

Based on the information contained in your Business Plan, what is the per annum intended:

Income (£)

Expenditure (£)

Profit (£)

If the activity already exists please record actual figures for the last financial year.

Activity Company No.

Company Name:

Company Registered Address:

Is the Head Teacher or Deputy Head Teacher/s a director of the Company?

Are any Governors directors of the Company? Please provide details.

Activity Charity No.:

Charity Name:

Charity Registered Address:

Is the Head Teacher or Deputy Head Teacher/s Trustees of the Charity?

Are any Governors Trustees of the Charity? Please provide details.

Are separate accounting records maintained for the activity to enable appropriate monitoring and reporting to the Governing Body?

Does the Activity require the employment of staff either partly or solely for the purposes of the delivery of the activity?

If yes:

How many staff (FTE)?:

Approximate grade and contracted hours per annum?:

If staff member works across the school and the activity – Proportion of their contract

related to the activity?:

Are the activity staff being employed on a South Gloucestershire Council contract? (Y/N)

#### Performance and Monitoring

Will the Governing Body receive regular and transparent monitoring information on the performance of the activity? (Y/N)

How frequently will this be provided?:

#### Insurance and Risk Assessments

Have Insurance Services been informed of the activity to confirm whether there are any additional insurance liabilities?

Have appropriate risk assessments been undertaken for the activity?

Have assurances been sought that there are no commercial tax implications with operating the activity? (and if necessary accounting arrangements put in place)?

#### Winding Up the Activity

In the event that the School decide to wind up the activity, has sufficient provision been made to cover all costs and responsibilities associated with ceasing?

Please provide details of sums set aside for:

- Redundancy payments for staff
- Any potential TUPE considerations in the event that an alternative provider takes over the activity
- Any costs associated with leasing/renting property space associated with the activity
- Ensuring all administrative including utility costs can be paid.
- Any contracts with third parties associated with the activity render the School unable to wind up the activity without incurring significant costs.

I certify that I have answered the above questions to the best of my knowledge and believe responses to be accurate:

Signed:

Head Teacher.....Date.....

Chair of Governors.....Date.....

# NOTIFICATION OF CHANGES TO SCHEME FOR FINANCING OF SCHOOLS

## SOUTH GLOUCESTERSHIRE COUNCIL

### SCHOOLS FORUM

9 May 2019

#### SCHEME FOR FINANCING SCHOOLS – DfE DIRECTED CHANGES

##### 1. Purpose

To update South Gloucestershire Schools Forum on directed changes to the Scheme for Financing schools and its application to schools maintained by South Gloucestershire Council.

##### 2. Summary

The DfE has issued a number of directed changes to the local authority scheme for financing schools.

##### 3. Background

Local authorities are required to publish a scheme for financing schools. The scheme sets out the financial relationship between the local authority and the schools they maintain. The DfE publishes statutory guidance on what must be contained in the scheme for financing schools and may make directed revisions, requiring local authorities to make changes.

##### 4. Summary of Scheme Changes

The DfE has made the following directed revisions:

Scheme Reference	Description	Change
1.1	Introduction	removed advice that an authority must publish a statement showing outturn expenditure “at both central level and for each school, and balances held in respect of each school”
1.1	Introduction	removed advice that “each school must receive a copy of each year’s budget and outturn statements so far as they relate to that school or central expenditure”
1.4	Revision of Scheme	added “It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of the direction”

2.1.4	Control of Assets	added "The scheme should encourage schools to register anything that is portable and attractive, such as a camera"
2.4	Efficiency and value for money	changed title from "Efficiency and Value for Money" to "School Resource Management"
2.4	Efficiency and value for money	changed wording, including a change from "achieve efficiencies" to "effective management of resources"
2.10	Purchasing, Tendering and Contracting Requirements	added "Schools may seek advice on a range of compliant deals via <a href="#">Buying for schools</a> "
2.14	Capital spending from budget shares	added references to specific legislation "The reason for these provisions is to help meet responsibilities with the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010".
2.16	Schools Financial Value Standard (SFVS)	removed advice "that all local authorities with a delegated budget must submit the schools financial value standard form before 31 March each year"; replaced with advice " the form should be submitted before the end of the financial year"
3.6	Borrowing by schools	Added "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. The scheme must contain a provision that allows schools to use any scheme that the Secretary of State has said is available to schools without specific approval, currently including the Salix scheme, which is designed to support energy saving"
3.6	Borrowing by schools	Optional but not added "Schemes may also wish to permit the use of credit or charge cards. However, no interest charges should be incurred by the school,

		with balances fully cleared on a monthly basis”
4.8	Balances of closing and replacement schools	<p>revised “Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, the local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried forward from previous funding periods) of the closing school for the funding period in which it closes.</p> <p>The arrangements for maintained schools converting to academies under the <a href="#">Academies Act 2010</a> specify that the final balance of the predecessor school will, when agreed by the Authority, transfer to the academy whether surplus or deficit.”</p>
4.10	Loan schemes	<p>added “Loans will not be used as a means of funding a deficit that has arisen because a school’s recurrent costs exceed its current income.</p> <p>If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new academy school.”</p>
5.1	Income from lettings	added “However, where land is held by a charitable trust, it will be for the school’s trustees to determine the use of any income generated by the land”
6.2.2	Circumstances in which charges may be made	changed from “Other expenditure incurred to secure resignations where the school had not followed authority advice” to “Other expenditure incurred to secure resignations where there is good reason to charge this to the school (see Annex B)”
8.1	Provision of services from	changed to explain the scheme should contain a provision barring the authority

	centrally retained budget	from discriminating in its provision of services on the basis of categories of schools, except in cases where this would be allowable under the school and early years finance regulations or the dedicated schools grant (DSG) conditions of grant
8.2	Provision of services bought back from the authority using delegated budgets	clarification provided on provisions to limit the term of agreement with a school to buy services or facilities from the authority by adding "This provision complements the implied requirements of the regulations on central retention of funds. It is recognised that absolute break-even or profit is not always achievable over fixed financial years; it is for the authority to show during audit tests that the charging policy can reasonably be expected to avoid central subsidy of services."
8.4	Teachers Pensions	revised quoted legislation and updated expectation of monthly not annual returns
10.1	Insurance Cover	added "The evidence required to demonstrate the parity of cover should be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier"
11.11	Redundancy/early retirement costs	clarification on how to fund early retirement and redundancy costs; changed "If the authority proposes to depart from this, then the scheme should contain a provision setting out the circumstances in which exceptions will be made" to "If the authority proposes to make local arrangements in accordance with the act, then the scheme should contain a provision setting out how this will work"
13	Community Facilities	updated to reflect changes to the Children and Families Act 2014; a school is no longer required to consult before establishing community facilities, and there is no longer a need for a school to be mindful of a local authority's advice, under section 27 of the Education Act 2002.
13.8	Health and safety matters	changed "Criminal Records Bureau" to "Disclosure Barring service"

5. Recommendations

**Members of the Forum are asked to note the directed revisions.**

**Background Documents**

[Scheme for Financing Schools \(current approved version\)](#)

## APPROVAL OF FUTURE FORUM DATES

<b>2019</b>		<b>2020</b>	
Thurs 20 <sup>th</sup> September	4.30	Thurs 23 <sup>rd</sup> January	4.30
Thurs 25 <sup>th</sup> October	4.30	Thurs 26 <sup>th</sup> March	4.30
Thurs 29 <sup>th</sup> November	4.30	Thurs 7 <sup>th</sup> May	4.30
		Thurs 16 <sup>th</sup> July	4.30

## SCHOOLS FORUM FORWARD PLAN

<p align="center"><b>9<sup>th</sup> May 2019 @ 4.30pm</b>  <b>Room 0012, Ground Floor</b></p>	<p align="center"><b>18<sup>th</sup> July 2019 @ 4.30pm</b>  <b>Room 0012, Ground Floor</b></p>
<ul style="list-style-type: none"> <li>• Update of Schools Forum Constitution and Membership (<i>Stuart Thomas</i>)</li> <li>• High Needs Working Group Update (<i>Dave Baker</i>)</li> <li>• National Audit Office Visit - Feedback (<i>Duane Chappell</i>)</li> <li>• DSG Recovery Plan (<i>Caroline Warren</i>)</li> <li>• Notification of Changes to Scheme for Financing of Schools (<i>Davina Gibbon</i>)</li> <li>• Finalised version of Financial Regulations for Schools and Consultation feedback (<i>Justine Poulton</i>)</li> <li>• Approval of future Forum dates</li> </ul>	<ul style="list-style-type: none"> <li>• Pupil Projections (Tanya Smith)</li> <li>• SEND Cluster Pilot Update</li> <li>• DSG Outturn Report</li> <li>• High Needs Working Group Update</li> </ul>

**ANY OTHER BUSINESS**