

Item No.	Classification OPEN	Committee: Executive	Date 25 February 2003
From	Title of Report		
STRATEGIC DIRECTOR OF EDUCATION & CULTURE	LMS Formula and Scheme for Financing Schools 2003-4		

1 Purpose

- 1.1 To seek Executive's agreement to proposals for amendments to the Council's scheme for financing schools and also changes to the Council's Local Management in Schools (LMS) formula for funding schools. These are not significant amendments to the scheme and LMS formula but build on the previous years changes to reflect changes in legislation.

2 Recommendations

- 2.1 That Executive approves amendments to the Council's scheme for financing schools as directed by the Secretary of State for Education and Skills and as agreed by the Schools' Forum.

3. Background Information

- 3.1 The national funding system for education services and schools in England has undergone radical reform in 2003-4 as a result of the Education Act 2002. Previously the distribution of resources to LEAs and subsequently schools reflected a complicated methodology based on Standard Spending Assessments (SSAs) that did not necessarily take account of the division of responsibilities between schools and LEAs. The new system attempts to introduce a fairer and more transparent approach to distributing resources nationally using the most up-to-date social and population data. There are two main drivers for these changes. The first is a continuing desire from Central Government to achieve an underlying parity of funding across the Education System with any differences linked to identifiable local needs. The second is the need to provide greater clarity over the funding available for educating pupils in schools and the funding available for the statutory and administrative functions of the local authority.

New Definitions of LEA and Schools Functions

- 3.2 Through enactment of the Education Act 2002 the Government has specified those items of expenditure it expects LEAs to retain and manage centrally and those items over which it expects LEAs to consult with schools to determine the most appropriate method of management. Broadly, the former category covers statutory functions such as the process of preparing statements of special educational needs and those items of expenditure which do not fall equally between schools, such as home to school transport, whilst the latter covers functions that directly relate to the provision of education in schools, including the provision of education for pupils with identified special educational needs. Funds in relation to the LEA functions are identified within what is described as the "LEA Block" of the Education Funding Statement (EFS) and funds in relation to schools are identified in what is described at the "Schools Block" of the EFS. A consequence of this distinction is that

delegation targets for LEAs are no longer required. There is no requirement on LEAs to delegate all funding within the Schools Block. Decisions over how this block of money is to be managed should be made by Councils after consulting schools through formal consultation under LMS regulations and discussions at the Schools' Forum. However, the Secretary of State has taken a reserve power which enables him to determine the size of the budget to be delegated to schools if, in his opinion, an LEA has failed to passport funding increases on to schools or has failed to take due notice of the views of schools as expressed through their Schools' Forum. It is anticipated that this reserve power will be exercised only in extremis.

Passporting Schools Block Increases

- 3.3 Councils are required to 'passport' the increase in the Schools Budget in 2003-4 compared to an adjusted Schools Budget for 2002-3. Further, the Secretary of State has power to set a minimum Schools Budget but not the LEA/ non-schools budget if the Council fails to pass on the increase in Schools Budget in 2003-4. This is different in previous years when passporting meant a requirement to pass on the increase in the total Education funding (i.e. both schools and non-schools). However, during the passage of the Education Act 2002, ministers gave assurances that the reserve power would only be invoked if a Council failed to pass on the increase in Schools Formula Funding to the Schools Budget in 2003-4. DfES 's objective is to ensure the increase is passed to the Schools Budget and not the absolute level of the Schools Budget nor its level compared to FSS is relevant.

Establishment of a Southwark Schools Forum

- 3.4 Also under the Education Act 2002 LEAs are required to establish a Schools Forum in order to advise the LEA on Schools Budget issues. The Forum's purpose is to give the LEA's schools a greater sense of ownership over the majority of funds spent on education and generate dialogue between schools and LEAs as a forum for advice and consultation. The Forum will be expected to give advice on funding policy and other financial issues affecting schools and commission and publish reports and also research into schools, funding issues affecting the LEA's schools. In addition the Forum will be expected to advise on further delegation or reversing delegation of prescribed central functions and the cost of the schools forum will be deducted from the Schools Budget.
- 3.5 The Southwark Schools Forum was established recently and consulted regarding the proposed funding of schools and the LEA in 2003-4 based on background to the current financial settlement agreed by the Government. This fulfilled the legal requirement of the Council to consult with the Schools Forum regarding the proposed budgets for schools and the LEA under the new national funding framework in 2003-4 and also changes to the Southwark LMS formula and scheme for financing schools. The Forum was informed that the Council's current policy is to spend at Education SSA/ FSS. This would mean passporting the full increase in Education SSA/ FSS.

4. Key Issues For Consideration

4.1 Current Budget Position 2003-4

Officials at the DfES wrote to Chief Education Officers on 6th December 2002 explaining how the Secretary of State will operate his reserve power to set minimum schools budgets. Subsequently, the DfES has set out the methodology for determining the increase in

schools funding for individual authorities in its letter of 6th December as amended by a further letter on 17th January 2003. The revised letter sets out:

- The increase in Schools Funding for Southwark (i.e. the passporting target).
- The resulting Schools Budget for Southwark in 2003/04 (as identified in Southwark's 2003-4 Budgeted s.52 statement).

4.2 The table below sets out the increase in funding for the Southwark schools block for 2003-4 as stated in the DfES letter.

	£
Education SSA 2002/03	147.899m
Education FSS 2003/04	165.159m
Increase in Education funding	17.260m
% Attributable to Schools (Schools FSS / Education FSS)	88.1%
Increase in Schools Funding (17.260 x 88.1%)	15.206m
Adjustment for new funding for Teachers Pensions and Nursery Education Grant	4.370m
By adjusting the base for new funding, the real increase in schools funding is ...	10.836m

4.3 Although the DfES is concerned about LEAs passing on the increase in schools funding to schools, the way that it will verify whether LEAs have done this is by checking the Schools Budget on the Section 52 statement. In their 17th January 2003 letter, DfES calculated what the Southwark Schools Budget would be if we passported the increase in Schools Funding (£15.206m).

	£
Schools Budget 2002/03 *	127.471m
Increase in Schools Funding	15.206m
Expected Schools Budget 2003/04	142.677m
PLUS: EiC Grant	3.888m
PLUS: LSC Allocation 2003-4 (Provisional)	1.939m

4.4 The Council's current policy is to spend at Education SSA/ FSS. This means passporting the full increase in Education SSA/ FSS (not just Schools FSS) because we currently spend at SSA. All budget reports received by the Executive have been written with this assumption.

The table above shows that Southwark is planning to exceed the target set by DfES. The current proposal is to passport the LEA increase in funding (£1.458m).

	Budget 2002/03	Changes in Function/ Funding	Adjusted 2002/03 Budget	Passporting Resources	Budget 2003/04
	£M	£M	£M	£M	£M
Schools Budget	127.471	4.370	131.841	10.836	142.677
Non- schools Budget	20.428	0.596	21.024	1.458	22.482
	147.899	4.966	152.865	12.294	165.159

4.5 Standards Fund Grant Allocations for 2003-4

As promised in last year's Local Government White Paper the Government is reducing the proportion of funding it delivers to local authorities and schools in the form of ring-fenced grant i.e. Standards Fund. For 2003-04, the Government will be transferring £500 million of DfES grant funding into Education Spending Shares (ESS). The bulk of this is accounted for by Nursery Education Grant and Class Size grant.

As a further contribution to the reduction of specific grant funding, DfES will in 2003-04 cease to pay, through the Standards Fund, the following grants:-

- 101b (School Improvement Grant: all schools and EDP priorities);
- 201 (School Inclusion: Pupil Support);
- 501 (Induction of Newly Qualified Teachers);
- 507 (Performance Management and Threshold Assessment).

The Government's view is that Councils and schools will need to decide how to take forward action in these areas within the overall resources available to them, taking account of local priorities and the overall increase in ESS. Also, it has assumed that the reductions in these Standards Fund Grants although discontinued are met from the overall increase in education funding to Councils in 2003-4. However, the level of grant funding received by Councils complicates this in attempting a 'like for like' comparisons of whether there is a shortfall from the discontinuation of Standards Fund Grants. Overall, Southwark benefited from the maximum increase in Education FSS and in Formula Grant in 2003-4 compared to other Councils.

4.7 LMS Issues 2003-4 – Proposed Amendments to LMS Scheme and Formula

As already explained the remit of the Schools Forum is to advise the local authority on all matters in respect of the Schools Block of the funding available to councils for provision of education services. In effect, this is the group that will make recommendations on Local Management of Schools, including the funding formula. Therefore the annual consultation process on LMS carried out by WS Atkins completed just before Christmas 2002 and the proposals therein, were placed before the Schools' Forum for deliberations on 23rd January 2003. Items proposed in the consultation exercise for and reversal of delegation in respect of some items, the schools' reactions to these and proposals for consideration by the Council are discussed in the following paragraphs.

Proposals for the allocation of funding within the Individual Schools Budget (ISB) and Schools Budget are dependent on the Council's final education budget that is being considered as a separate Executive report by Financial Management Service (FMS). When

this decision is agreed the LMS formula AWPU (Aged Weighted Pupil Units) weightings may need to change to reflect the agreed allocation of resources.

5. Resource Implications

These are set out above and in the appendices to this report

6. Supplementary Advice From Other Officers

Concurrent Report of the Borough Solicitor and Secretary

Members are requested to agree to the allocation of additional resources and amendments to the Council's scheme for financing schools and LMS formula.

8. Equal Opportunities Implications

In formulating the proposed allocation of additional resources to priority areas, account has been taken of the Council's agenda for social inclusion in addition to its priority of Better Education for All. Support service budgets have been scrutinised to identify efficiency savings for re-direction to front line services in support of these strategies. Opportunities have also been taken to identify resources within the Education budget to mainstream current NRF schemes and to allocate additional resources for pump priming new projects.

9. Consultation

The arrangements for consultation with schools and the results of that consultation are set in the appendices to this report - see appendix 2 and 3.

Background Documents

Background Papers	Held At	Contact
DfES and DETLR Finance Guidance Circulars	Performance and Resources John Smith House	Martin McGrath (55068)
LMS Papers	Atkins Education Services John Smith House	Nat Nye (55302) and Mike Smith

Lead Officer	Dr Roger Smith	
Report Author	Nat Nye (Atkins Education Services), Mike Smith (Atkins Education Services) and Martin McGrath (Education & Culture)	
Version	Draft	
Dated	10 th February 2002	
Key Decision?	Yes/No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / EXECUTIVE MEMBER		
Officer Title	Comments Sought	Comments included
Borough Solicitor & Secretary	Yes/No	Yes/No
Chief Finance Officer	Yes/No	Yes/No
<i>List other Officers here</i>		
Executive Member	Yes/No	Yes/No
Date final report sent to Constitutional Support Services		

Outcome of the LMS consultation with schools incorporating the views of the Schools Forum

Management of centrally retained resources within the Schools Block

1 *School Meals & Kitchen Repairs & Maintenance – Special Schools*

Proposal: That provision of school meals and the repair and maintenance of kitchens in special schools be delegated from April 2003. This would bring these schools into line with all other schools.

Response: Heads of special schools objected strongly to the proposal which did not take account of the difficulties over production of meals for children with particular dietary requirements or the difficulties associated with low volumes.

Action: Arrangements for special meals to remain unchanged for 2003/04.

2 *Licenses/Subscriptions*

Proposal: For reasons of economies of scale, resources for purchasing borough wide licenses in respect of copyright, recording and performances be retained centrally on behalf of schools.

Response: There was strong support from schools.

Action: No changes required to the scheme.

3 *Contingencies*

Proposal: The Council to retain 0.1 per cent of the Individual Schools Budget (ISB) as an LMS contingency for any errors that might occur during the budget process.

Response: There was strong support from schools.

Action: No changes required to the scheme.

Management of resources within the LEA Block where delegation currently exists

4 *Library services – Primary and Special Schools*

Proposal: In order to protect the schools library service, the funding for library services should be reverse delegated. From April 2003, similar funds should be devolved to schools for them to purchase from an approved list of providers. Governing bodies that have entered into binding commitments, particularly in respect of additional staff employed at the school, should be able to elect for delegation.

Response: There was general agreement to this provision subject to the implementation of an approved provider list and the facility for a governing body to elect for delegation where it can demonstrate a binding commitment has been entered into.

Action: Scheme to be amended such that funding for library services is separately identified as a devolved sum. The Council to maintain a list of approved providers. A procedure to be drawn up that enables a school to elect for delegation.

5 **Schools Audit**

Proposal: Southwark is relatively unusual in delegating the responsibility for Audit of accounts. The general view of the DfES is that Audit forms part of the LEA responsibility to monitor its schools and as such has included the resources for this in the LEA Block. Reverse delegation of the resource for this function is proposed. Schools will be provided with an identified devolved resource which must be used to procure an audit service from the approved list of audit providers.

Response: There was general agreement to this proposal.

Action: Scheme to be amended such that funding for schools audit of accounts is separately identified as a devolved sum. The Council to maintain a list of approved providers.

6 **Health & Safety**

Proposal: The responsibility for Health & Safety audit falls within the LEA Block and there are some legitimate concerns about the extent to which some schools are complying with the requirements. Reverse delegation of the resource for this function is proposed. Schools will be provided with an identified devolved resource which must be used to procure a Health & Safety audit service from the approved list of providers.

Response: There was general agreement to this proposal.

Action: Scheme to be amended such that funding for Health & Safety audit is separately identified as a devolved sum. The Council to maintain a list of approved providers.

Proposed changes to the management of resources within the LEA Block which directly impact on schools

7 **Staff Costs – Supply Cover (Not Sickness)**

Proposal: After extensive consultation, it is intended to amend the scheme such that schools will be reimbursed the cost of the teacher on maternity leave rather than the costs of the supply teacher engaged by the school. This will ensure that school budgets are neither advantaged nor disadvantaged as a result of having a teacher on maternity leave.

Response: There was general support for this proposal.

Action: The scheme is amended such that the costs of a teacher on maternity leave are covered from a centrally held resource.

Proposed changes to the LMS formula

8 **SEN Banding Review**

Proposal: In order to address concerns expressed by Ofsted inspectors and schools about the complexity of funding in relation to statemented pupils in mainstream settings, it is proposed to rationalize the bandings such that the existing 10 bands are reduced to five corresponding to the following general allocations:

- 10 hours Teaching Assistant (TA) / 3 hours Teacher
- 15 hours Teaching Assistant (TA) / 5 hours Teacher
- 20 hours Teaching Assistant (TA) / 7 hours Teacher
- 25 hours Teaching Assistant (TA) / 8 hours Teacher

- 32.5 hours Teaching Assistant (TA) / 11 hours Teacher
These to be converted into cash equivalents for the purposes of funding.

Response: This approach was welcomed by schools provided existing statemented pupils are assimilated to a band that provides at least the equivalent of their current support allocation.

Action: New bands to be implemented from April 2003 with all existing statemented pupils reallocated to a band that is at least equivalent to their current band.

9 Infant Class Size Grant

Proposal: The original consultation document proposed a method of allocation of Infant Class Size Grant which attempted to formalise the current system which takes account of each individual school's circumstances. The result was a cumbersome and incomprehensible allocation formula based on allocating additional "ghost pupils" where numbers of infant pupils were not exactly divisible by 30, this being the maximum legal limit for numbers of pupils in an infant class.

Response: Infant class size is not a major problem within the borough and there was no great enthusiasm for implementation of such a complex and cumbersome formula. A significant number of head teachers felt that any additional resource for this purpose should be targeted at reception classes and it was felt that this would be sufficient to ensure that headteachers would be able to implement the legislation.

Action: A sum equivalent to last year's allocation to the borough for infant class size legislation (£178,000) to be targeted at Year R pupils by increasing the weighting for these pupils. Headteachers' responsibility for organising their school such that no infant class has more than 30 pupils for each teacher is to be clarified in the scheme.

Changes to the Scheme for Financing Schools which are subject of a directive by the Secretary of State for Education and Skills

10 *Excess Balances Held by Schools*

There has been increasing concern, both nationally and locally, at the size of school balances. It is recognised that provision for reserves to cover unplanned expenditure is a feature of prudent financial management. It is equally recognised that schools cannot reasonably be expected to replace large items of equipment or make significant capital spend within single year revenue expenditure and that some saving for investment is also prudent. However, the current size of some school balances goes beyond what might reasonably be expected for these purposes. In the context of the proposal to establish three year budgets which will bring a degree of stability and predictability in funding, the Secretary of State for Education and Skills has made changes to regulations to allow excess balances to be taken back from schools for redistribution within the education budget.

The following text is to be added to the scheme:

Surplus budget share balances held by schools are permitted under this scheme subject to the following restrictions with effect from 1 April 2004:

- a. The Council shall calculate by 30 June each year the surplus balance, if any, held by each school as at the preceding 31 March,
- b. The Council shall deduct from the calculated balances any amounts for which the school already has a prior-year commitment to pay from the surplus balance,
- c. The Council shall then deduct from the resulting sum any amounts which the school declares to be assigned for specific purposes as permitted by the Council (*See Appendix A for a proposed list of permitted purposes*), and which the Council is satisfied are properly assigned,
- d. If the result of steps a-c is a sum great than whichever is the greater of 5 per cent of the current year's budget share, or £20,000, then the Council shall deduct from the current years budget share an amount equal to the excess.

The calculation shall only take account of funds allocated as part of the school budget share.

11 *Provision of Schools Data to LEA*

The Government have become increasingly concerned about the provision of staffing data from schools, particularly in respect of pension contributions. The following regulation came into force on 1st November 2002 and is being added to the scheme this year.

"A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the Council to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the Council which the Council requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Council will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the Council within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the Council which the Council requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Council will advise schools each year of the timing, format and specification of the information required from each school. A governing body shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the Council within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share."

An additional clause will be added making it clear that schools shall be charged for any consequential costs associated with their late return of such information. A further clause will be added requiring schools to provide an agreed range of data to an agreed schedule.

12 *Provision of Community Facilities / Companies*

The Education Act 2002 makes provision for schools to be able to provide facilities and services that benefit the wider community, including local families. To facilitate this, schools may now enter into agreements with other partners to provide services on school premises, some of which services may be charged for.

The following text is to be added to the scheme.

Statutory guidance for local education authorities: Addendum to Issue 2: Power to provide community facilities

Issued by the Secretary of State for Education and Skills for the purposes of paragraph 1(2) of Schedule 14 to the School Standards and Framework Act 1998 ('the Act')

SECTION 1: INTRODUCTION

1.1 *Application of schemes for financing schools to the community facilities power*

Schools, which choose to exercise the power conferred by s.27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. First, regulations made under s.28 (2), if made, can specify activities, which may not be undertaken at all under the main enabling power. Secondly, the school is obliged to consult its LEA and have regard to advice from the authority. Thirdly, the Secretary of State issues guidance to governing bodies about a range of issues connected with exercise of the power, and a school must have regard to that.

However, under s. 28(1), the main limitations and restrictions on the power will be

those contained in schools' own instruments of government, if any; and

in the maintaining LEA's scheme for financing schools made under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of Schedule 3 to the Education Act 2002 extends the coverage of schemes to the powers of governing bodies to provide community facilities.

Schools are therefore subject to prohibitions, restrictions and limitations in the scheme for financing schools.

This section of the scheme does not extend to joint-use agreements; transfer of control agreements, or agreements between the Authority and schools to secure the provision of adult and community learning.

1.2 School's budget share

The budget share of a school may not be used to fund community facilities – either start-up costs or ongoing expenditure - or to meet deficits arising from such activities.

1.3 Mismanagement of community facilities funds

The mismanagement of community facilities funds can be grounds for suspension of the right to a delegated budget. Cross reference to this topic in the scheme.

SECTION 2: CONSULTATION WITH THE LEA – FINANCIAL ASPECTS

2.1 Requirement to consult the LEA

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

2.2 Requirement to seek LEA advice

Schools are required to seek LEA advice. In order that both schools and the LEA are alerted to any potential financial and other operational liabilities, this Authority has adopted a formal procedure for considering schools' proposals. This should ensure that, from the outset, both parties are aware of all pertinent issues before any resource commitments are entered into. Governing bodies must adhere to the following proposal procedures:

- if a decision is made to enter into a third party arrangement in respect of this provision, the Governing Body must submit a written proposal to the Council.
- The Council will respond and provide advice to the Governing Body, depending upon the type of agreement, within eight weeks of receipt of the proposal.
- If it is necessary the governing body must respond with a revised proposal within six weeks.
- The governing body must then comply with appendix G of the Scheme for financing schools when entering into a contract.
- All community facilities arrangements are subject to this procedure.

2.3 Requirements relating to the provision of advice

The LEA is required to provide schools with advice within 8 weeks of being consulted, although the LEA will seek to offer advice earlier, if at all possible. Schools are required to inform the LEA of any action taken following receipt and consideration of the LEA's advice, within 6 weeks of receiving such advice.

Section 3 provides additional information in respect of funding agreements.

SECTION 3: FUNDING AGREEMENTS – LEA POWERS

3.1 Funding agreements with third parties

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

The Authority's requirement in relation to funding agreements with third parties (as opposed to funding agreements with the Authority itself) are that any such proposed agreement should be submitted to the LEA for its comments, giving the LEA at least 6 weeks to allow adequate time to consider and respond.

Once approved by the LEA the scheme may not impose a right of veto for the LEA on such agreements, either directly or through requiring a right to countersign the agreement. If the third party requires LEA consent to the agreement for it to proceed, such a requirement and the method by which LEA consent is to be signified is a matter for that third party, not for the scheme.

3.2 Agreements seriously prejudicial to the interests of the school or the Authority

Schools should be aware that, if an agreement has been or is to be concluded against the wishes of the LEA, or has been concluded without informing the LEA, which in the view of the Authority is seriously prejudicial to the interests of the school or the Authority, that may constitute grounds for suspension of the right to a delegated budget.

SECTION 4: OTHER PROHIBITIONS, RESTRICTIONS and LIMITATIONS

4.1 Constraints on the exercise of the community facilities power

Section 28 provides that the exercise of the community facilities power is subject to prohibitions, restrictions and limitations in the scheme for financing schools.

The Authority may, if it wishes, propose other scheme provisions which it believes to be necessary for inclusion within this section. This option will be kept under review and, where the Authority feels additional provisions are required to safeguard the financial position of the Authority or school, or to protect pupil welfare or education, it will make application to the Secretary of State for this Scheme to be amended.

4.2 Property considerations

In considering any proposals for the provision of community facilities, the Authority will need to be satisfied regarding the use or change of use of buildings, access, fire and other safety aspects, restrictions on use (where covenants on use bar certain activities or limit the use of the building to educational use), provision of additional accommodation by third parties and the maintenance responsibilities and liabilities.

4.3 Projects with significant financial risk

The scheme may not give a right of veto either to funding agreements with third parties, or for other proposed uses of the community facilities power. The Authority may, however, require that in a specific instance of use of the community facilities power by a governing body, the governing body concerned shall make arrangements to protect the financial interests of the Authority by either carrying out the activity concerned through the vehicle of a limited company formed for the purpose, or by obtaining indemnity insurance for risks associated with the project in question, as specified by the LEA.

The Authority is required to operate this provision in a reasonable fashion, imposing such a requirement only where it has good reason to believe that the proposed project carries significant financial risks.

SECTION 5: SUPPLY OF FINANCIAL INFORMATION

5.1 Financial statements

Schools, which exercise the community facilities power, are required to provide the Authority every six months, from the commencement date of the project, with a summary statement, in a form determined by the Authority. This must show the income and expenditure for the school arising from the facilities in question for the previous three months and on an estimated basis, for the next six months.

On giving notice to the school that it believes there to be cause for concern as to the school's management of the financial consequences of the exercise of the community facilities power, the Authority will require such financial statements to be supplied every month. If the Authority sees fit, it may also require the submission of a recovery plan for the activity in question.

The Authority requires such information in order to ensure that schools are not at financial risk. Schedule 3 of the Education Act 2002 inserts a new provision into Schedule 15 of the Act to make mismanagement of funds received for community facilities a basis for suspension of the right to delegation of the budget share. The Authority will suspend the right to delegation, if necessary.

5.2 Agreements between schools and the Authority

These provisions do not preclude the insertion of other provisions in specific funding agreements between schools and the Authority as to the financial reporting requirements arising from the funding in question.

SECTION 6: AUDIT

6.1 Access to schools' records

The school is required to grant access to the school's records connected with exercise of the community facilities power, in order to facilitate internal and external audit of relevant income and expenditure. This is the situation as to schools finance?

6.2 Access to other records

In concluding funding agreements with other persons pursuant to the exercise of the community facilities power, schools are required to ensure that such agreements contain adequate provision for access by the Authority to those persons, their records and other

property held on the school premises, or held elsewhere insofar as they relate to the activity in question, in order for the Authority to satisfy itself as to the propriety of expenditure on, and income from, the facilities in question.

SECTION 7: TREATMENT OF INCOME AND SURPLUSES

7.1 Retention of income

Schools are permitted to retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the LEA or some other person. Schools are also permitted to carry such retained income over from one financial year to the next as a separate community facilities surplus, or, subject to the agreement of the Authority at the end of each financial year, transfer all or part of it to the budget share balance.

7.2 Schools ceasing to be maintained

If the school is a community or community special school, and the Authority ceases to maintain the school, any accumulated retained income obtained from exercise of the community facilities power reverts to the Authority unless otherwise agreed with a funding provider.

7.3 Recovery of funds

If there is a deficit on community facilities and the LEA needs to recover funds to meet third party liabilities it may only do so from any accumulated community facilities surplus. If this is insufficient the LEA will have to meet the liabilities from its own resources. This arises from the provision of s.51A of the School Standards and Framework Act 1998 (inserted by paragraph 4 of Schedule 3 to the Education Act 2002), which provides that such liabilities are part of the expenses of maintaining the school; may be recovered from the governing body but the expenditure incurred by the governing body in the exercise of the community facilities power may not be met from the budget share unless such a purpose is prescribed by regulations made under s.50(3)(b) of the 1998 Act.

SECTION 8: HEALTH AND SAFETY MATTERS

8.1 Extension of health and safety provisions

The health and safety provisions of the main scheme are extended to the community facilities power exercised by schools. These include that the governing body is required to have due regard to duties placed on the LEA in relation to health and safety, and the Authority's policy on health and safety matters in the management of the budget share.

Schools are reminded that where they directly employ a contractor using delegated funding, they must ensure that the contractor is competent, adequately insured and that the contractor has an appropriate health and safety policy and arrangements. The contractor should demonstrate to the school's satisfaction that they have considered all the health and safety implications of working on the school site.

Some work commissioned by schools may fall under the requirements of the Construction Design and Management Regulations 1994 and schools must ensure that all the requirements of these regulations are met.

8.2 Criminal records clearance

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

SECTION 9: INSURANCE

9.1 Schools' responsibilities for insurance arrangements

It is the responsibility of the governing body to make adequate arrangements for insurance against risks arising from the exercise of the community facilities power. Such insurance should not be funded from the school budget share.

In principle, the insurance issues arising from use of the community facilities power are the same as those which already arise from non-school use of school premises. However, a school proposing to provide community facilities should, as an integral part of its plans, undertake an assessment of the insurance implications and costs, seeking professional advice if necessary. All schools are required to provide information to the Authority to confirm the details of its insurance arrangements/cover for any community facilities provision. This enables the Authority to check that any insurable interest it may have is covered.

It may be necessary for insurance to be in the joint names of the governing body and the County Council. All schools are strongly recommended to contact the Authority's Insurance Manager for advice on all issues relating to insurance, before they arrange any additional cover. All schools are required to seek the Authority's advice before finalising any insurance arrangement for community facilities.

9.2 LEA's insurance responsibility

The LEA is empowered to undertake its own assessment of the insurance arrangements made by a school in respect of community facilities, and if it judges those arrangements to be inadequate, make arrangements itself and charge the resultant cost to the school. Such costs could not be charged to the school's budget share. These provisions are necessary in order for the LEA to protect itself against possible third party claims.

SECTION 10: TAXATION

10.1 Value Added Tax (VAT)

In general, schools may only make use of the LEA's VAT reclaim facility for expenditure on community facilities when this is from LEA funds and not expenditure from other funds. The Authority will follow HM Customs and Excise guidance (Notice 749 on local authorities) concerning the recovery of VAT where schools use donated funds.

The facility for local authorities to reclaim VAT can be used by schools in spending their budget shares, which by virtue of s.49(5) of the Act are the property of the LEA. This facility also applies to funding given by the LEA to schools outside the budget share.

Schools should, however, seek the advice of the LEA (and the local VAT office) on any issues relating to the possible imposition of Value Added Tax on expenditure in connection with community facilities, including the use of the local authority VAT reclaim facility. The Authority will make further, specific advice available to schools, as appropriate.

10.2 School/LEA employees

If any member of staff employed by the school or LEA in connection with community facilities at the school is paid from funds held in the school's own bank account (whether a separate account is used for community facilities or not – see section 11), the school is likely to be held liable for payment of income tax and National Insurance, in line with Inland Revenue rules.

10.3 Construction industry scheme

Schools are required to abide by procedures issued by the Authority in connection with Construction Industry Tax Deduction Scheme (CIS).

SECTION 11: BANKING

11.1 Banking arrangements

Where a school opts to provide community facilities, it must operate the same banking arrangements, which it uses for its budget share. Schools will, therefore, either maintain a separate bank account with adequate internal accounting controls to maintain separation of funds or utilise LEA banking arrangements which will require adequate separation of such community facility funds from the school budget share and other LEA funds.

The Authority's main Scheme for Financing Schools continues to apply in respect of banking arrangement for schools.

11.2 Bank accounts and signatories

The Authority's main Scheme for Financing Schools continues to apply in respect of banks which may be used, signing of cheques, the titles of bank accounts, the contents of bank account mandates (except that such mandates may provide that funds for community facilities not provided by the LEA are not the property of the Authority), and similar matters.

11.3 Borrowing by schools

Governing bodies may borrow money only with the written permission of the Secretary of State. This requirement does not extend to monies lent to schools by Southwark LEA. The Government's requirement on borrowing does not apply to Trustees and Foundations, whose borrowing, as private bodies, makes no impact on Government accounts. These debts may not be serviced directly from the delegated budgets, but schools are free to agree a charge for a service which the Trustees or Foundation are able to provide as a consequence of their own borrowing. Governing bodies do not act as agents of the LEA when repaying loans.

Schools must notify the Head of Education Finance in advance of any proposed leasing arrangements or any other arrangements to delay or defer payment for goods or services. Any scheme, however described, which effectively spreads the cost of payments across financial years, is likely to fall into this category. Such arrangements may only be entered into after obtaining written approval from the Head of Education Finance.

Certain leasing arrangements (finance leases) count against the LEA's capital finance programme and schools are not free to enter into such arrangements without specific written authority from the Head of Education Finance. Careful advice is needed as to what constitutes an operating lease or a finance lease.

Other amendments to the Scheme for Financing Schools

13 *Planning for Deficit Balances*

Proposal: The current two year period for paying off deficits is unachievable in some schools without serious impact on children's education. It is proposed to extend the maximum repayment period to three years for all new applicants as of April 2003. Schools with existing licenses will need to make a further application to benefit from the additional year.

In order to offer an incentive for early repayment where this is achievable, it is proposed to offer a differential interest rate. In effect, deficits cleared within the first year of a license will have interest charged at the bank base rate, those repaid by the close of the second year of a license will incur a rate of 0.75% above bank base rate and clearing the deficit in the third year will incur a rate of 1.5% above bank base rate.

In applying for a licensed deficit, schools will need to propose a monthly repayment schedule and any license will be conditional on the repayment schedule being met. Failure to make payments in accordance with the schedule may be deemed grounds for withdrawal of delegation under the scheme.

Response: Schools were fully in favour of implementing this proposal.

Action: The scheme to be amended accordingly.

14 *Arrangements for Cash Flow Problems - In-Year Statements*

Proposal: Last year's changes resulted in a removal of additional sums being allocated during the year for new statements issued. This has resulted in a small number of schools experiencing cash flow problems where they have had a significant increase in the number of statemented pupils. It is inappropriate for schools in this situation to be required to apply for a licensed deficit. It is proposed to amend the scheme to allow for a cash advance, which will not be classified as a licensed deficit under the current conditions and will not, therefore, result in classification of "causing concern". Schools will be able to apply for a cash advance where the value of their new statements exceeds 5 per cent of their budget share.

Application can be made at the beginning of the autumn and spring terms. These regulations will require immediate repayment of the advance from the new year's allocation which will contain the retrospective adjustment.

Response: Schools were fully in favour of implementing this proposal.

Action: The scheme to be amended accordingly.

15 ***Provision of financial information and reports***

In order to meet the national requirements, the form for submission of financial information should, so far as possible, take account of the Consistent Financial Reporting framework (CFR) and the desirability of compatibility with that framework.

16 ***Control of assets***

The scheme has a provision requiring each school to maintain an inventory of its moveable non-capital assets, in a form determined by the authority, and setting out the basic authorisation procedures for disposal of assets. In order to eliminate unnecessary bureaucracy, the requirement is to be amended so that schools will be free to determine their own arrangements for keeping a register of assets worth less than £1,000.

17 ***Best value***

The scheme will contain a requirement that when submitting the annual budget plan, the governing body of each school also submits a statement setting out what steps they will be taking in the course of the year to ensure that expenditure, particularly in respect of large service contracts, will reflect the principles of the best value regime. Schools will be referred to the DfES publication 'Best Value in Schools'.

18 ***Charging of school budget shares***

The scheme to contain the following additional provisions that allows the budget share of a school to be charged by the LEA without the consent of the governing body:-

- ❑ ***Cost of work done in respect of teacher pension remittance and records for schools using non-LEA payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations;***
- ❑ ***Costs incurred by the LEA in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of that statement;***
- ❑ ***Costs incurred by the LEA due to submission by the school of incorrect data;***
- ❑ ***Recovery of amounts spent from specific grants on ineligible purposes;***
- ❑ ***Costs incurred by the LEA as a result of the governing body being in breach of the terms of a contract.***

19 ***Provision of services bought back from the LEA using delegated budgets***

The scheme will contain a provision which requires that when a service is provided for which expenditure is not retainable centrally by the Council under the Regulations made under section 46 of the Act, it will be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools are charged differentially.

20 ***Optional Delegated funding***

The scheme will require schools that exercise an option to receive delegated or devolved funding for an item, that option may only be exercised once a year, at a stipulated date prior to the financial year in question.

5. Changes to the Scheme for Financing Schools which are subject of a directive by the Secretary of State for Education and Skills

5.1 THE FUNDING FRAMEWORK: MAIN FEATURES

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

Under this legislation, local education authorities determine for themselves the size of their Schools Budget and LEA Budget – although the Secretary of State has power to require an LEA to increase its Schools Budget to a prescribed level. The categories of expenditure which fall within the two budgets are prescribed under regulations made by the Secretary of State, but included within the two, taken together, is all expenditure, direct and indirect, on an authority's maintained schools. Local authorities may centrally retain funding in the Schools Budget for purposes defined in regulations made by the Secretary of State under s.45A of the Act. The amounts to be retained centrally are decided by the authority concerned, subject to any limits or conditions prescribed by the Secretary of State. The balance of the Schools Budget left after deduction of centrally retained funds is termed the Individual Schools Budget (ISB). Expenditure items in the LEA budget must be retained centrally (although earmarked allocations may be made to schools).

5.2 Excess Balances Held by Schools

In the recent past, Members have taken a keen interest in the issue of balances held on school accounts. In the context of increasing budget pressures, Ministers have likewise taken an interest and their conclusion has been that reform in this area is now appropriate. In general, the principle is that monies voted for education spending in any one year are done so to benefit the pupils occupying schools at that point in time. It is not unreasonable to argue that balances currently accrued to school accounts have been achieved by cutting back on spending in relation to pupils currently in school for the benefit of those who have yet to join.

It is recognised that provision for reserves to cover unplanned expenditure is a feature of prudent financial management. It is equally recognised that schools cannot reasonably be expected to replace large items of equipment or make significant capital spend within single year revenue expenditure and that some saving for investment is also prudent. However, the current level of carry forward for some schools goes beyond that that might reasonably be expected to cover the above. The Secretary of State for Education and Skills has therefore directed LEAs to make amendments to their schemes to allow for any excess balances to be taken back by the LEA for reinvestment in the services provided.

The following is a draft of the proposed text to be included in the scheme as of April 2004.

Surplus budget share balances held by schools are permitted under this scheme subject to the following restrictions with effect from 1 April 2004:

- e. The Council shall calculate by 30 June each year the surplus balance, if any, held by each school as at the preceding 31 March,
- f. The Council shall deduct from the calculated balances any amounts for which the school already has a prior-year commitment to pay from the surplus balance,
- g. The Council shall then deduct from the resulting sum any amounts which the school declares to be assigned for specific purposes as permitted by the Council

- (See Appendix A for a proposed list of permitted purposes), and which the Council is satisfied are properly assigned,
- h. If the result of steps a-c is a sum great than whichever is the greater of 5 per cent of the current year's budget share, or £20,000, then the Council shall deduct from the current years budget share an amount equal to the excess.

The calculation shall only take account of funds allocated as part of the school budget share.

Please note this provision will not be implemented in the financial year 2003/4 but advance warning is being given to allow schools to take action over the next year if they have particularly large balances.

5.3 Provision of Schools Data to LEA

Schools will already be aware of difficulties that have been experienced in the provision of certain staffing related data to LEAs in order to ensure that critical statutory functions, such as payment of Teachers Pensions contributions, are properly made and recorded.

The Department for Education and Skills is making ever greater demands on schools and LEAs to provide varying information on a regular basis. In an effort to ensure that such data are returned promptly and adequately by schools the Secretary of State has taken the view that directing LEAs to amend their schemes in respect of data provision is now appropriate.

Of immediate importance is ensuring that the LEA is able to perform its duty to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997. As a result, the following conditions have been imposed on the Council and governing bodies of all maintained schools covered by the LMS Scheme in relation to their budget shares and came into effect on 1 November 2002:

“A governing body of any maintained school, whether or not the employer of the teachers at such a school, which has entered into any arrangement or agreement with a person other than the Council to provide payroll services, shall ensure that any such arrangement or agreement is varied to require that person to supply salary, service and pensions data to the Council which the Council requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Council will advise schools each year of the timing, format and specification of the information required. A governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the Council within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

A governing body of any maintained school which directly administers its payroll shall supply salary, service and pensions data to the Council which the Council requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The Council will advise schools each year of the timing, format and specification of the information required from each school. A governing body shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the Council within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.”

In addition, the regulation makes provision for schools to be charged for any consequential costs associated with late return of such information. It is the Council's intention to

implement this specific requirement, including that of charging for consequential loss, in the scheme for 2003/04. It is further the Council's intention to make it a requirement of the scheme that an agreed range of data be supplied to the Council to an agreed schedule. It is hoped that this can be achieved through partnership between the Council and its schools. ***Broader provisions enabled by the Secretary of State, including penalties for failure to make a return, will not be implemented although the situation will be kept under review over the next twelve months.***

5.4 Provision of Community Facilities / Companies

The Education Act 2002 makes provision for schools to be able to provide facilities and services that benefit the wider community, including local families. To facilitate this, schools may now enter into agreements with other partners to provide services on school premises, some of which services may be charged for.

To protect pupils' education and to ensure effective delivery of services, schools proposing to offer community facilities are required to:

- ❑ Fund such activities without any use of School Budget Share, including any balances.
- ❑ Consult their LEA, the staff of their school, parents, pupils and any other stakeholders they consider appropriate.
- ❑ Have regard to any advice given to them by their LEA.
- ❑ Ensure that any proposed service does not interfere with the main duty to educate pupils and promote high standards of educational achievement at the school.
- ❑ Take account of guidance from the Secretary of State/DfES.

Regulation states that schools must abide by specific guidance within the Scheme for Financing Schools. The complete Draft Community Facilities Section can be found in Appendix B, which also includes procedure for applying this provision.

These guidelines also provisionally apply to the Powers to Form Companies until such time as specific guidance is added to the scheme. Colleagues should bear in mind that implementing this provision is likely to involve considerable risk on the part of schools and the LEA. **For this reason we recommend schools approach such proposals with extreme caution.**

Proposed amendments to the Scheme for Financing Schools

5.5 Planning for Deficit Balances

The scheme currently allows for schools facing financial difficulties to apply for a licensed deficit, which permits them to spend above their SBS allocation and to make up the shortfall over a two-year repayment period. It has become evident that this repayment period is too short for a number of schools not least because it is impossible to make significant savings on a school budget until half way through the financial year.

It is proposed to extend the maximum repayment period to three years for all new applicants as of April 2003. Schools with existing licenses will need to make a further application to benefit from the additional year.

It is in neither the Council's nor the school's interests for deficits to last longer than is necessary. It is therefore intended to offer an incentive for schools to make earlier

repayment of any deficit. In effect, deficits cleared within the first year of a license will have interest charged at the bank base rate, those repaid by the close of the second year of a license will incur a rate of 0.75% above bank base rate and clearing the deficit in the third year will incur a rate of 1.5% above bank base rate.

In applying for a licensed deficit, schools will need to propose a monthly repayment schedule and any license will be conditional on the repayment schedule being met. Failure to make payments in accordance with the schedule may be deemed grounds for withdrawal of delegation under the scheme. **Schools are strongly in favour of this proposal.**

5.6 Arrangements for Cash Flow Problems - In-Year Statements

Last year's changes resulted in a removal of additional sums being allocated during the year for new statements issued. In recognition of the problems faced by schools with a significant increase in the number of statemented pupils we agreed to put in place arrangements to alleviate cash flow problems that might be experienced. Unfortunately, the only mechanism in place at the time was a licensed deficit which, if requested, immediately places a school into the "causing concern" category. This is wholly inappropriate given that the school is not genuinely in financial difficulty.

It is proposed to amend the scheme to allow for a cash advance, which will not be classified as a licensed deficit under the current conditions and will not, therefore, result in classification of "causing concern". Schools will be able to apply for a cash advance where the value of their new statements exceeds 5 per cent of their budget share.

Application can be made at the beginning of the autumn and spring terms. These regulations will require immediate repayment of the advance from the new year's allocation which will contain the retrospective adjustment. **Schools are strongly in favour of this proposal.**

5.7 Provision of financial information and reports

The form determined by the Council for submission of information should so far as **possible take account of the Consistent Financial Reporting framework (CFR) and the desirability of compatibility with that framework.**

5.8 Control of assets

The scheme has a provision requiring each school to maintain an inventory of its moveable non-capital assets, in a form to be determined by the authority, and setting out the basic authorisation procedures for disposal of assets. **However, schools will be free to determine their own arrangements for keeping a register of assets worth less than £1,000.**

5.9 Best value

The scheme will contain a requirement that when submitting the annual budget plan, the governing body of each school also submits a statement setting out what steps they will be taking in the course of the year to ensure that expenditure, particularly in respect of large service contracts, will reflect the principles of the best value regime. Schools will be referred to the DfES publication 'Best Value in Schools', obtainable at www.dfes.gov.uk/vfm

5.10 Charging of school budget shares

The scheme to contain the following additional provisions that allows the budget share of a school to be charged by the LEA without the consent of the governing body:-

- ❑ ***Cost of work done in respect of teacher pension remittance and records for schools using non-LEA payroll contractors, the charge to be the minimum needed to meet the cost of the Authority's compliance with its statutory obligations;***
- ❑ ***Costs incurred by the LEA in securing provision specified in a statement of SEN where the governing body of a school fails to secure such provision despite the delegation of funds in respect of that statement;***
- ❑ ***Costs incurred by the LEA due to submission by the school of incorrect data;***
- ❑ ***Recovery of amounts spent from specific grants on ineligible purposes;***
- ❑ ***Costs incurred by the LEA as a result of the governing body being in breach of the terms of a contract.***

5.11 Provision of services bought back from the LEA using delegated budgets

The scheme will contain a provision which requires that when a service is provided for which expenditure is not retainable centrally by the Council under the Regulations made under section 46 of the Act, it will be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service must be met by the total income, even if schools are charged differentially.

5.12 Optional Delegated funding

The scheme will require schools that exercise an option to receive delegated **or devolved** funding for an item, that option may only be exercised once a year, at a stipulated date prior to the financial year in question.

LMS Consultation with Schools 2003-4

Introduction

This questionnaire asks for your opinions of the proposals outlined in this consultation document for Local Management of Schools (LMS) for 2003-2004

We particularly welcome responses from Headteachers and whole Governing Bodies, or their sub-committees, but individual governors are also invited to complete the questionnaire. We realise that you have many demands on your time. However this form will influence the decisions that for the 2003-2004 budget thus it will be most helpful if you can take time to fill out this questionnaire and add any further comments in the spaces provided.

Please tick the response for each proposal, which most closely matches your view

Closing date for responses: 10th January 2003

Please mark them *LMS/Q* and return them to:

LMS

Education Finance
144-152 Walworth Road
London SE17 1JL

FAX : 0207 525 5064

If you want to discuss any point in more detail please call either *Nathaniel Nye* or *Peter Massey* on 0207 525 5302/5021.

Name:
School/unit/organisation:

This questionnaire has been completed or agreed by

- Full governing body
- Sub-committee
- Headteacher
- Chair of governors
- Individual governor
- Other, please state

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LMS Consultation with Schools 2003-4

F. PROPOSED AMENDMENTS TO THE SCHEME FOR FINANCING SCHOOLS.

F.1. Planning for Deficit Balances (page 8)

It is proposed to extend the maximum repayment period to three years for all new applicants as of April 2003. Schools with existing licenses will need to make a further application to benefit from the additional year.

Strongly
Agree

Agree

Disagree

Strongly
Disagree

Please insert any further comments on this selection

F.2. Arrangements for Cash Flow Problems – In-Year Statements (page 9)

It is proposed to amend the scheme to allow for a cash advance, which will not be classified as a licensed deficit under the current conditions and will not, therefore, result in classification of “causing concern”. Schools will be able to apply for a cash advance where the value of their new statements exceeds 5 per cent of their budget share.

Strongly
Agree

Agree

Disagree

Strongly
Disagree

Please insert any further comments on this selection

LMS Consultation with Schools 2003-4

G. OPTIONS FOR FUTHER DELEGATION FOR 2003/2004

G1.1 School Meals & Kitchen Repairs & Maintenance- Special Schools - Page (10)

It is proposed to delegate school meals and kitchen repairs and maintenance to Special Schools.

Strongly
Agree

Agree

Disagree

Strongly
Disagree

Please insert any further comments on this selection

G.2.1 Staff Costs – Supply Cover (Not Sickness) page (10)

It is proposed to amend the scheme by moving away from the principle of paying the supply teacher that is engaged by the school to the principle of paying the costs of the teacher on maternity leave. A procedure will be adopted whereby the actual costs incurred by schools, taking account of regulations in respect of Statutory Maternity Pay, may be claimed from the scheme.

Strongly
Agree

Agree

Disagree

Strongly
Disagree

Please insert any further comments on this selection

LMS Consultation with Schools 2003-4

H. NOT PROPOSED FOR DELEGATION / REVERSAL OF DELEGATION

H.2.1. Library services – Primary and Special Schools – page (12)

It is proposed reverse delegation of this sum to schools to be devolved and earmarked for Education Library Service.

Strongly
Agree

Agree

Disagree

Strongly
Disagree

Please insert any further comments on this selection

H.2.2. Reversal of Audit Function - page (12)

We propose to reverse delegate the resource for audit and instead treat this sum as devolved which schools must use to procure an audit service from the approved list of audit providers.

Strongly
Agree

Agree

Disagree

Strongly
Disagree

Please insert any further comments on this selection

LMS Consultation with Schools 2003-4

H.2.3. Health and Safety - page (13)

It is our intention to reverse delegate this responsibility and to treat this element as devolved with schools being required to obtain a service from an approved list of service providers.

Strongly
Agree

Agree

Disagree

Strongly
Disagree

Please insert any further comments on this selection

I. PROPOSED CHANGES TO THE FORMULA

I.1 SEN Banding Review page (13)

We intend to change the banding structure, moving from ten bands to five.

Strongly
Agree

Agree

Disagree

Strongly
Disagree

Please insert any further comments on this selection

LMS Consultation with Schools 2003-4

I.2 Infant Class Size Grant page (14)

It is proposed to fund the former Standard Fund Infant Class Size Grant through a Ghost Pupil Factor within the Formula.

Strongly
Agree

Agree

Disagree

Strongly
Disagree

Please insert any further comments on this selection

C.3.2. Educational Psychology/Assessments and Statementing page - £1,370,000 page (11)

Views are sought on the delegation of responsibilities in respect of this resource and the model of allocation. (Section 52 – see 1.4.1)

I.3 Split-Sites Arrangements, Swimming Pools, New School Funding and other Needs

Comments please