

Finance induction notes for new school bursars and finance officers



Introduction

The purpose of these induction notes is to provide new school bursars and finance officers with a reference point to key background information and the important finance tasks and duties that arise.

This document should be viewed as an outline reference point and the most up to date position can be confirmed with Education Finance. Contact

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Further information

Useful information on finance matters for school staff can be found at the BF school management website at:

<http://schools.bracknell-forest.gov.uk/finance.htm>

Queries

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Background to Education Funding

1. Education Funding is heavily controlled on behalf of central government by the Department for Education (DfE). A range of statutory regulations are in place that prescribe the funding framework that all LAs must follow and what money can be spent on, with limited scope for local decision making.
2. Funding is allocated to schools through the Funding Formula for Schools¹ which is agreed locally from a set of formula factors that the DfE allows to be used (see Annex 1 for a full list of available factors). Other significant elements of the national funding framework include guaranteeing each school a maximum decrease / minimum increase in annual per-pupil funding (the 'Minimum Funding Guarantee' (MFG)) and conveying powers to the local Schools Forum² which each LA must establish to assist in education budget setting and other financial and contractual matters.
3. The national funding framework contains an emphasis on maximising delegation of funding to schools with a priority to allocate funds on a per pupil basis, with top ups for pupils that need it the most, in particular, those from the most deprived backgrounds and those achieving the lowest scores on national tests. School budgets must be calculated from pupil data supplied by the DfE and in general uses the preceding October census. Therefore, 2014-15 financial year budgets will be based on October 2013 pupil numbers and characteristics.
4. Funding is retained by LAs to finance a range of services to pupils and schools that are not suitable for delegation. The main services managed by BFC on behalf of schools are special educational needs provisions and support services for high needs pupils, education out of school, early years provisions and support and combined services that support children's social care.
5. At its highest level, funding for Education is divided into 2 elements; the **LA Education Budget** and the **Schools Budget**.

The LA Education Budget

6. The LA Education Budget is used to fund the strategic planning and delivery of education services, non-school related education and a number of area wide services. What falls within the LA Education Budget is determined by the DfE with LAs free to set the level of resources to be spent and which of the relevant services they want to provide. Funding of the LA Education Budget is through Council Tax, Business Rates and general grant funding from central government and competes for funding against all other areas of Council responsibility.
7. The BF Education Budget comprises the following elements, and amounts to approximately £6.2m:
 - Statutory and Regulatory duties, such as the Director and Chief Officers, whole service planning, Finance, HR, Legal, IT etc - £1.356m

¹ The Funding Formula for Schools is the mechanism used to distribute funds to schools. It uses objective criteria with set units of resource and is applied equally to schools with the same characteristics. The Funding Formula is developed each year through consultation with schools. Factors used to distribute funds to schools must be from those on the approved DfE list.

² Each LA is required to create a Schools Forum to represent Education providers and partners. The membership of the BF Forum has been drawn from head teachers, governors and representatives of the teacher associations, diocesan boards, Early Years providers, the 14-19 Partnership and the local Academy school.

- School Improvement - £0.673m
- Home to School Transport - £1.969m
- Education Welfare - £0.239m
- Education Psychology - £0.327m
- SEN administration - £0.337m
- Parent partnership, guidance and information - £0.043m
- Asset Management - £0.271m
- On-going pension payments to teachers - £0.290m
- Youth Services - £0.643m
- Adult and community learning - £0.037m
- School places planning - £0.025m

The Schools Budget

Overview

8. Local Authorities (LAs) are funded for their Schools Budget responsibilities through the ring fenced Dedicated Schools Grant (DSG). LAs were originally funded by a unique per pupil amount calculated from historic spending levels. It was a flat rate per pupil with no top ups to reflect the characteristics of pupils or the different areas of the country. The amount of DSG that each LA receives and what it can be spent on are set by the DfE and this determines the minimum amount of money in the Schools Budget.
9. In 2013-14 the DSG was re-configured and split into three notional blocks – high needs, early years and schools. This is intended to help with the introduction of a new national funding formula that will re-distribute money between areas of the country which will clearly have an impact on the amount of funds available to LAs to allocate to individual schools. A date for this has yet to be confirmed.
10. The High Needs Block covers funding for education provision for high needs pupils and students from birth to 25. This is in line with the proposals set out in the Green Paper on SEN and disability and covers all providers, not just maintained schools. High Needs Pupils are defined by the DfE as those requiring more than £10,000 of support each year. Maintained schools need to fund individual support needs below £10,000 from their general funding that is provided through the Schools Block which is further explained below. The High Needs Block for BFC amounted to £11.6m in 2014-15.
11. The Early Years Block covers 2, 3 and 4 year olds receiving the entitlement to 15 hours a week free education and childcare that is paid to providers – maintained schools and private, voluntary and independent sector providers – through the Early Years Single Funding Formula (EYSFF). It also covers funds managed by the Council; the early years contingency, central expenditure on under 5s and high needs pupil funding where this is not included in the High Needs Block. The Early Years Block for BFC amounted to £5.5m in 2014-15. This is equivalent to an average £3,928 per child (excluding 2 year olds).
12. The Schools Block covers funding delegated to primary and secondary schools (not special schools as these are in the High Needs Block), and a small range of central services that are managed on behalf of all schools by the Council. Central Services total around £1.1m, with details set out in Annex 3. The notional funding in the Schools Block is determined from deducting the notional High Needs and Early Years Blocks from each authority's final DSG, and is therefore a balancing figure. The

Schools Block DSG for BFC amounted to £62.6m in 2014-15. This is equivalent to an average £4,187 per pupil.

Calculating school budgets

13. As set out above, DfE regulates LAs and restricts freedoms on local decision making in relation to setting school budgets. The key area where schools can influence funding allocations relates to the budget strategy to be adopted by the Schools Forum in terms of deciding where the DSG should be allocated and the relative importance to be placed on each factor in the Funding Formula i.e. how much money should be distributed by each factor.

The budget strategy

14. In terms of a budget strategy to prioritise funding decisions, the Schools Forum has agreed that the Funding Framework requires a simplistic, high level approach to setting budgets. This mainly arises from the tight financial settlements being made by the government and the restricted number of allowable factors which limits the ability to selectively target resources only to those schools facing cost pressures. Therefore, the following key principles, listed in priority order, are used as a guide in making budget decisions:
 - A. It has been included in the financial settlement from the DfE and it is consistent with local funding priorities;
 - B. It relates to a new or amended statutory responsibility / DfE Regulation;
 - C. There is sufficient income to fully fund changes in pupil characteristics, i.e: changes in pupil deprivation, low prior attainment, number of looked after children, English as an additional language and mobility;
 - D. The pressure relates to a key local priority;
 - E. Any remaining funds should be allocated using per pupil, high deprivation and low prior attainment, in the same proportion as the distribution of funds at the start of the financial year (around 93.6%/3.1%/3.3% in primary and 90.7%/4.6%/4.7% in secondary). If sufficient funding remains for this principle, schools would then be free to deploy the resources to their key priorities and any school specific pressures

The Funding Formula for Schools - £61.9m (2014-15)

15. As set out above, LAs must use a Funding Formula to allocate funds to schools, using up to 13 factors that are permitted by the DfE. Some factors have qualifying criteria which means that only 8 are available for use in BF. All LAs must have a per pupil factor and a deprivation factor. All other factors are discretionary and subject to local decision making. Following consultation with schools, the Schools Forum has agreed that all of the 8 factors available to BF should be used.
16. Delegated funding means that governors have complete freedom to determine where and when money should be spent, for the general purposes of the school. This is subject to any conditions required for statutory regulations e.g. relating to taxation.

Pupil-led funding - £49.710m (80.85%)

17. One of the prime objectives of the DfE is to ensure that a high proportion of funding is allocated to schools through pupil-led factors. This approach is designed to encourage popular and good schools to readily admit more pupils in the knowledge that significant funds will follow.
18. To support this objective, from April 2014, the DfE will require all LAs to allocate a minimum of 80% of delegated Schools Block funding through the available pupil-led factors – age weighted pupil unit, deprivation, prior attainment, looked after children and English as an additional language. In 2014-15 the BF rate was 88.5%.
19. Furthermore, there is a minimum cash value set for age weighted pupil funding, with the minimum primary rate set at £2,000 and the minimum secondary rate for both Key Stage 3 and Key Stage 4 set at £3,000. The BF rates are £2,890 and £4,069 respectively.

Deprivation - £2.344m (3.81)

20. All LAs are required to include a deprivation factor in their Funding Formula which should be used in addition to funding from the Pupil Premium to target resources to pupils from deprived backgrounds who tend to achieve less well than those from less deprived backgrounds
21. The BF Funding Formula recognises deprivation by using the two measures permitted by the DfE; pupil eligibility to a Free School Meal (FSM), where all pupils in the same phase are funded at the same rate, and which distributes around 40% of deprivation related funds; and Income Deprivation Affecting Children Index (IDACI³), which are weighted through the prescribed range of bands, with funding increasing through the bands as levels of deprivation increase by a factor of 50%. Primary schools receive £438 for each pupil eligible to a FSM with secondaries receiving £925. IDACI scores distribute around 60% of deprivation related funds. The IDACI scores associated with each funding band can be seen in row 2 of Annex 2.

Looked After Children (LAC) - £0.012m (0.02%)

22. DfE prescribes the method that all Funding Formulas must use to allocate resources to schools for LAC. The allocation must be based on DfE data which is collected each year through the SSDA903 census return. Children that have been looked after for any period of time attract funding. All pupils must be funded at the same rate, which is £212.

³ IDACI measures by geographical area – post codes – the likelihood of a family with school aged children having low income / receiving income related benefits. It scores the likelihood and relative severity of deprivation on a scale from 0 to 1, with a score of 0.5 meaning the family have a 50% chance of having low income / in receipt of income related benefits.

Prior attainment - £2.091m (3.40%)

23. DfE encourage the use of this factor to target funding to schools for pupils with low cost, high incidence SEN below the £6,000 (approx 16 hours per week support) high needs threshold. This has become a more significant factor now that additional funds must be included in general school budgets to support SEN pupils, rather than making funding allocations to schools on the basis of named pupils..
24. Changes to the Early Years Foundation Stage Profile mean that different aged pupils will have a different methodology of funding from 2014-15. Those taking the old profile – Years 2 to 5 - will continue to be funded in BF where scores are below 78. For those taking the new Profile from September 2012 – Year 1 pupils - funding will be allocated to pupils who did not achieve the expected level of development in all 12 prime areas of learning as well as mathematics and literacy. The DfE, allow the funding threshold to be set at below either 78 or 73 for pupils in Years 2 to 5, but there are no plans to change the 78 threshold currently in use in BF. Eligible pupils currently attract funding of £509. This will be subject to change with the new measure at Year 1 once relevant numbers of pupils are known.
25. For secondary aged pupils, in 2013-14 funding had to be targeted to pupils that failed to achieve a Level 4 or higher in English **and** mathematics which amounts to around 10% of relevant pupils. As only 20% of pupils who achieved a Level 4 in English **or** mathematics went on to achieve the 5+ (A*-C) GCSEs including English and mathematics, from 2014-15, the measure changed so that pupils will be identified as having low prior attainment if they fail to achieve a Level 4 or higher in English **or** a Level 4 or higher in mathematics. Eligible pupils receive funding of £903.
26. In 2012 the Key Stage 2 assessment measure was changed. Those pupils taking the old assessments will be identified from the published data. For pupils at Key Stage 2 from 2013 onwards, the English element of the Key Stage 2 measure will identify those who did not achieve a Level 4 in either the reading or teacher assessed writing elements. Grammar, punctuation and spelling test results are excluded “for now”.

English as an additional Language (EAL) - £0.205m (0.33%)

27. DfE prescribes the method that all Funding Formulas must use to allocate resources to schools for EAL. The DfE will only allow funding to be allocated to pupils for the first, second or third years after relevant pupils enter the school system. This reflects the view that after 3 years, pupils should not need additional support due to their language skills. The Bracknell Forest Formula funds EAL pupils for the first three years that a pupil enters the education system. All pupils must be funded at the same rate, which is £259.

Pupil Mobility - £0.026m (0.0045)

28. Funds are distributed to schools for pupil mobility where “pupil turnover” exceeds 10%. Only pupils above this threshold attract funding, at a rate of £315.

Lump Sum Allocations - £5.670m (9.22%)

29. In 2013-14, LAs were permitted to pay a uniform lump sum allocation to **all** schools up to a maximum of £200k with the amount in BF set at £150k for both primary and secondary schools. This was the maximum affordable in the primary phase, although a much larger value would have been possible for secondary schools. The view of the DfE is that the main purpose of the lump sum is to provide sufficient funding to

necessarily small schools which could not operate on the basis of per-pupil funding alone.

30. For April 2014, the maximum allowable lump sum will be reduced to £170k which is the average amount allocated in 2013-14. The reduction from £200k supports the DfE objective of more money being distributed through pupil-led factors. Differential lump sum payments for primary and secondary schools are also now permitted, with BF primary schools receiving £150k and secondaries £170k.

Rates - £1.344m (2.19%)

31. The DfE prescribes the method that all Funding Formulas must use to allocate resources to schools for rates. Funding must be allocated based on the estimated cost of rates. Schools are then charged at the amount included in their budget, so there is never an over or under spending. This is the “in-out” basis.

Exception Factor – Joint Use sports facilities - £0.085m (0.14%)

32. This factor relates to Edgbarrow and Sandhurst secondary schools that need to share sports facilities with Bracknell Forest Leisure Services for which a charge is made for usage. Where such costs are considered significant, the DfE allows the inclusion of additional factors in an LA's Funding Formula. This additional factor has been agreed by the DfE.

For information, Annex 2 shows the factors and units of resource used in the 2014-15 Funding Formula.

Minimum Funding Guarantee (MFG) - £Nil – self balancing

33. The MFG requires a funding top-up to be paid to schools where the ordinary operation of the Funding Formula results in a reduction in per pupil funding in excess of the maximum prescribed by the DfE. It compares the final budget from one year to the next, and adjusts for changes in the number of pupils. For 2012-13, 2013-14 and 2014-15, the MFG has been set at a maximum per pupil reduction of 1.5%. This will ensure a degree of funding stability through the first 2 years of the new arrangements.
34. The calculation of the MFG is not straightforward and goes through two stages. Firstly, a number of funding allocations are excluded from the guarantee as the DfE determine them to be outside the control of schools and therefore the funding change on such items should be excluded from the operation of the MFG. For example, if a school experiences a significant increase in high need, low incidence pupils, the additional resource such pupils attract should not be included in the calculation of the guaranteed funding level because it has been allocated to finance a specific new cost. If it was included, the allocated funding could be reduced which is not the intention of the MFG. The second set of adjustments relate to changes required to ensure that the guarantee is calculated on a like for like basis between years and normally reflects changes being proposed by LAs. So if there are changes in responsibility or funding arrangements, the impact needs to be removed from the budget for both years to remove any potential distortions.
35. Due to the significant re-distribution of funds between schools from the requirements of the new funding framework, there is an increase to the cost of meeting the MFG protection, which in a period on flat funding settlements, creates financial difficulties for LAs in setting their Schools Budget. Therefore, the DfE is allowing a cap to be applied to those schools receiving funding increases to limit gains to an amount that

would fund the cost of MFG payable to those facing reductions. Therefore, schools have a top up addition when below the MFG, a deduction where more than 1% above the MFG, or no change if between these parameters.

36. The Schools Forum has agreed that those schools receiving an increase in funds can keep the first 1% of any gain, with increases above this level scaled to the rate required to finance the cost of MFG at those schools losing money. This calculation indicates that the scaling needs to be set at 40%, with the remaining 60% required to fund the cost of MFG where schools are losing money. The scaling needs to be recalculated each year once the cost of MFG is known, which is £.129m in 2014-15.

Additional delegation

37. Arrangements for school funding require all LAs to delegate funding for the same services and functions, with a general presumption of additional delegation. However, where relevant representatives on a Schools Forum agree that the whole budget for their phase e.g. primary/secondary, should be returned to the Council for central management, this is allowed. This recognises that there are reasons of cost effectiveness, ease of organisation and management or risk sharing that a strategic approach can bring. The DfE term this approach “de-delegation”.
38. Overall, around £1.320m of funding is involved across the services, and covers Behaviour Support Services, support to schools in financial difficulty, targeted EAL services, SIMS software and other licence fees and official staff absences, such as maternity leave and trade union duties, premature retirement / dismissal costs, school contingencies and FSM eligibility checking.
39. Whilst the Council accepts that schools should have a choice over whether services should be delegated or not, with the option to de-delegate if supported by relevant representatives on the Schools Forum, there are a number of services that for reasons of cost effectiveness, ease of organisation and management or risk sharing that a strategic approach should be taken. This ensures a collective responsibility to support all schools, sometimes on services that are used infrequently, but often when they are required, significant costs are involved or where central procurement delivers significant cost benefits. All schools that responded through the last 3 consultations on de-delegation agreed that all appropriate funds should be returned for strategic management by the Council.

Annex 3 sets out the budgets that are currently de-delegated.

Schools Block budgets that are centrally managed by the Council - £1.11m

40. The DfE recognises that it is appropriate for some school and education related budgets to be centrally managed. In such instances, where qualifying criteria is met, relevant services are provided without charge to academy schools.
41. Centrally managed budgets fall into 2 categories which total to around £1.110m; those where the budget is limited to the amount agreed in the previous financial year (£0.643m), and those with no restrictions on annual increases (£0.468m).
42. The budgets with annual spending restrictions relate to a range of services that support families and social needs of children such as a Family Intervention Project, educational support to looked after children (through the LACES Team), young people in sport, education health partnerships plus a number of other services, together with arrangements for school admissions and the operating costs of the

Schools Forum. Retained budgets that are not subject to annual spending restrictions cover the schools contingency, placement fees for vulnerable children and payment of central copyright licences.

Annex 4 sets out the relevant items and budgets in full.

In-year budget adjustments and other funding available to support schools

43. Whilst the majority of budget allocations must be fixed to the amount confirmed in March, some adjustments will be made where relevant criteria is met. These relate to:

- Funding for High Needs Pupils. Any changes in the numbers or needs of BF pupils assessed to have educational needs greater than £6,000 will result in in-year budget adjustments. See from paragraph 47 below for more information on funding for high need pupils..
- Funding for Early Years. Funding for the free entitlement to education and childcare for 3 and 4 years is initially calculated on actual hours participation in the 2012-13 financial year against the 2013-14 hourly funding rate. Funding will be re-calculated each term based on actual participation and budgets adjusted accordingly. This approach is unchanged from 2012-13. See paragraph 53 below for more information on funding for early years pupils.
- Contingency for funding schools for in-year increases in pupil numbers. To provide in-year financial support to schools experiencing significant increases in pupil numbers, LAs are permitted to retain funding in a contingency for allocation once qualifying criteria is met. The Schools Forum has agreed for funding allocations where there is an increase of at least 20 pupils between the census point used for funding school budgets and the actual intake at the start of the next academic year. The Schools Forum must be consulted before any money is allocated to schools from this fund.
- Contingency for funding schools to meet Key Stage 1 class size regulations. In a similar way to which funds can be retained for allocation in year to schools experiencing significant increases in pupil numbers, LAs are also permitted to create a contingency to allocate funds in-year to support schools facing additional costs to ensure Key Stage 1 class size regulations to limit classes to no more than 30 pupils per teacher are not breached. The Schools Forum must be consulted before any money is allocated to schools from this fund.

High Needs Funding Block - £11.6m

Overview

44. The DfE has stated that the changes in high needs funding are designed “to ensure that funding for high needs provision is arranged on an equivalent basis across different types of providers. This approach will also ensure that funding arrangements are transparent and that there is clear and accessible information about available provision for commissioners [LAs], providers [schools], and young people and families. This will help to improve choice for young people and their families, remove potential perverse incentives, and thus ensure pupils and students with high needs get the support they need to fulfil their potential.”

45. As a consequence of this, the DfE has determined that cost of provision above £10,000 is determined as high needs, and that a “place-plus” approach to funding will be introduced which comprises three elements, which can be applied across all providers that support high needs pupils and students:
- a. **Element 1, or “core education funding”**: equivalent to the age-weighted pupil unit (AWPU) in mainstream schools, which the DfE has stated the national average is around £4,000.
 - b. **Element 2, or “additional support funding”**: a clearly identified budget for providers to provide additional support for high needs pupils or students with additional needs up to £6,000 (as set by the DfE).
 - c. **Element 3, or “top-up funding”**: funding above elements 1 and 2 to meet the total cost of the education provision required by an individual high needs pupil or student, as based on the pupil’s or student’s assessed needs.

Specialist providers – Special Schools / Pupil Referral Units

46. For specialist and alternative providers, there will be “place” funding sufficient to cover elements 1 and 2 of the funding model, with the number of places to be funded agreed between the home LA, the provider and Education Funding Agency (EFA). For Specialist SEN providers, the DfE has set pre-16 place funding at £10,000 with Alternative Provision providers e.g. Pupil Referral Units, to receive £8,000 per agreed place. Once the number of places is agreed, funding is allocated for the whole year and not adjusted for actual take up.
47. The “Plus” element of funding, or “top up”, will be equivalent to element 3 above, and therefore will be based on the assessed individual high needs pupil or student. The LA and providers will be free to negotiate a “top up” based on actual take up compared to the number of funded places. Therefore, in some circumstances, there will be different payments from the standard charge.
48. For reasons of efficiency and predictability of income, element 3 “top up” funding will be calculated and charged on a model that applies the same value to a group of pupils / students where their needs are similar. This was the methodology in place before the latest round of funding reforms, so will remain unchanged, although there has been a reduction from four to two. This is a consequence of making payments of £10,000 per place, where for the two lowest bands, one was charged at below £10,000 and one just above, which made it uneconomic to in future apply a top up.
49. As “top up” must be charged on the basis of actual time on roll for each pupil, additions and deductions to funding are calculated on a daily basis. The “top up” rates therefore need to include an amount to cover vacant places. The vacancy rate has been calculated at 3.2% for KLS as the school is usually full all year.
50. Further changes occurred at August 2014, with place funding for post 16 students moving to a national all age rate of £10,000 per place, bringing consistency with the rate used for pre-16 students. Any saving to the EFA from this change would be passed on to Local Authorities in order to be able to pay higher “top up” rates.

Mainstream providers

51. As set out above, DfE requires schools to meet the first £10,000 of additional support needs of individual pupils from the general funding received from the LAs Funding

Formula. This comprises £4,000 of general per pupil funding, which the DfE state is the average allocation for all pupils in England, plus up to another £6,000 of support needs for individual pupils.

52. Where the assessed needs of a pupil are above this £6,000 / £10,000 level, then schools will receive top up funding, on a named pupil basis. Funding can change each year if the needs change, or pupils start or leave schools. Funding adjustments can therefore be additions or deductions. These top up amounts are funded from the High Needs Funding Block.
53. The DfE are considered adding an additional factor to the allowable list to reflect significant numbers of high needs pupils in a school as the move to a formulaic approach to fund schools for SEN pupils, rather than on the basis of assessed need of individual pupils can mean that some schools are not receiving sufficient funds to support SEN pupils. On balance, the DfE has determined that more time is needed to consider how such a factor would work in practice.
54. It should also be noted that if such a factor is introduced, it would only reflect the incidence of pupils with support needs above the £6,000 / £10,000 and would not recognise schools with a high incidence of pupils with SEN up to £6,000 / £10,000. The DfE will continue to allow funds from the High Needs Block to be used to support schools with significant numbers of high needs pupils outside the Funding Formula.

Other Local Authority children

55. The funding framework places the burden of collecting some SEN funding directly on schools rather than it being collected on their behalf by BFC. Instead of the home LA paying all additional support needs to their schools, LAs will only pay schools top-up funding for pupils ordinarily resident in their area, irrespective of which school they attend. Therefore BFC will include funding top-ups in school budgets only for BF resident pupils. Funding for pupils placed by other LAs will be paid directly to schools by the responsible LA. Schools will need to account for this in their budget by incorporating an appropriate amount of income in their budget. The same charges must be applied to all Local Authorities for pupils needing the same level of additional support.

Budgets covered

56. The budgets currently funded from the High Needs Block are:
 - Top up payments to mainstream schools above the £6,000 / £10,000 threshold - £0.652m
 - Kennel Lane Special School - £3.064m
 - Other LA special schools and SEN resource units, together with private, voluntary and independent sector special schools - £5.582m
 - College Hall Pupil Referral Unit and out of school education services - £1.062m
 - Sensory Impairment, Speech and Language, Autism Support and Language and Literacy Services - £1.014m
 - Other SEN support Services - £0.221m

Early Years Funding Block - £5.5m

57. The Early Years Funding Block is notionally available to fund mainstream schools and other providers of the free entitlement to 15 hours a week education and childcare for 2, 3 and 4 year olds, and a range of DfE approved centrally managed budgets.
58. In terms of funding providers for education and childcare for 3 and 4 year olds, again LAs must implement a Funding Formula from the same list of approved factors as used for statutory aged pupils plus a measure to reward high quality can be used if agreed locally. The Early Years Single Funding Formula (EYSFF) allocates around £4.052m and comprises:
- A basic per pupil hourly funding rate of £3.17
 - A deprivation supplement based on assessed deprivation profile of each setting through home address of children, on the IDACI measure. Ranges from £nil to £0.32 per hour
 - A quality supplement, as measured by workforce qualifications. Providers with qualified teachers on UPS2 or higher cost with at least 75% of staff on level 3 or above receive £0.48 per hour. Those with Graduate (level 5 or 6) leading the EYFS Practice and 60% of staff at level 3 or above receive £0.27 per hour. Workforce qualifications below these thresholds do not receive any funding addition for high quality.
59. Providers are funded on actual participation rates on each of the termly census points, which means funding will fluctuate in line with attendance levels.
60. With effect from September 2014, LAs have a new statutory duty to roll out the free entitlement to the most deprived 2 year olds in their area. A flat hourly rate of £5.10 is paid to providers and in total, is expected to cost £0.894m.
61. Central funding of £0.554m is managed by the LA to provide targeted specialist support to children with SEN and their providers, undertaking assessments and a contingency to support providers.

Other Funding streams available to schools

The Pupil Premium: £2.9m

62. The pupil premium was introduced in April 2011 and is allocated to schools to work with pupils who have been registered for free school meals at any point in the last six years (known as 'Ever 6 FSM'). Schools also receive funding for children who have been looked after at any time, and children of service personnel. The pupil premium is also used to fund Summer School Programmes for disadvantaged pupils to support their transition to secondary schools in September.
63. Schools are held accountable for how they spend the Pupil Premium through:
- the performance tables which show the performance of disadvantaged pupils compared with their peers
 - the Ofsted inspection framework, under which inspectors focus on the attainment of pupil groups, and in particular those who attract the pupil premium
 - the reports for parents that schools have to publish online

64. How schools present the information in their online statement is a matter for each school. There is certain information that must be in the report: the school's pupil premium allocation in respect of the current academic year; details of how it is intended that the allocation will be spent; details of how the previous academic year's allocation was spent, and the impact of this expenditure on the educational attainment of those pupils at the school, in respect of whom grant funding was allocated.
65. There are no specific spending restrictions attached to the Pupil Premium by type of expenditure or time limitation and it is allocated to schools on a national formula prescribed by the DfE. For 2014-15 the rates are:
- £1,300 for each primary aged pupil eligible for FSM, and £934 for each secondary aged pupil ('Ever 6')
 - £1,900 for each child looked after
 - £300 for each child from a service family ('Ever 4')
 - £500 for pupils in Year 7 catch up classes
 - £250 per week per pupil in a summer school (schools need to bid)

Primary PE and Sports Premium Grant: £0.295m

66. This grant was introduced in September 2013 and is designed to help primary schools improve the quality of the PE and sport activities they offer their pupils. Schools must spend the funding to improve the quality of the PE and sport activities they offer their pupils, but they are free to choose the best way of using the money. This could include:
- hire specialist PE teachers
 - hire qualified sports coaches to work with teachers
 - provide existing staff with teaching resources to help them teach PE and sport
 - support and involve the least active children by running or extending school sports clubs, holiday clubs and [Change4Life](#) clubs
 - run sport competitions or increase pupils' participation in the [School Games](#)
 - run sports activities with other schools
 - purchase the SLA available from BFC
67. Reporting requirements have been introduced, including on school web site. How schools present the information in their online statement is a matter for each school. In a similar way to the Pupil Premium, there is certain information that must be in the report: the school's allocation in respect of the current academic year; details of how it is intended that the allocation will be spent; details of how the previous academic year's allocation was spent, and how it made a difference to the PE and sport participation and attainment of the pupils who attract the funding.
68. Since September 2013, Ofsted inspections report on how primary schools spend their PE and sport premium funding
69. The basis of allocation of funds to schools is an £8,000 lump sum for each primary school with over 17 pupils plus £5 for each pupil in years 1 to 6 as at January Census.

Universal Infant Free School Meals Grant: £0.860m

70. The universal infant free school meals (UIFSM) grant is designed to support schools in delivering the legal requirement to offer free school meals, meeting the school food standards (see link below), to all their pupils in reception, 6 year 1 and year 2. Subject to this legal duty being met, the grant may be spent by maintained schools for the purposes of the school; that is to say for the educational benefit of pupils registered at that school.

<https://www.gov.uk/government/publications/school-food>

71. The basis of allocation of funds to schools is £2.30 per day (maximum 190 school days) per eligible pupil. Schools receive an initial allocation based on January census data, less pupils eligible to a FSM as these are already being funded, multiplied by 87%, which represents average take up of a meal from schools in pilot schemes. The initial allocation is recalculated based on average take-up on the October and January Censuses.

EFA Sixth Form Grant: £4.1m

72. Schools are funded for their sixth forms through the Education Funding Agency through a national funding formula applied to all post 16 providers. It is generally based on previous October census data, with the 2014-15 formula comprising:
- Student Numbers X
 - National funding rate per student (based on timetabled hours per course, as assessed by Education Funding Agency) X
 - Individual provider staying on-rate (retention) X
 - Individual provider programme cost weighting +
 - Individual provider assessed disadvantage funding X
 - Area cost adjustment (12% uplift for BFC)
73. The EFA pays grant direct to LAs to “passport” on directly to providers. There are no specific spending restrictions attached to the grant by type of expenditure or time limitation although the LA has a duty to audit schools for their use of the grant through the normal audit programme and provide assurance to the EFA.

Other financial support to schools

74. The following areas are available to support schools and are in addition to the funds set out above relating to changes to the number and needs of High Needs Pupils, early years provisions, schools with significant in-year increases in pupil numbers and assistance to help schools meet the class size limitations at Key Stage 1.
75. The LA has two main options to support schools requesting additional financial support. Where significant budget difficulties exist, and it is unreasonable to expect a school to be able to solve these through the management of their normal budget allocations, or where a school is in or at risk of falling into one of the Ofsted categories of causing concern, additional funding can be provided that does not need to be repaid. Alternatively, loans can be agreed. Loans can either be to assist a school that is experiencing medium term financial difficulties that over time can be readily managed and the school return to a surplus, or where a capital investment is proposed but the school does not yet have the full resources to afford the purchase. In these circumstances, schools fully repay any loan, including where relevant, any associated interest.

Additional funding allocations

76. Within the Schools Budget, the LA manages funds that can be allocated to schools in financial difficulty which does not need to be repaid. In order to allow funds to be allocated within an appropriate time scale, the Schools Forum has delegated a range of powers to the Director of Children, Young People and Learning to allocate funds up to but not exceeding £150,000 in any financial year, dependent on the Ofsted category of the school, or where there is considered a risk of being placed in a category. Any such allocations would subsequently be reported to the Schools Forum for information.
77. The level of allocation of funds would be:
- schools judged to be inadequate and having serious weaknesses (up to £20k per year)
 - schools deemed to be in need of Special Measures (up to £50k per year)
 - schools at risk being judged to be inadequate (up to £30k per year)
78. Where schools enter an Ofsted category of concern ((judged to have serious weaknesses or placed in Special Measures) the LA establishes a Management Intervention Board (MIB). The Board has an independent chair and senior officers of the LA as members. The headteacher and Chair of Governors of the school also attend the MIB to report on progress. A support plan outlines the actions to be taken by the school and the LA in order to effect rapid improvement. Where the school is unable to fund these actions from its own delegated budget the MIB can request that additional resources be sought. Any such requests are approved by the Director of Children, Young People and Learning. Funds would be allocated to the school from those held for schools in financial difficulty.

Loans

79. There are circumstances where schools may experience budget difficulties and in order for the school to continue to function effectively, a temporary overspend of budget allocation may be desirable. The Scheme for Financing Schools has provisions to allow for this through loan arrangements (formerly licensed deficits) which provide for a short term loan advance so that schools have sufficient time to manage expenditure reductions or receive additional income that demonstrate the ability to fully repay any over spending within an agreed period. Both the Schools Forum and Executive Member for Children, Young People and Learning need to agree loan requests.
80. A summary of the circumstances in which a loan may be agreed is as follows
- Where a school would not otherwise achieve its improvement targets;
 - It would not be reasonable to effect immediately the savings required as a result of a significant reduction in pupil numbers;
 - A major building project is proposed;
 - To finance an invest to save scheme.
81. As a preliminary to presenting a loan for comment and agreement, officers of the LA undertake detailed reviews of school requests. This usually involves discussions with the Headteacher, Chairman of Governors and Bursar.

82. The governing body of a school receiving agreement to a loan / licensed deficit has to agree a medium term budget plan which will be kept under review by the LA on at least an annual basis. If it becomes apparent that any significant differences occur in the underlying budget and expenditure assumptions, then this may require subsequent changes, which will need to be agreed with the Director of Children, Young People and Learning and the Borough Treasurer and endorsed by the Executive Member. Should any changes be proposed to these arrangements during the year, they will be presented to the Schools Forum and Executive Member for a decision.

Other income

83. There are a small number of other areas of income that schools should consider in making their financial plans:
- Use of assets e.g. lettings
 - Donations and fund raising
 - Bursaries and other grants
 - Support received in-kind
 - Balance of unspent budget allocated by the LA through the Funding Formula

Capital Funding

Funding for LAs – school places and planned works

84. DfE provide direct grant funding to LAs and schools to for investment in capital projects. The vast majority of funding comes to LAs and is intended to support construction projects to expand schools to meet the demand for additional places arising from the increasing population. Further funding is provided to LAs to undertake planned works at schools to ensure buildings are fit for purpose.
85. Where the Council undertakes works in a school, the Schools Forum has agreed that the school will contribute 10% of the cost from its Devolved Capital Funding (see section below), up to a maximum ceiling of 75% of their Devolved Formula Capital allocation.

Funding for schools – Devolved Formula Capital (DFC) - £.4m

86. DFC forms part of the New Deal for Schools (NDS) package and is in response to the continuing need for additional resources to be spent on improving the condition and suitability of school accommodation. Allocations have to be made on the basis specified by the DFE. This provides for a fixed lump sum of £4,000 for every school, irrespective of size. Additionally, primary schools will receive £11 per pupil, secondary £17 and special £34.
87. DFC gives schools direct funding for the priority capital needs of their buildings, which can be capital repair, remodelling or new build and investment in ICT equipment. In deciding how to prioritise this funding with this additional freedom, it is essential that schools do not neglect their buildings, but consider all their longer term premises and infrastructure needs, including ICT, and the longer term benefits of improving them. All capital investment at maintained schools should contribute to raising educational standards and should be in line with the priorities agreed locally, and set out in the LA's Asset Management Plan (AMP), which are Condition, Suitability and Access.

Decisions on the use of DFC will be made by schools, following local discussions in the context of the AMP and in relation to the priority needs of school buildings.

88. Schools are required to receive consent from the LA before any DFC funded projects are undertaken to ensure that they appropriately maintain school buildings which continue in the ownership of the Council.
89. The DfE requires DFC to be spent within 3 years and 1 term of allocation. Unspent balances are subject to reclaim by the DfE. DFC can only be spend on eligible capital expenditure, a summary of examples is set out below:
 - DFC must not be used for general maintenance, redecoration or routine repairs;
 - DFC must not be used for the purchase of books, ICT software or training materials/services;
 - DFC is distinct from any element for routine repairs and maintenance that may be included in delegated budgets;
 - DFC must not fund operating leases in respect of equipment or facilities. Finance leases are classed as borrowing, for which explicit approval from the Secretary of State must be sought;
 - DFC may not be used for the hire of temporary accommodation, unless it is part of a larger project which has a short-term requirement to re-house classes.
 - DFC cannot be used for expenditure where the amount falls below the LA's minimum capital spend threshold of £2,000.
 - DFC cannot be used to fund the cost of salaries or wages.
 - Schools must receive consent from LA before commencing any projects

Note: Revenue budget can be used to supplement capital spend but capital budget cannot be used for revenue purposes

90. The above DCF related paragraphs apply to community and voluntary controlled schools only. In accordance with DFE funding arrangements, allocations of DFC to Voluntary Aided Schools are not made through the LA and relevant school should therefore contact their diocesan authority for guidance in this area.

Key Tasks in Schools

Budget Planning

91. Effective budget planning is essential for the achievement of key targets and delivering high quality services. It should be undertaken at the appropriate level in school, with supporting information retained for future reference. The main elements of budget planning are:
 - Use all sources of income
 - Formulated having regard to known facts
 - Make realistic assessment and financial provision for future events
 - School staff to undertake costings/scenarios
 - Consider guidance notes from LA
 - Make provision for School Improvement Plan
 - On-going process
 - Final plan must be approved by relevant governor committee

- The Council recommends that schools purchase financial planning software to undertake multi-year budget tasks. Details of suitable products are available from Education Finance.

92. The accounting package in schools – FMS – provides the core data required for budget planning. In order to maximise the benefit for budget planning, FMS needs to be up to date, in particular in relation to staffing contracts.

Budget Timetable

93. Budgeting is a cyclical process and schools need to ensure they are working to the significant actions and deadlines as follows:

October	Schools complete pupil census to be used for actual budget calculations
Nov/December	Provisional funding settlement for Council from DfE
Nov/December	Council consults schools and the Schools Forum for views on budget matters for the next financial year
Nov/December	Schools consider current spending plans
December	LA sends indicative budgets to schools to aid early financial planning
End February	Schools notified of budget and grants
March -May	Schools refine budgets
End May	Schools send budget plan to LA, as agreed by Governing Body

Budget Monitoring

94. Once the budget plan has been agreed, it is important that it is kept under review so remedial actions can be taken promptly if there are in-year variations, thereby aiding the prevention of financial difficulties

- Regular reports to be provided to head teacher (monthly)
- Regular reports to be provided to governors in a timely manner (at least 3 to 4 times a year)
- Format of information to be determined by School, but should include an audit trail to appropriate financial systems (normally FMS)
- Written explanation of significant variances to be included

Submitting monthly Imprest (bank account) Returns

95. Schools are required to submit a monthly imprest return to reconcile entries on the bank statement to the local financial records (FMS). This allows the LAs statutory accounts to be updated and the Agresso (general ledger) reports to inform schools of their official accounts. Key elements of the process are:

- Schools are required to settle all non-employee costs from their local bank accounts.
- A monthly expenditure return is required to be made to Education Finance in order to maintain the financial ledger, ensure that your bank account is regularly reconciled, and VAT properly accounted for. Template Excel spreadsheet has been developed to facilitate this.
- Temporary overdraft facilities for periods of increased expenditure are available upon request. These must be made in advance of anticipated expenditure.
- Schools are free to determine the level of their bank balance, having regard to the average amount of spend over a 6 week period. (Letter required from Headteacher to request a change in level).

Other standard returns

96. There are a small number of other standard financial returns that schools need to complete:
- Annual budget plan (by 31 May).
 - Annual Consistent Financial Report (July)
 - Register of certifying officers (only required once unless alterations are necessary due to staff changes)
 - School Financial Value Standard (by 31 March)

The Local Regulatory Framework

97. Schools are advised to contact Education Finance in respect of any aspect of the Regulatory Framework. The following paragraphs set out an overview of the key documents only.

Financial Regulations

98. Financial policies of the council are set out in the 'Financial Regulations'. These apply to all employees of the council, including schools. They are designed to introduce high standards in dealing with finances and provides instruction on:
- Financial Management.
 - Financial Planning.
 - Risk management and control of resources.
 - Financial systems and procedures.
 - External arrangements.
 - Who to contact.
 - Financial Systems.
 - Audit.
 - Banking Arrangements.
 - Income.
 - Expenditure.
 - Capital Expenditure.
 - Assets.
 - Treasury Management.
 - Insurance and Risk Management.
 - VAT.

Annex 5 provides more information on Financial Regulations.

Contract Standing Orders and the Procurement Manual

99. Contract Standing Orders ensure compliance with Statutory Regulations and are applicable to all contracts. They cover all aspects of contracts and specify procedures for quotations and tendering. The Procurement Manual complements the Contract Regulations and sets out best practice and model procedures which schools are required to comply with.

Annex 6 provides a summary of the competition requirements schools are required to comply with at different values of contracts.

Scheme for Financing Schools (SFS)

100. The SFS sets out the financial relationship between the LA and its schools. It is legally binding on both the authority and the schools. DfE requires all LAs to produce a SFS and has developed statutory guidance that must be followed in terms of minimum content and scope. Where there is discretion to make changes, these must be approved by the local Schools Forum, after consultation with all schools. The BF SFS covers:

- Roles and Responsibilities.
- Financial Controls (these are complimentary to the authority's 'Financial Regulations and Contract Standing Orders').
- Instalments of the budget share: banking arrangements.
- Treatment or surpluses and deficits.
- Income.
- Charging School budgets.
- Taxation.
- Provision of Services by the authority.
- Insurance.
- Miscellaneous items.
- Responsibility for repairs and maintenance.
- Community Facilities

<http://schools.bracknell-forest.gov.uk/Assets/scheme-for-financing-schools.pdf>

Internal Audit

101. Each school will be subject to independent audit, generally every 2 years. This will result in an opinion being given on the control procedures in place at schools as follows

- Significant Assurance (no recommendations for improvement)
- Satisfactory Assurance (some relatively minor recommendations for improvement)
- Limited Assurance (significant area of weakness identified. Follow up from CYPL Finance and re-audit within 6 months to check progress against the action plan. Reported to Overview and Scrutiny Committee of the Council).
- No Assurance (significant weaknesses. School likely to have delegated powers suspended with day to day management transferring to the LA).

102. Schools given at least 15 working days notice of an audit to prepare and collate required documents. The format of the audit is as follows:
- The effectiveness of the governing body, including evidence of meetings, agreed terms of reference, appropriate policies have been adopted, formal delegation of financial responsibilities
 - Review of documented financial procedures. Schools should have written procedures covering the key financial activities in the school
 - Budget setting and budget monitoring and control, including evidence of proper consideration when setting the budget, effective budget monitoring is undertaken, local records reconcile to LA systems, medium term financial planning is undertaken
 - Staffing, including adequate pre-employment checks (references, CRB etc), and employment checking of supply staff and ensuring staff do not exceed the Working Time Directive (max 48 hours per week).
 - Imprest / bank accounts, including checking for proper controls and checks in place and purchases are made in line with the school's purchasing guidelines, petty cash is properly authorized and controlled, the bank account is being efficiently maintained and controlled, and the school complies with BFC procedures for all high value purchases
 - Inventory records are in place to control and protect assets
 - Procurement cards. Processes and procedures
 - School Fund should be subject to annual independent audit with copy of certificate sent to LA
 - Security of IT data, to ensure all financial and administrative data is adequately safeguarded in the event of a systems failure, and a regular back-up of the IT system is completed.
 - Lettings should be in accordance with the agreed policy and be covered by a hirer's agreement with adequate insurance, invoices should be promptly raised and collection of income monitored and promptly banked
 - Off-site activities require risk assessments, termly returns of OHA3, with overnight trips adequately approved.
 - Previously identified weaknesses should have been rectified

103. Outcomes and action plans from any audits need to be presented and agreed by the relevant governing body.

School Financial Value Standard (SFVS)

104. Replaces the Financial Management Standard in Schools as the required national measure of effective financial management. All maintained schools required to complete the SFVS, other schools have a choice. Annual update required thereafter by 31 March each financial year. Responsibility for completion rests with governors.

105. There are 23 questions to review on following areas:

- The governing body and schools staff
- Setting the budget
- Value for money
- Protecting public money

106. The Standard is completion by entering Yes / In Part / No against each question. Comments required against each question including remedial actions where required, deadline for implementation and person responsible. Annual report to full governing body, for chair to sign off and return to LA with overall governors statement.
107. There is no external assessment of returns, but they will be used by LA to inform the programme of financial assessment and audit of schools. Advice and guidance on the DfE website:

[http://www.education.gov.uk/schools/adminandfinance/financialmanagement/Schools Financial Value Standard/a00192114/schools-financial-value-standard-sfvs](http://www.education.gov.uk/schools/adminandfinance/financialmanagement/Schools%20Financial%20Value%20Standard/a00192114/schools-financial-value-standard-sfvs)

Contact details

108. Education Finance staff to contact in event of query are:

General advice and guidance:	Fiona Griffin	01344 354187
	Fiona.griffin@bracknell-forest.gov.uk	
	Muriel Linehan	01344 354002
	Muriel.linehan@bracknell-forest.gov.uk	
Detailed advice and guidance:	Sabin Chhetri	01344 354052
	Sabin.chhetri@bracknell-forest.gov.uk	
	or	Dominic Flannigan
		01344 354186
		dominic.flannigan@bracknell-forest.gov.uk
	or	Natasha Lloyd-Ahmed
		01344 354073
		Natasha.lloyd-ahmed@bracknell-forest.gov.uk
Capital expenditure	Ron Bates	01344 354097
	Ron.bates@bracknell-forest.gov.uk	
School budget queries	Angela Fright	01344 354053
	mailto:angela.fright@bracknell-forest.gov.uk	
Head of CYPL Finance	Paul Clark	01344 354054
	mailto:paul.clark@bracknell-forest.gov.uk	
Group email account	mailto:education.finance@bracknell-forest.gov.uk	

Internet site

109. The internet site contains useful guidance on LA and school funding, the regulatory framework we work to and detailed budget information and advice. The site also contains template forms which schools are asked to use when contacting Education Finance.

<http://schools.bracknell-forest.gov.uk/finance.htm>

Intranet site

110. Towards the top of the menu, select Departments, then Corporate Services, then you can select the division of Corporate Services that you are interested in from the menu on the left hand side, for example, Finance and then Financial Plans and Budgeting

allows you to select the document you are interested in. The Procurement and Payroll pages will also be of interest to schools. Some pages are on the restricted intranet due to their confidential nature.

<http://boris.bracknell-forest.gov.uk/corporate-services.htm>

111. Problems on accessing the intranet should be reported to the Council's ICT Helpdesk on 01344 351100.

Allowable factors for LA Funding Formulas - April 2014

The simplification of the Funding Formula means that from the 'Schools Block' only the following 13 options are available to distribute funding to schools for the items subject to delegation, of which only 1 - 8 are relevant to BFC.

Factors that are relevant to BFC

1. A basic per-pupil entitlement – there will be a single unit for primary aged pupils and a single unit for each of key stage 3 and Key Stage 4.
2. Deprivation, measured by Free School Meals (FSM) and/or IDACI. There can be separate unit values for primary and secondary.
3. Looked after children.
4. Prior attainment as a proxy measure for SEN.
5. English as an additional language, for a maximum of 3 years after the pupil enters the school system. There can be separate unit values for primary and secondary.
6. Pupil mobility.
7. A standard lump sum for each school, with an upper limit of £170,000.
8. Rates, which must be at actual cost

Factors where BFC schools do not meet qualifying criteria:

9. Split sites
10. Private finance initiative (PFI) contracts
11. For the 5 local authorities who have some but not all of their schools within the London fringe area, an uplift to enable higher teacher pay scales in those schools to be reflected
12. Sparsity factor for small schools
13. A per-pupil factor which continues funding for post-16 pupils up to the level that the authority provided in 2012-13.

In addition to the factors listed above, one further funding stream is available to schools which is funded outside the 'Schools Block':

1. The Early Years Single Funding Formula that funds relevant schools for the free entitlement to early years education and childcare. No changes are proposed on this for 2014-15.

Summary of the BF Funding Formula used in 2014-15

Local Authority Funding Reform Proforma

LA Name: Bracknell Forest

Pupil Led Factors

Reception uplift		No	Pupil Units		0.00					
Description		Amount per pupil		Pupil Units		Sub Total	Total	Proportion of total pre MFG funding (%)	Notional SEN (%)	
1) Basic Entitlement Age Weighted Pupil Unit (AWPU)	Primary (Years R-6)	£2,890.43		9,393.00		£27,149,827	£49,709,579	44.16%		
	Key Stage 3 (Years 7-9)	£4,069.22		3,258.00		£13,257,516		21.56%		
	Key Stage 4 (Years 10-11)	£4,069.22		2,286.00		£9,302,235		15.13%		
Description		Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
2) Deprivation	FSM % Primary	£437.90		925.44		£405,248	£2,343,849	3.81%		
	FSM % Secondary		£1,355.08		400.75	£543,046				
	IDACI Band 1	£340.55	£1,113.95	1,396.78	650.04	£1,199,788				
	IDACI Band 2	£510.83	£1,670.92	138.90	69.01	£186,255				
	IDACI Band 3	£681.11	£2,227.89	2.96	2.98	£8,661				
	IDACI Band 4	£851.39	£2,780.70	1.00	0.00	£851				
	IDACI Band 5	£1,021.66	£3,341.84	0.00	0.00	£0				
	IDACI Band 6	£1,191.94	£3,898.81	0.00	0.00	£0				

Local Authority Funding Reform Proforma

LA Name:

Bracknell Forest

Pupil Led Factors

	Description	Primary amount per pupil	Secondary amount per pupil	Eligible proportion of primary NOR	Eligible proportion of secondary NOR	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
3) Looked After Children (LAC)	LAC X March 12	£211.86		57.11		£12,099	£243,150	0.02%		
4) English as an Additional Language (EAL)	EAL 3 Primary	£259.08		692.21		£179,340		0.33%		
	EAL 3 Secondary		£259.08		98.99	£25,647				
5) Mobility	Pupils starting school outside of normal entry dates	£314.75		82.81	0.00	£26,065	0.04%			
	Description	Weighting	Amount per pupil	Percentage of eligible Y1 and Y2-5 NOR respectively	Eligible proportion of primary and secondary NOR respectively	Sub Total	Total	Proportion of total pre MFG funding (%)	Primary Notional SEN (%)	Secondary Notional SEN (%)
6) Prior attainment	Low Attainment year 1	45.55%	£509.49	19.37%	1,812.82	£923,619	£2,090,624	3.40%		
	Low Attainment % Y2-5 78			19.37%						
	Secondary pupils not achieving (KS2 level 4 English or Maths)		£902.64		1,292.89	£1,167,005				

Local Authority Funding Reform Proforma

LA Name: Bracknell Forest

Other Factors

Factor	Lump Sum per Primary School (£)	Lump Sum per Secondary School (£)	Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)
7) Lump Sum	£150,000.00	£170,000.00	£5,670,000	9.22%	
8) Sparsity factor			£0	0.00%	
Please provide alternative distance and pupil number thresholds for the sparsity factor below. Please leave blank if you want to use the default thresholds. Also specify whether you want to use a tapered lump sum for one or both of the phases.					
9) Fringe Payments			£0	0.00%	
10) Split Sites			£0	0.00%	
11) Rates			£1,343,750	2.19%	
12) PFI funding			£0	0.00%	
13) Sixth Form			£0	0.00%	
14) Exceptional circumstances (can only be used with prior agreement of EFA)					
Circumstance			Total (£)	Proportion of total pre MFG funding (%)	Notional SEN (%)
Joint sports facilities			£85,048	0.14%	
Total Funding for Schools Block Formula (excluding MFG Funding Total) (£)			£61,486,001	100.00%	£0

Local Authority Funding Reform Proforma

LA Name: Bracknell Forest

15) Minimum Funding Guarantee (MFG is set at -1.5%)		£129,410	
Apply capping and scaling factors? (gains may be capped above a specific ceiling and/or scaled)		Yes	
Capping Factor (%)	1.00%	Scaling Factor (%)	35.38%
Total deduction if capping and scaling factors are applied		-£129,410	
		Total (£)	Proportion of Total funding(%)
MFG Net Total Funding (MFG + deduction from capping and scaling)		£0	0.00%
High Needs threshold (only fill in if, exceptionally, a high needs threshold different from £6,000 has been approved)			
Additional funding from the high needs budget		£100,000.00	
Growth fund (if applicable)		£392,040.00	
Falling rolls fund (if applicable)		£0.00	
Total Funding For Schools Block Formula		£61,486,001	
% Distributed through Basic Entitlement		80.85%	
% Pupil Led Funding		85.05%	
Primary: Secondary Ratio		1 :	1.33

Proposed 2014-15 budget for de-delegated items

Budget Item	Total 2013-14 £	Proposed Changes £	Draft Total 2014-15 £
Part 5: Items that can be de-delegated from a maintained school's budget			
Behaviour Support Services :			
Behaviour Support Team – provides support to young people, children and their families in the home environment and schools to manage behaviour.	£369,787	-£70,000	£299,787
Social and Emotional Aspects of Learning – This budget is used to promote and develop healthy emotional well-being and positive behaviour for children and young people. To be delegated at April 2014.	£69,320	-£69,320	£ 0
Consistency Management and Cooperative Discipline – Offers training to all teachers equipping them with classroom management skills through a defined programme to enhance their practice in behaviour support. To be delegated at April 2014.	£31,870	-£31,870	£ 0
Anti-bullying co-ordinator – assists schools in their capacity to address bullying issues.	£25,027	£0	£25,027
Schools in Financial Difficulty – additional support where a school is in, or likely to fall into one of the Ofsted categories of causing concern.	£280,000	£0	£280,000
English as an Additional Language – to support under performing EAL pupils.	£127,066	£0	£127,066
SIMS and other licences – purchase of the licence required by the software that performs most finance and administration tasks in schools.	£90,452	£0	£90,452
Official staff absence e.g. maternity leave, union or magistrates duty, jury service, council membership, staff suspension.	£345,420	£0	£345,420
Premature Retirement / Dismissal costs to fund one-off redundancy costs following staffing restructure in schools.	£52,000	£0	£52,000
Funding for new, amalgamating or closing schools to finance start-up, build up and close down costs.	£100,000	-£30,000	£70,000
Exceptional costs (primary schools only) to support schools facing exceptional costs that could not be predicted when the budget was set	£10,000	£0	£10,000
Free School Meal eligibility checking - Ensures schools have relevant information to complete the annual, national census to maximise income.	£0	£20,000	£20,000
Total Schools Budget	£1,500,942	£-181,190	£1,319,752

Proposed 2014-15 Schools Block budgets to be centrally managed by the Council

Budget item	Schools Block Centrally Managed		
	Total 2013-14 £	Proposed Changes £	Draft Total 2014-15 £
<u>Part 1: Spending limited to amount agreed in the previous financial year</u>			
Combined Services Budgets*:			
Family Intervention Project	£100,000	£0	£100,000
Educational Attainment for Looked After Children	£133,590	£0	£133,590
School Transport for Looked After Children	£42,890	£0	£42,890
Young People in Sport	£18,050	£0	£18,050
Common Assessment Framework Co-ordinator	£42,470	£0	£42,470
Domestic Abuse	£6,000	£0	£6,000
Education Health Partnerships	£30,000	£0	£30,000
SEN Contract Monitoring	£32,680	£0	£32,680
Miscellaneous (up to 0.1% of Schools Budget):			
Forestcare out of hours support service	£4,850	£0	£4,850
Borough wide Initiatives	£27,270	£0	£27,270
Support to Schools Recruitment & Retention	£7,470	£0	£7,470
School Admissions	£175,970	£0	£175,970
Schools Forum	£21,440	£0	£21,440
Sub total Part 1 items	£642,680	£0	£642,680
<u>Part 2: No restriction on annual increases</u>			
Schools Contingency:			
Significant in-year growth in pupil numbers	£330,648	-£25,000	£305,648
Key Stage 1 class sizes	£111,392	-£25,000	£86,392
Boarding Placements for Vulnerable Children	£25,880	£20,000	£45,880
Central copyright licensing	£30,000	£0	£30,000
Carbon Reduction Commitment	£80,000	-£80,000	£0
Sub total Part 2 items	£577,920	-£110,000	£467,920
Total Part 1 and Part 2 items	£1,220,600	-£110,000	£1,110,600

* Combined Service Budgets funded by the DSG generally support vulnerable children and link to other programmes funded by the Council which together result in better, more effective use of resources with improved outcomes for children than if provided and managed independently.

Financial Responsibilities

As part of the Scheme of Management, the Council has agreed a framework for managing the authority's financial affairs which also applies to schools. This framework is set out in Financial Procedure Rules which specify the financial regulations that need to be complied with together with annexes of detailed information on how the regulations need to be implemented. They have been designed to promote and maintain the high standards expected of the public sector in dealing with the Council's and school finances and require all Officers to carry out their responsibilities in an open and consistent manner. Revised regulations were introduced in June 2012.

In accordance with the employee code of conduct, Officers also have a general responsibility for taking reasonable actions to provide for the security of assets under their control, and for ensuring that the use of Council resources is lawful, is properly authorised and provides value for money.

Headteachers are also responsible for ensuring that all staff in their school are aware of the existence and content of the authority's financial regulations and other internal regulatory documents and that they comply with them

The Council's detailed financial procedures, setting out how the financial regulations will be implemented, cover the following areas:

1 Financial Management – Appendix A

- 1.1 Financial Management Standards
- 1.2 Preparing reports for Decision
- 1.3 Scheme of Virement
- 1.4 Treatment of Year End Balances
- 1.5 Accounting Policies
- 1.6 Accounting records and returns
- 1.7 The Annual Statement of Accounts

2 Financial Planning – Appendix B

- 2.1 Budgeting – Format of the Budget
- 2.2 Revenue Budget preparation, monitoring and control
- 2.3 Budgets and Medium Term Planning
- 2.4 Resource Allocation
- 2.5 Capital Programmes
- 2.6 Maintenance of Reserves

3 Risk Management and Control of Resources – Appendix C

- 3.1 Risk Management
- 3.2 Internal Controls
- 3.3 Internal Audit
- 3.4 External Audit
- 3.5 Preventing Fraud and Corruption
- 3.6 Assets - Security
- 3.7 Asset Disposal
- 3.8 Treasury Management
- 3.9 Staffing

4 Financial Systems and Procedures – Appendix D

4.1 General

4.2 Income

4.3 Ordering, paying for work, goods and services

4.4 Payments to Employees and Members

4.5 Taxation

5 External Arrangements – Appendix E

5.1 Partnerships

5.2 External Funding

5.3 Work for Third Parties

The full regulations can be found at:

[http://democratic.bracknell-forest.gov.uk/\(X\(1\)S\(nliktx450gyu3eakih1qej45\)\)/mgConvert2PDF.aspx?ID=16113](http://democratic.bracknell-forest.gov.uk/(X(1)S(nliktx450gyu3eakih1qej45))/mgConvert2PDF.aspx?ID=16113)

Further advice or clarifications on any finance related matters can be obtained from Education Finance.

Summary Competition Requirements

SUPPLIES AND SERVICES		Minimum Requirements						
					✓	= Mandatory		
	Total Contract Value	Up to £5K	>£5K to £10K	>£10K to £35K	>£35K to £100K	>£100K to £400K	>£400K to £1m	>£1m
Procurement Plan	Director* to approve, with advice from Head of Procurement				Optional	✓	✓	✓
	Executive Member to approve						✓	✓
Format	Request for Quotation (RFQ)	✓ oral	✓	✓	✓			
	Invitation to Tender (ITT)				Optional	✓	✓	✓
Specification		✓ oral	✓ outline	✓ outline	✓	✓	✓	✓
Terms	BFC terms and conditions	Preferred	Preferred	Preferred	✓			
	Special terms - contact Legal Services				Optional	✓	✓	✓
Competition	Minimum 1 quote	✓ oral	✓					
	Minimum 3 quotes			✓	✓			
	Formal Tender min 5					✓	✓	✓
	Order under a Framework Agreement	mini competition of all suppliers able to meet the requirement - or otherwise as defined in the Framework Agreement						
Advertising	SE Business Portal			Optional	✓	✓	✓	✓
	European website (TED)					✓	✓	✓
Contract SO Waiver	Director to record reasons on file	✓	✓	✓				
	Chief Executive and Borough Solicitor to approve				✓	✓		
	The Executive to approve						✓	✓
Contract Award	Director*	✓	✓	✓	✓			
	Report to Director* for approval				Optional	✓		
	Report to Director and Executive Member for approval						✓	
	Report to the Executive for approval							✓
Contract Award Notice	Regional website (SECE)			Optional	✓	✓	✓	✓
	European website (TED)					✓	✓	✓
Form of Contract	Purchase Order	✓ oral	✓	✓	✓			
	Contract signed by Director*				Where used	✓		
	Deed signed under seal by Mayor and Borough Solicitor						✓	✓
* Or Responsible Officer with formal written delegation of these powers from the Director								

For all contracts, keep written records of decision making process, and ensure governors delegate clear and specific procurement authorisations.

Refer to Procurement Manual on the intranet for comprehensive guidance. This can be found on the Council's intranet. From the Department titles that run across the screen towards the top, select Corporate Services, then Finance, then Procurement. You can then view the information you require.

<http://boris.bracknell-forest.gov.uk/corporate-services/finance/procurement.htm>

Full Contract Standing Orders can be found at:

[http://democratic.bracknell-forest.gov.uk/\(X\(1\)S\(nliktx450gyu3eakih1qej45\)\)/mgConvert2PDF.aspx?ID=16114](http://democratic.bracknell-forest.gov.uk/(X(1)S(nliktx450gyu3eakih1qej45))/mgConvert2PDF.aspx?ID=16114)