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Sutton London Borough Council

Schools Forum

Date: Tuesday, 14 October 2025

Time: 6.30 pm

Venue: Cheam High School, Chatsworth Rd, Cheam, Sutton SM3 8PW

Contact: Matthew Stickley, londongovernanceltd@gmail.com

To all members of the Schools Forum:

Member	Role
Academy Representation (A)	
Jamie Bean	Academy Secondary Headteacher
Emma Bradshaw	Academy Pupil Referral Unit (shared)
Nathan Cole	Academy Secondary Headteacher
Ben Cloves	Academy Secondary Headteacher
Phillip Hedger	Academy Primary Headteacher
Christian Hicks	Academy Secondary Headteacher
James Kearns	Academy Special School Headteacher
Peter Naudi	Academy Secondary Headteacher
Sharon Roberts	Academy Primary Headteacher
Aaron Tanner	Academy Primary Governor

Maintained School Representation (B)	
Robert Claxton	Maintained Primary School Headteacher
Jenny Sims	Chair; Maintained Primary School Governor
Emma Walford	Maintained Nursery School Headteacher
Bev Williamson	Sutton Tuition and Reintegration Service (shared)

Other Representation (C)	
Vicki Bell	Early Years Provider
Jason Pemberton-Billing	14-19 Provider
Sue Smith	Sutton Teachers Committee
Andrew Theobald	Vice Chair; Archdiocese of Southwark; Maintained Secondary School Governor
VACANCY	Diocese of Southwark

Observers (D)	
Councillor Rob Beck	Vice Chair of the People Committee
Councillor Jane Pascoe	Opposition Spokesperson for the People Committee

Agenda

1 Welcome and Introductions

2 Apologies for Absence

3 Declarations of Interest

Declarations of interest which are made by members and officers of the Schools Forum which are not interests created by virtue of the role that member/officer holds.

Members

- Peter Naudi – Vice Chair of Limes Governing Body, Chair of Vulnerable Pupils Panel
- Sharon Roberts – Trustee of Cheam Academies Network Trust
- Jenny Sims – Non-Executive Director of Cognus LATC
- Andrew Theobald - Chair of Members of Cirrus Primary Academy Trust

Officers

- Kieran Holliday – Non-Executive Director of Cognus LATC

4 Minutes of the Previous Meeting **(Pages 5 - 8)**

To agree the minutes of the previous meeting held on 10 June 2025.

5 Revenue Report **(Pages 9 - 92)**

6 Update on SEND Transformation **(Pages 93 - 110)**

7 SEND Hourly Rates **(Pages 111 - 126)**

8 Capital Report **(Pages 127 - 132)**

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PRESENT:

1. Jenny Sims (Chair)
2. Andrew Theobald (Vice Chair)
3. Bec Allott
4. Peter Naudi
5. Aaron Tanner
6. Emma Bradshaw
7. Robert Claxton
8. Sue Smith

1: Welcome and Introductions

The Chair, Jenny Sims, welcomed those present.

2: Apologies for Absence

Apologies for absence were received from Nathan Cole, James Kearns, Jamie Bean, Vicki Bell, Sharon Roberts, Ben Cloves, and Emma Walford.

The Chair noted that Beverley Williamson would be retiring after this academic year and would no longer be a member of the Schools Forum, and that she had shared her thanks to the members of the Forum and fondest regards to all. Chair also noted that Bec Allott would be retiring after this academic year and would no longer be a member of the Schools Forum. Members thanked Bec for her contributions to the Forum as a founding member and over many years.

3: Declarations of Interest

The Forum noted the standing declarations as set out on the agenda.

There were no further declarations of interest.

4: Minutes of the previous meeting

RESOLVED: The minutes of the previous meeting held on 25 February 2025 as an accurate record be agreed.

The Chair advised that the agenda would be reordered such that agenda item 7, Dedicated Schools Grant (DSG) Management Plan, would be taken ahead of agenda item 5.

5: Revenue Report

The Strategic Finance Business Partner introduced the report.

Members discussed that many statistical neighbours reported a higher deficit than Sutton, however, concern remained that the in-year deficit Sutton reported was higher than most.

RESOLVED:

1. The outturn position on the Dedicated Schools Grant (DSG) for 2024/25 be noted
2. The deficit balance of £9.182m to be carried forward to 2025/26 be noted
3. The latest budget for 2025/26 be noted and approved
4. The latest outturn position for 2025/26, as at month 2 (May 2025) be noted
5. The review of the Scheme for Financing Schools 2025/26 be noted

6: Schools Year End Returns Review

The Strategic Lead for Education introduced the report.

Members suggested that officers should liaise with more experienced school business managers (which could include academies) with a view to commissioning some support to other schools with expertise in preparing returns and those who had submitted a correctly prepared return to share their expertise with other schools that had less experienced staff.

Members suggested that in order to increase the responses regarding third party transaction details (including nil returns), officers should email the Chairs of Governors to request this information and to explain that providing it would enable an accurate return to be provided to the Department for Education.

RESOLVED: The concerns raised and work towards an improved process in 2025/26 be noted.

7: Dedicated Schools Grant (DSG) Management Plan

The Finance and Data Analyst - SEND Transformation Project (previously SEN Finance & Data Manager, Cognus), provided a presentation.

Officers explained that the Dedicated Schools Grant (DSG) management plan was a spreadsheet tool created by the Department for Education (DfE) for local authorities and that the first dataset had been reported to the DfE in 2024, with the next update due to be reported in July 2025.

Officers acknowledged the tool was a complex spreadsheet and explained that data shown in the presentation was live data which was continually updated. Attention was drawn to the tabs in the spreadsheet which separated data by setting and age range; the data showed historical pupil numbers and forecast pupil numbers to 2032. Using the projected data of cost implication and predicted income, the projected future deficit was shown. It was explained that options for mitigations were being implemented and options for further mitigations considered. Officer explained that the data could then be analysed which would allow projected deficits to be considered in a range of scenarios such as reductions in Non-maintained or Independent School places (NMI) or reduction in pupils with Education, Health and Care Plans (EHCP), plus an assumed income increase of 3%.

Officers explained EHCP numbers were rising both locally and nationally. Members discussed that projected falling total pupil numbers did not correlate with a fall in the numbers of EHCPs. It was explained that mitigations were in place which could slow the increase in the number and costs of EHCPs whilst maintaining outcomes for pupils, such as the delivery of therapies within school settings and reduced use of NMIs. Members commented that it should be a priority to support early years settings, which could result in flatlining of EHCPs being issued, thereby leading to a deficit reduction in future years.

Officers explained that the DSG management plan would be reported to the DfE in July 2025 and to a future meeting of Schools Forum.

RESOLVED:

1. The information provided in the report be noted
2. Feedback as to the different scenarios presented by the High Needs Block (HNB) Balanced Budget spreadsheet be shared

8: Pupil Premium Funding for Independent Provision

The Director for Education, Integrated Services and Safer Communities introduced the report.

Bec Allott proposed the recommendation be amended such that it be agreed that Officers write to NMI settings at the start of the academic year to invite those settings to apply for Free School Meal/Pupil Premium funding for eligible pupils, on the basis that the NMI setting provides copies of their Pupil Premium policy and details of how the expenditure would be used. This was seconded by Jenny Sims, put to the vote, and agreed.

RESOLVED: Officers write to NMI settings at the start of the academic year to invite those settings to apply for Free School Meal/Pupil Premium funding for eligible pupils, on the basis that the NMI setting provides copies of their Pupil Premium policy and details of how the expenditure would be used.

9: Falling Rolls Policy

The Head of Pupil Based Commissioning introduced the report.

Officers clarified that although it appeared unlikely, it was possible that the current projection of pupil numbers could change in the future. It was discussed that it was good practice to have a policy for falling rolls in place, and that the policy could be reviewed annually.

Members discussed options 1 and 2 outlined in the report.

RESOLVED:

1. The proposed falling rolls policy to apply from the 2026/27 financial year, included in Appendix A be agreed.
2. An approach on the value of the falling rolls fund to be agreed in 2026/27 as option 1 in the report.

10: Sherwood Park School Funding

The Head of Pupil Based Commissioning introduced the report.

Members suggested the figures could be presented to show diseconomies of scale and start up costs more clearly.

RESOLVED: The proposed funding arrangements to provide the school with start up funding and diseconomy of scale funding whilst the school grows into its new premises be agreed.

11: Capital Report

The Head of Pupil Based Commissioning introduced the report.

RESOLVED:

1. The summary of developments against the primary, secondary and special expansion programmes be noted.
2. The capital maintenance programme for 2025/26 as set out in appendix A (maintained school members only) be agreed.

The meeting ended at 20:23.

Report Title	Revenue Report
Meeting	Schools Forum
Date	14 October 2025
Chair	Jenny Sims
Report Author(s)	Selam Baire, Strategic Finance Business Partner, Sutton Council Jack Cutler, Acting Head of Pupil Based Commissioning
Open/Exempt	Open

1. Summary

1.1. This report provides an update on the latest position on the Dedicated Schools Grant (DSG) since the last meeting of the Schools Forum.

2. Recommendation(s)

2.1. To note the latest position on the DSG for 2025/26, as at September - Month 6 (Appendix A).

2.2. To approve the proposed changes to the Scheme for Financing School 2025/26 (Appendix B).

2.3. To note the procedure required to apply for a Schools Block Disapplication (Appendix C).

2.4. To agree a block transfer of 0.5% from the Schools Block to the High Needs Block in 2026-27 to support the costs of specialist provision recently commissioned in the borough. See Appendix D for the school level data from this year which will provide indicative values for next year and the impact on individual schools.

3. Background

3.1. Spending decisions on the DSG were agreed by the Schools Forum in February 2025 for the financial year 2025/26. This report refers to issues that have arisen since the last meeting on 10th June 2025 and provides details of the latest DSG budget for 2025/26.

4. DSG Budget 2025/26

4.1. The latest DSG allocation for 2025/26 is £150.9m, after recoupment for academies (£165.3m), high needs place funding provision (£8.8m) and centralised NNDR (£1.7m).

4.2. Appendix A provides a breakdown of the DSG budget for 2025/26 and the variance as at September 2025 (month 6). The highlighted areas in the high needs block indicate the adjusted budget lines to balance the high needs block, to funding received.

4.3. The DSG is currently forecasting a slightly improved position on month 2 with an in-year overspend at year end of £11.98m at Month 6, as detailed at **Appendix A**. The forecast cumulative deficit at year end is £22.6m.

4.4. Local authorities have a statutory duty to publish their S251 budget statements. The statement is intended to provide a clear picture of the local authority's planned spending on the DSG and children and young people's services. The S251 Final Budget Statement for 2025/26 was submitted to the DfE in September 2025 but has not yet been authorised. The details of the S251 Budget Statement - DSG will be included in the Revenue Report to be presented at the next Schools Forum meeting.

Core Schools Budget Grant 2025/26 (High Needs Block)

4.5. The DfE has combined the TPAG 2024/25, the TPECG 2024/25, and the CSBG 2024/25 into a single CSBG grant for special schools and alternative provision for 2025-26.

4.6. They have allocated £480 million for additional staff costs, £125 million for National Insurance contributions costs and £83 million for teachers' and other staff 2025 pay awards.

4.7. DfE Published Payment Timetable

DfE will pay the CSBG to local authorities and NMSS as set out in the following table:

CSBG 2025 to 2025 payment schedule	Allocations published	Payment 1	Payment 2	Payment 3	Payment 4
Continuation of 2024 to 2025 CSBG and pay & pensions grants	May 2025	May 2025			
NICs increase funding	May 2025		September 2025		
2025 pay award funding	October 2025			October 2025	
Above elements of funding using updated data	March 2026				March 2026

4.8. The table below show the rates:

	National Rate £	ACA	Sutton Rate after ACA £
CSBG - Per-pupil rate - for SEND and AP places in special schools, PRUs, and special and AP academies	2,054	1.114469	2,289
CSBG - Per-pupil rate - Independent schools	1,608	1.114469	1,792
NIC's - Per-pupil rate	496	1.114469	553
Pay award Increases - Per-pupil rate	339	1.114469	378

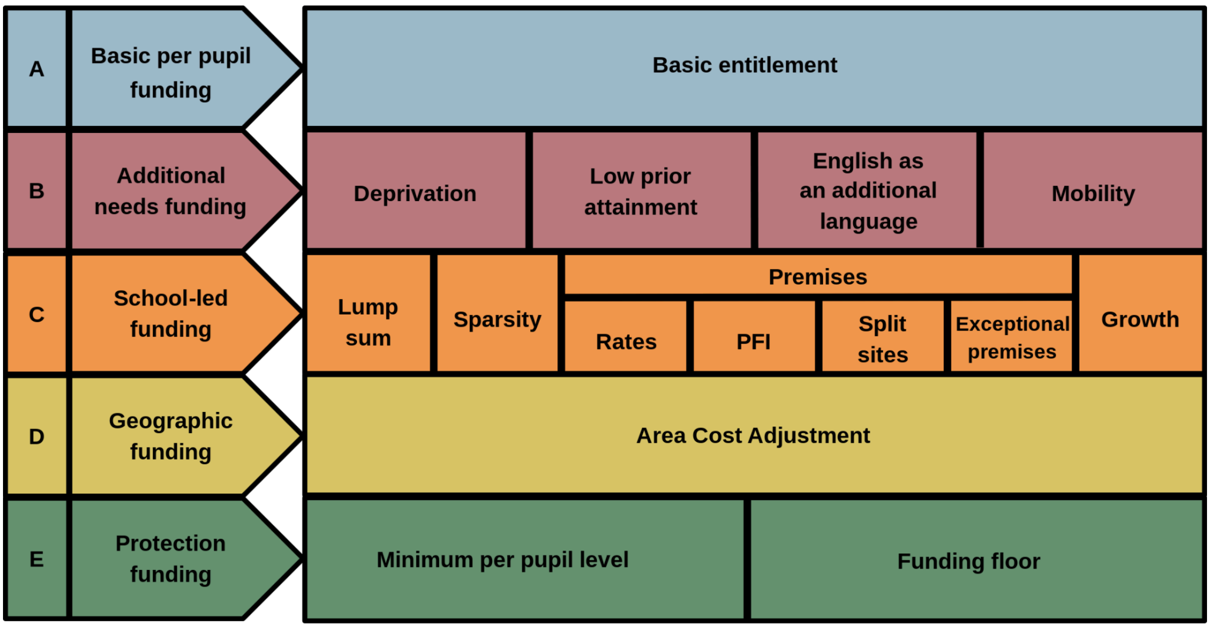
4.9. Sutton will pass on allocations to LA and academy special schools as per the calculation provided by the DfE.

5. DSG Funding 2026/27

Schools Block: National Funding Formula 2026/27

5.1. The National Funding Formula factor values for 2026/27, are expected to be published in November. The Dedicated Schools Grant allocations will be published in December 2025.

5.2. It has been confirmed that NFF Funding Factors for mainstream schools will be the same as the 2025-26 NFF and based on the diagram below.



5.3. The DfE has outlined that from September 2026, free school meals (FSM) will be extended to all children in households receiving Universal Credit. For 2026 to 2027, the additional funding for this expansion will be provided via a separate grant. Further details on how this grant will be calculated will be published separately in due course.

Schools Block: Local Factors 2026/27

5.4. As in 2025/26, a request is being made to transfer 0.5% of the Schools Block funding allocation to the High Needs Block. Where a Local Authority wishes to make a block transfer of up to 0.5% it must seek the agreement of the Schools Forum. Should Schools Forum not agree to the transfer, or should the Local Authority request a transfer value above 0.5% then the Local Authority can put a 'disapplication request' through to the Secretary of State.

5.5. Appendix C provides further information on the procedure required by the Department for Education in the event that a disapplication request will be required, to authorise a 0.5% transfer. Information related to the request for 0.5% block transfer is covered as part of the SEND transformation update following this report.

6. Financial Implications

6.1. This report highlights DSG issues that have arisen since the last meeting of the Forum.

7. Influence on the Council's Corporate Core Values and Objectives

7.1. One of the core values is partnership working. Setting the budget for the Dedicated Schools Grant, and considering related issues, is an important part of the budget process that fully involves schools as partners and particularly recognises the important role of the Schools' Forum.

8. Appendices

Appendix Letter	Appendix Title
A	DSG latest budget position 2025/26 – month 06
B	Scheme for Financing Schools Updated Revision 2025/26
C	School Block Disapplication Request Procedure (0.5% transfer to the High Needs Block)
D	School Level Data - 0.5% High Needs Block Transfer & 0.5% Minimum Funding Guarantee (2025/26 Values)

Appendix A - Revenue Report 20251014 - DSG 2025/26 Budget Summary - M06				
Description	**Latest Budget £**	**Latest Forecast £**	**Latest Variance £**	**Commentary**
Schools Block				
Primary Maintained Funding	39,467,324	39,467,324	0	Core funding for maintained primary schools (NFF)
Secondary Maintained Funding	15,392,100	15,392,100	0	Core funding for maintained secondary schools (NFF)
De-delegation	(48,524)	(48,524)	0	Growth funding relating to primary schools
Secondary Growth	868,500	476,100	(392,400)	Growth funding relating to secondary schools and Unplaced Year 11 Funding
Total - Schools Block	**55,679,400**	**55,287,000**	**(392,400)**	
Central School Services Block				
Historic Commitments				
Contribution to combined budgets	15,000	15,000	0	Contribution to LSCP
Early Retirement Costs (pensions)	410,300	497,735	87,435	Costs of school staff that retired early (historical)
Depreciation of non current assets	218,200	218,200	0	Borrowing re: Opportunity Bases in 2012
Ongoing Functions			0	
Admissions Services	393,800	393,800	0	Costs of the schools admission service (Cognus)
Schools Forum Costs	16,000	16,000	0	Costs of Schools Forum including meetings, staffing support etc...
Independent School Fees (non SEN)	150,000	150,000	0	Contributions to fees for LAC pupils attending independent schools
Copyright Licenses	272,000	272,000	0	Fees set by Copyright Licensing Authority for all schools (paid centrally)
DSG Contribution to LBS Central Provision	619,200	632,100	12,900	Contribution from the DSG to support central provision in the LA
Total - CSSB	**2,094,500**	**2,194,835**	**100,335**	
High Needs				
Early Years - Place	191,000	191,000	0	Lump sum paid to Thomas Wall for Dragonflies base
Early Years - Top Up	275,000	300,000	25,000	Top up Individual
Portage Service	252,800	252,800	0	Playwise Service (a CIC) who provide portage (home-visiting educational services) for pre-school children with SEND and their families.
Autism Parenting Support Officer	37,500	37,500	0	2 year contract
Primary mainstream	4,211,100	5,125,875	914,775	Top up for individual pupils (legacy) and additional support contracts
Primary Bases Maintained - Place	596,000	596,000	0	Place funding for maintained opportunity bases

Appendix A - Revenue Report 20251014 - DSG 2025/26 Budget Summary - M06				
Description	Latest Budget £	Latest Forecast £	Latest Variance £	Commentary
Primary Base - All Schools	3,351,300	5,327,542	1,976,242	Additional Place and top up funding for maintained and academy opportunity bases
Primary - OLA	555,400	757,343	201,943	Top-up funding for Sutton pupils in OLA schools
Secondary Mainstream	1,662,800	2,268,766	605,966	Top up for individual pupils (legacy) and additional support contracts
Secondary Bases - Place and Top Up	1,179,000	1,094,635	(84,365)	Additional Place and top up funding for maintained and academy opportunity bases
Secondary - OLA	343,200	353,680	10,480	Top-up funding for Sutton pupils in OLA schools
Special Schools - Maintained - (Sherwood) Place	2,101,700	2,101,700	0	Place and pay and pension grant funding
Special Schools - Maintained - (Sherwood) Top Up	5,886,500	6,228,295	341,795	Top up and top up individual funding plus backdated underfunding from previous years (agreed with Schools Forum)
Special Schools - Academies - Pension	398,300	398,300	0	Pay and pension grant funding
Special Schools - Academies	5,764,100	7,786,656	2,022,556	Top up, top up individual and place extra funding
Special Schools - OLA	2,551,100	3,375,375	824,275	Top-up funding for Sutton pupils in OLA schools
Non maintained Independent Provision	8,716,200	13,353,148	4,636,948	Non maintained or independent fees - including specialist and AP provision and tuition
Independent Tutoring Fees	1,714,100	1,750,000	35,900	Fees paid for Independent Tutoring Services
Alternative Provision - (Limes) Place	1,898,100	1,898,100	0	Place, addiitional place, top up and pay and pension grant funding
Alternative Provision - (Limes) Individual	854,000	854,000	0	Top up Individual
Alternative Provision - (STARS) Place	1,283,800	1,283,800	0	Place, top up and pay and pension grant funding
Alternative Provision - (STARS) Individual	92,600	92,600	0	Top up Individual
Hospital Provision - (STARS)	281,500	281,500	0	Lump sum paid to STARS for children educated in hospital
Schools Team (TYS)	110,000	110,000	0	Exclusions Prevention
Mainstream College	1,479,200	1,650,042	170,842	Placement costs related to mainstream college placements for pupils with an EHCP
Specialist College	2,723,000	2,891,147	168,147	Placement costs related to specialist college placements for pupils with an EHCP
Therapies (Cognus)	4,224,500	4,624,500	400,000	Therapies provided to individual pupils (mainstream/base/special schools) by Cognus
Therapies (Non-Cognus)	268,500	289,200	20,700	Therapies provided to individual pupils (mainstream/base/special schools) by other suppliers

Appendix A - Revenue Report 20251014 - DSG 2025/26 Budget Summary - M06

Description	Latest Budget £	Latest Forecast £	Latest Variance £	Commentary
SEN Travel Assistance	640,000	640,000	0	Contribution to SEN transport including travel training
Graduated Response Funding (Clusters /SSAP)	429,800	429,800	0	SenCo Salary costs, Cluster / SEND Support Advisory Panel payments
Other Expenses	85,000	85,000	0	
Cognus Ltd - High Needs Services	2,066,600	2,066,600	0	Cognus Commissioning Agreement
Total - High Needs Block	**56,223,700**	**68,494,904**	**12,271,204**	
Early Years Block				
Early Years - 3 & 4 Year olds	16,471,200	16,471,200	0	Core funding to schools, PVI, nurseries to deliver 3 & 4 yr old free entitlement (EY NFF)
Early Years - 2 Year olds	9,009,800	9,009,800	0	Core funding to schools, PVI, nurseries to deliver 2 yr old free entitlement (EY NFF)
Early Years - Under 2 year olds	10,124,600	10,124,600	0	Core funding to schools, PVI, nurseries to deliver 9mth to 2 yr old free entitlement (EY NFF)
Early Years - Central Expenses	711,000	711,000	0	Central provision - EYFE Staffing and Predicable Needs funding
Cognus Ltd - Early Years Foundation	604,500	604,500	0	Central provision transferred to Cognus to provide EY advisory services
Total - Early Years	**36,921,100**	**36,921,100**	**0**	
TOTAL EXPENDITURE	**150,918,700**	**162,897,839**	**11,979,139**	
Total DSG Funding	**(150,918,700)**	**(150,918,700)**	**0**	
Total In Year Deficit	**0**	**11,979,139**	**11,979,139**	
DSG Reserve Deficit b/f		**10,573,012**		

DSG Forecast Year End Deficit (Unusable Reserve)		**22,552,151**		

Adjusted budget to balance 25/26 HN Block

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London Borough of Sutton

Scheme for Financing Schools

2025-26

Notes on this version

Changes since previous version:

The Department for Education (DfE) no longer publishes the guide for the Scheme for Financing Schools as a separate document but instead has created an HTML page containing the guide.

Scheme for Financing Schools Guidance

Re-numbering of Sections

The Sutton Scheme has been revised to follow the same numbering scheme as the DfE guidance. The previous Section 1 is now Section 3, Section 2 is now Section 4, and so on.

Sections 1 and 2 provide a summary and outline of the Scheme as per the guidance.

DfE Guidance Update

This is version 16 of the statutory guidance; changes made from current published version of the Sutton Scheme to the latest draft version:

Section 8.3.21: addition of an extra item where a school's budget share may be charged: the cost of an undisputed invoice for energy where a school has entered into an agreement with the Secretary of State for the supply of energy and failed to pay such an invoice (Regulation 23 of the regulations)

Sutton Updates

In RED - Current wording with suggested changes
In BLUE - Suggested amendment to current wording or amendment/additional wording as per DfE Guidance to provide further clarification.
In BLACK - wording unchanged or minor wording change with no change in meaning

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Application of contracts to schools Schools have the right to opt out of local authority arranged contracts. 19
All existing contracts have been entered into freely by schools and are paid for from delegated budgets. 19
The Governing Body should be aware that they are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts and in most cases they do so on behalf of the authority as maintainer of the school and the owner of the funds in the budget share. Be clear as to when they enter into contracts made solely on behalf of the governing body, when the governing body has clear statutory obligations -for example, contracts made by aided or foundation schools for the employment of staff. 19
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Section 1: Summary

1.1 About the Scheme and DfE Guide

The scheme reflects issue 16 of the statutory guidance from the Department for Education (DfE) for local authorities on the scheme for financing schools. It relates to Section 48 of the Schools Standards and Framework Act 1998 and Schedule 14 to the act.

Local Authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain. The DfE guidance lists the provisions which a local authority's scheme must, should or may include.

In making any changes to the scheme, the local authority must consult all maintained schools in the area and receive the approval of the members of schools forum representing maintained schools. The authority must take the DfE guidance into account when revising the scheme in consultation with the Schools forum.

1.2 Directed Revisions

The Secretary of State may by direction revise the whole or any part of the scheme as from such date as may be specified in the direction. In order to make a directed revision the Secretary of State is required, by provision in the Schools Standards and Framework Act 1998, to consult the relevant Local Authorities and other interested parties.

It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of direction.

There are no directed revisions within version 16.

Section 2: The Outline Scheme

Within the Scheme and Guidance the following references apply:

- “the act” is the School Standards and Framework Act 1998
- “the authority” is the local authority
- “the regulations” are the School and Early Years Finance (England) Regulations 2023

The regulations state that schemes must deal with the following matters:

- the carrying forward from one funding period to another of surpluses and deficits arising in relation to schools’ budget shares
- amounts which may be charged against schools’ budget shares
- amounts received by schools which may be retained by their governing bodies and the purposes for which such amounts may be used
- the imposition, by or under the scheme, of conditions which must be complied with by schools in relation to the management of their delegated budgets and of sums made available to governing bodies by the authority which do not form part of delegated budgets, including conditions prescribing financial controls and procedures
- terms on which services and facilities are provided by the authority for schools maintained by them
- the payment of interest by or to the authority
- the times at which amounts equal in total to the school’s budget share are to be made available to governing bodies and the proportion of the budget share to be made available at each such time
- the virement between budget heads within the delegated budget
- circumstances in which a local authority may delegate to the governing body the power to spend any part of the authority’s non-schools education budget or schools budget in addition to those set out in section 49(4)(a) to (c) of the 1998 act
- the use of delegated budgets and of sums made available to a governing body by the local authority which do not form part of delegated budgets
- borrowing by governing bodies Scheme for Financing Schools Version 1.0 (May 2025)
- the banking arrangements that may be made by governing bodies
- a statement as to the personal liability of governors in respect of schools’ budget shares having regard to section 50(7) of the 1998 act

- a statement as to the allowances payable to governors of a school which does not have a delegated budget in accordance with the scheme made by the authority for the purposes of section 519 of the 1996 act
- the keeping of a register of any business interests of the governors and the head teacher
- the provision of information by and to the governing body
- the maintenance of inventories of assets
- plans of a governing body's expenditure
- a statement as to the taxation of sums paid or received by a governing body
- insurance
- the use of delegated budgets by governing bodies so as to satisfy the authority's duties imposed by or under the Health and Safety at Work etc Act 1974
- the provision of legal advice to a governing body
- funding for child protection issues
- how complaints by persons working at a school or by school governors about financial management or financial propriety at the school will be dealt with and to whom such complaints should be made
- expenditure incurred by a governing body in the exercise of the power conferred by section 27 of the 2002 act

Section 3: Introduction

3.1 The Funding Framework

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

Under this legislation, the local authority determines the size of their schools budget and their non-schools education budget, although at a minimum the local authority must appropriate its entire Dedicated Schools Grant to its schools budget.

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 except for capital and certain miscellaneous items.

Local authorities may deduct funds from their schools budget for purposes specified in regulations made by the Secretary of State under section 45A of the act (the centrally retained expenditure). This covers the authority's responsibilities for strategic management, access to education (e.g. admissions), special educational needs and school improvement. The amounts to be deducted for these purposes are decided by the local authority, subject to any limits or conditions, including gaining the approval of their Schools Forum or the Secretary of State in certain instances, as prescribed by the Secretary of State.

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

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

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

The financial controls within which delegation operates are set out in this scheme in accordance with section 48 of the Act and regulations made under that section.

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

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

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

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

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

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

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

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

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

3.2 The Role of the Scheme

The scheme sets out the financial relationship between the local authority and the nursery, primary, secondary and special maintained schools which it funds. It contains requirements relating to financial management and controls, banking and other accounting arrangements binding on both the local authority and on schools.

The Sutton Scheme for Financing Schools

The Act[1] requires that financial controls, which regulate delegation, are set out in a scheme made by the London Borough of Sutton (LBS) and approved by the Schools' Forum. This document forms the required scheme for the LBS which schools must adhere to.

Subject to provisions of this scheme, governing bodies of schools may meet all expenditure of an official nature from their budget share, with the exception of those items exempted from the statutory scheme. Official expenditure is defined as any expenditure appropriate to either the management or curriculum of the school

The LBS may suspend a school's right to a delegated budget if the provisions contained in this financing scheme (or rules applied by the scheme) have been substantially or

[1] S.48 of the School Standards and Framework Act 1998

persistently breached, or if the budget share has not been managed satisfactorily. There is a right of appeal to the Secretary of State[2].

The LBS is obliged to publish each year a statement setting out details of its planned Schools Budget and the amounts to be retained centrally.

After each financial year the local authority must publish a statement showing outturn expenditure at both central level and for each school, and the balances held in respect of each school[3].

The detailed publication requirements for financial statements and for schemes are set out in regulations, but each school must receive a copy of the scheme and any amendment, and each years' budget and outturn statement so far as they relate to that school or central expenditure.

3.3 Application of the Scheme to the local authority and Maintained Schools

The scheme applies to all community, nursery, primary, secondary, voluntary, and special schools and pupil referral units (PRUs) maintained by the authority. The schools and PRUs covered by the scheme are listed in Annex A.

3.4 Publication of the Scheme

The current scheme will be available on the authority's website which is accessible to the general public. Covered schools will be notified of any revisions.

3.5 Revision of the Scheme

Any proposed revisions to the scheme will be the subject of consultation with the governing body and the head teacher of every school maintained by the local authority before they are submitted to the schools forum for their approval.

All proposed revisions must be submitted to the schools forum for approval by members of the forum representing maintained schools. Where the schools forum does not approve them or approves them subject to modifications which are not acceptable to the local authority, the authority may apply to the Secretary of State for approval.

It is also possible for the Secretary of State to make directed revisions to schemes after consultation. Such revisions become part of the scheme from the date of the direction.

3.6 Delegation of Powers to the Headteacher

Every governing body is required to consider the extent to which it delegates financial powers to the Head teacher, including virements, and to record its decision (and any revisions) in the minutes of the Governing Body.

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[2] A school's right to a delegated budget share may also be suspended for other reasons (s.17 of the SSAF Act 1998).

[3]

Any financial delegation should make clear what activities are being delegated and the financial limits where applicable. Decisions on limits to delegation should also be recorded in the relevant minutes.

Added as per DfE Guidance

The Governing Body, or a committee of the Governing Body, must approve the first formal annual budget plan of each financial year.

3.7 Maintenance of Schools

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

Section 4: Financial Controls

4.1 General Procedures

Application of Financial Controls to Schools

Schools must comply with the local authority's requirements in the management, monitoring and financial control of their delegated budgets. This includes those requirements within this scheme and also those requirements contained in more detailed publications referred to in this scheme.

Schools are expected to comply with any reasonable request from the local authority.

Provision of Financial Information and Reports

The Strategic Director - Resources has a duty under Section 151 of the Local Government Act 1972 to ensure the correct discharge of the Council's financial activities. In order that these obligations can be fulfilled, Head teachers and governors are expected to maintain due regard for the proper accountability and the control over expenditure and income of public funds.

Schools must provide the local authority with financial information and reports as set out in Annex C, in a format and at times determined by the authority.

Where the local authority has concerns over the financial management of a school, they may require submission of financial information and reports from that school on a more frequent basis than that set out in Annex C. The school will be notified of such requirements if necessary.

Any additional reports / information required by the local authority, not included within Annex C above, will be subject to a separate notification to which schools must comply.

Payment of Salaries and Payment of Bills

Where a school opts to contract with a payroll provider other than the local authority's payroll provider, they need to be mindful that there are certain obligations placed upon schools in order that the local authority can fully discharge its statutory requirements. This would include for example the right to be provided with information, as the employing body, to fulfil requirements to report employee statistical data to OFSTED and other statutory organisations and statutory National Fraud Initiative payroll data. It is advisable that schools contact the local authority for advice on contract specifications and the controls required to ensure the integrity of such a system, before considering such alternative arrangements.

With regard to the payment of supplier invoices, settlement of these should be made within the agreed credit terms offered by the supplier. In the absence of any prescribed settlement terms, the Confederation of British Industry's Prompt Payment Terms should be applied.

Control of Assets

Each school must maintain an inventory register of its moveable non-capital assets valued in excess of £1,000.

Schools may determine their own arrangements for assets worth less than £1,000 provided a register is maintained. Schools should ensure that anything that is portable and attractive; such as a camera, are registered.

Disposal of assets purchased from the schools delegated budget must be approved by the Governing Body and comply with any local authority procedures.

Assets of the school which are to be disposed of by sale or destruction must be appropriately authorised for disposal and, where significant, should be sold following competitive tender.

Accounting Policies, including Year End Procedures

All schools must abide by procedures issued by the local authority on accounting policies and year end procedures.

Writing off of Debts

LBS Current

The writing off of debts must be in accordance with Section 11 of the Revised Subsidiary Financial Regulations.

For any single debt not exceeding £1,000, the governing body for the school may approve the writing off of the debt.

For any single debt over £1,000 but not exceeding £10,000, the chair of governors for the school should include the details on a schedule to be endorsed by the Strategic Director (People) and then submitted to the Strategic Director - Resources for write off approval.

Where the value of an individual debt exceeds £10,000, a draft report must be prepared by the chair of governors and submitted to the Strategic Director - People who will table it for submission to the Strategy and Resources Committee for their consideration at the next available meeting.

LBS Suggested amendment

The Governing Body is empowered to right off debts providing the debt has been outstanding in excess of six months and the Governing Body is certain the debt is unrecoverable.

The Governing Body can write off debts up to £5,000 per individual item.

A template will be provided as part of the year end returns process, to notify Sutton of any debts that have been approved and written off to that value.

For bad debts above £5,000 per individual item, details must be submitted to the Director of Education for approval.

4.2 Basis of Accounting

Reports and accounts furnished by schools to the local authority must be on an accruals basis.

Schools remain free to use whichever financial software they choose and may work on either an accruals or cash accounting basis, but returns must be provided in the output required by the local authority and schools must meet any costs of modification in order to provide output in the required format.

4.3 Submission of Budget Plans and Financial Forecasts

A school's own financial information requirements will be detailed, reflecting the many possible sub-headings, departments and cost centres between which funds may be allocated. However, the local authority's requirement is only for summarised information in the form of the A2 Budget Plan template, in line with the Consistent Financial Reporting (CFR) framework.

The A2 Three Year Budget Plan template comprises the annual budget plan for the forthcoming year and also a financial forecast for the following two years. All maintained schools must submit a formal three year budget plan and forecast, approved by the governing body or by a committee of the governing body, to the local authority by 20th June each year, as set out in Annex C.

The budget plan must be approved by either the Governing Body or finance committee and signed by both the Headteacher and the Chair of Governors or Chair of the finance committee.

If a school considers they are likely to have to set a deficit budget they must notify the Director of Resources as soon as possible and not later than the deadline date of 20th June. This will allow ongoing discussion between the school and the local authority in order to agree a recovery plan.

For the local authority to manage its responsibilities under Section 151 of the Local Government Act 1972, a school may be required to provide further information to support their submitted Budget Plan.

The local authority will endeavour to supply schools with all income and expenditure data that it holds to enable efficient planning and financial forecasting by schools.

Schools, if they so wish, may take into account any estimated deficits/surpluses at the previous 31st March in their budget plan.

Submitted financial forecasts will be used in support of the authority's balance control mechanism.

4.4 School Resource Management

Schools must seek to achieve effective management of resources and value for money, to optimise the use of their resources and to invest in teaching and learning, taking into account the local authority's purchasing, tendering and contracting requirements**.**

It is for heads and governors to determine at school level how to optimise the use of resources and maximise value for money.

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

Detailed guidance on the application of effective management of resources and value for money principles are set out in Annex D.

4.5 Virement

Schools are able to vire freely between budget headings in the expenditure of their budget shares. Any changes made to budget allocations at CFR code level must be included in the next available A3 Income and Expenditure return, in the "Latest Budget" column and forecasts and variances must be applied against the Latest Budget for each CFR code.

A governing body may vire resources between budget headings in the expenditure process provided that such transactions are within the total approved budget share for the school.

Financial limits must be laid down by the governing body together with the authorisation required to vire funds between budget headings.

4.6 Audit: General

All schools will be subject to internal audit. The frequency of audit visits will be determined by Internal Audit. Schools will be notified in advance of proposed visit dates. The local authority's external audit regime will also apply to schools.

All financial accounts, records, documents and information held by the school must be available for inspection by them and to the Strategic Director - Resources or any officer appointed by him/her.

The Strategic Director - Resources has a statutory duty under Section 151 of the Local Government Act 1972 to maintain an effective and efficient internal audit. The audit shall include a review and appraisal of:-

(i) The soundness, adequacy and application of financial and other management control systems;

(ii) The extent of compliance with and the financial effect of, policies, plans, procedures and regulations;

(iii) The extent to which Council funded assets and interests are accounted for and safeguarded from losses due to fraud, waste, inefficiency or any other cause.

(iv) Risk Management, Business Continuity, Procurement and Sustainability.

Internal Audit reviews are undertaken in compliance with the Global Internal Audit Standards. Progress on the internal audit plan and details of limited assurance reviews are reported to the council's Audit Committee. Progress on internal audit recommended actions are followed up with schools.

4.7 Separate External Audit

In addition to the statutory audit in above, governing bodies may, at their discretion, elect to employ the services of an independent external auditor to undertake a financial review of any aspect of the school's finances and obtain external audit certification of its accounts. Where a governing body decides to do this, financial provision may be made from the school's budget share.

4.8 Audit of Voluntary and Private Funds

Schools must provide appropriate audit certificates in respect of voluntary and private funds held by them, and of the accounts of any trading organisations controlled by the school.

The purpose of such a provision is to allow the local authority to satisfy itself that public funds are not being misused. However, the authority will not audit such funds.

4.9 Register of Business Interests

The Governing Body of each school is required to have a register of business interests for each member of the Governing Body and the head teacher, which lists:

- any business interests they or any member of their immediate family have
- details of any other educational establishments that they govern
- any relationships between school staff and members of the governing body

The register must be kept up to date with notification of changes and through annual review of entries. The register must be available for inspection by governors, staff and parents, and the local authority

Governors declarations must be made available on a publicly accessible website.

4.10 Purchasing, Tendering and Contracting Requirements

Each school must abide by the local authority's financial regulations and standing orders regarding purchasing, tendering and contracting supplies and services.

Schools should also assess in advance, where relevant, the health and safety competence of contractors, taking account of the local authority's policies and procedures.

The local authority financial regulations and standing orders **will not apply** where they would require schools:

- to do anything incompatible with any of the provisions of the scheme or any statutory provision
- to seek local authority officer countersignature for any contracts for goods or services for a value below £60,000 in any one year - see below for Sutton value.
- to select suppliers only from an approved list
- or would permit schools to seek fewer than 3 tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year, subject to specific

Schools may seek advice on a range of compliantly procured deals via buying for schools.

Schools may choose their own suppliers for the provision of goods and services, irrespective of whether they appear in the local authority's approved list.

Any contract for goods or services for a value below £150,000, in any one year does not require a countersignature of any officer within the local authority.

4.11 Application of Contracts to Schools

Application of contracts to schools Schools have the right to opt out of local authority arranged contracts.

All existing contracts have been entered into freely by schools and are paid for from delegated budgets.

The Governing Body should be aware that they are empowered under paragraph 3 of schedule 1 to the Education Act 2002 to enter into contracts and in most cases they do so on behalf of the authority as maintainer of the school and the owner of the funds in the budget share. Be clear as to when they enter into contracts made solely on behalf of the governing body, when the governing body has clear statutory obligations -for example, contracts made by aided or foundation schools for the employment of staff.

4.12 Central Funds and Earmarking

The local authority may make sums available to schools from central funds, in the form of allocations which are additional to and separate from the schools' budget shares. Such funds (including Standards Funds) are given on the proviso that these allocations are spent on the purpose or purposes specified and that any earmarked funds not spent in-year are returned to the local authority.

These funds must be accounted for outside from the budget share and governing bodies must be able to demonstrate compliance with this requirement.

The local authority will not make any deductions in respect of interest costs from payments to schools of devolved specific or special grant.

4.13 Spending for the Purposes of the School

Although section 50(3) of the School Standards and Framework Act allows governing bodies to spend budget shares for the purposes of the school, this is subject to regulations made by the Secretary of State and any provisions of the scheme.

As well as the various standard provisions local authorities may wish to propose their own restrictions on this freedom, arising from local circumstances. By virtue of section 50(3A), amounts spent by governing bodies on community facilities or services under section 27 of the Education Act 2002 will be treated as if spent for any purposes of the school.

Under section 50(3)(b) the Secretary of State may prescribe additional purposes for which expenditure of the budget share may occur. They have done so in the School Budget Shares (Prescribed Purposes) (England) Regulations 2002 (SI 2002/378), which have been amended by the School Budget Shares (Prescribed Purposes) (England)(Amendment) Regulations 2010 (SI 2010/190).

These allow schools to spend their budgets on pupils who are on the roll of other maintained schools or academies.

4.14 Capital Spending from Budget Shares

Governing bodies may use their budget shares to meet the cost of capital expenditure on the school premises. This includes expenditure by the governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the School Standards and Framework Act 1998.

Capital expenditure is expenditure as defined in Section 7 of the Revised Subsidiary Financial Regulations for Schools.

All capital expenditure from the budget share must be notified to the local authority. If the total amount of such proposed expenditure in any one year should exceed £15,000, the governing body must take into account any advice from the Strategic Director – People as to the merits of the proposed works.

In all cases where a project will result in increased floor area for the school, the written consent of the Director - Education and SEND, must be received before proceeding with the works.

4.15 Notice of Concern

The authority may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Strategic Director - Resources and the Strategic Director – People, the school has failed to comply with any provisions of the scheme, or where actions need to be taken to safeguard the financial position of the local authority or the school.

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

These may include:

- insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
- placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools;
- insisting on regular financial monitoring meetings at the school attended by local authority officers;
- requiring a governing body to buy into a local authority's financial management systems; and
- imposing restrictions or limitations on the manner in which a school manages extended school activity funded from within its delegated budget share – for example by requiring a school to submit income projections and/or financial monitoring reports on such activities.

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

Once a governing body can clearly evidence compliance with the requirements of a Notice of Concern, the local authority will withdraw the notice.

4.16 Schools Financial Value Standard (SFVS)

All local authority maintained schools (including nursery schools and PRUs that have a delegated budget) must demonstrate compliance with the SFVS and complete the assessment form on an annual basis. It is for the school to determine at which time of the year they wish to complete the form.

Governors must demonstrate compliance through the submission of the SFVS assessment form signed by the Chair of Governors. The form must include a summary of remedial actions with a clear timetable, ensuring that each action has a specified deadline and an agreed owner. Governors must monitor the progress of these actions to ensure that all actions are cleared within specified deadlines.

Schools should submit their SFVS to their local authority no later than 31st March

Local authorities should submit their assurance statement to DfE within 6 weeks, no later than 31st May

4.17 Fraud

All schools must have a robust system of controls to safeguard themselves against fraudulent or improper use of public money and assets. Any suspected fraud should be reported to SWLFP@richmondandwandsworth.gov.uk

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

Section 5: Instalments of the budget share and banking arrangements

5.1 Frequency of Instalments

Monthly on the second Thursday of each month:

- Schools Block
  - Individual School Budget
- High Needs Block
  - place led funding for maintained mainstream school bases special schools and pupil referral units
  - top up funding for maintained pupil referral units
  - amendments (in term) to top up funding for maintained mainstream, bases, and special schools

Termly, based on information and funding levels on record:

- High Needs Block
  - top up funding for maintained mainstream, bases, and special schools.

5.2 Proportion of budget share payable at each instalment

Apart from amendments to top up funding, all other monthly payments are made in 12 equal instalments.

The instalments will primarily cover all spending, both employee and non-employee elements, met from the schools budget share. This will avoid adjustment to the instalments during the year for virements between employee and non-employee elements of the school's budget

Where possible, charges for services and reimbursements to schools will be included in schools monthly allocation payments, subject to schools agreement. Schools will be advised of these charges/reimbursements separately from the instalments of their budget share.

The cash advance will be made available to governing bodies on a monthly basis at a time in the month prescribed by the authority's Chief Finance Officer and which will permit prompt payment of salaries. Provision is also made to allow the payment in full of additional devolved funding, where appropriate.

5.3 Interest Clawback

Additional section, not previously included, but added for clarification:

The local authority currently charges no interest for budget share instalments paid in advance.

5.4 Interest on late budget share payments

The local authority will add interest to late payments of budget instalments, where such a late payment is the result of local authority error. The interest rate used will be the current Bank of England base rate.

5.5 Budget Shares for Closing Schools

Where a date has been approved under the relevant sections of the Act to discontinue to maintain a school, the payment of budget allocations will continue up to the date of the closure. However, the maximum amount that will be transferred to the control of the governors will be the pro rata share of what would have been an annual share of the Individual School Budget had the school not been discontinued, less any deductions in respect of deficits from earlier years together with any agreed additional funding or any changes in funding advised by the DfE.

5.6 Bank and Building Society Accounts

All maintained schools covered by the scheme have local bank accounts into which their budget share instalments are paid in accordance with the provisions in sections 5.1 to 5.4. This account must be held in the name of the school rather than the local authority. All interest earned on the account may be retained by the school unless it is within a local authority contract which makes other arrangements.

5.7 Restrictions on Accounts

Annex F lists the banks and building societies with which schools may have bank accounts. Governing Bodies may seek approval from the Strategic Director – Resources for other banking institutions not shown in the above list.

All schools will retain a list of authorised signatories for their official bank accounts. Signatories to these accounts must be local authority or school employees.

Schools are reminded that any cash held within a school bank account remains the property of the local authority until it is spent. Where a bank mandate is opened in the name of the school, this must clearly allow London Borough of Sutton as owner of the funds to receive statements and take control of the account if the school's right to a delegated budget is suspended by the local authority.

5.8 Borrowing by schools

Under The School Standards and Framework Act 1998 governing bodies may borrow money (which includes the use of leases) only with the written permission of the Secretary of State.

Leases

The introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools for accounting purposes.

Under the Education Act 2002, all leases will be classed as borrowing and will require the Secretary of State for Education's consent.

The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities, as set out in the IFRS16 Maintained Schools Finance Lease Class Consent 2024. Leases not included in this Order will still require the written consent of the Secretary of State, and it remains the general position that schools will only be granted permission for other types of borrowing in exceptional circumstances. From time to time, however, the Secretary of State may introduce limited schemes to meet broader policy objectives.

Schools are able to use any scheme that the Secretary of State has said is available to schools without specific approval.

Credit and Procurement Cards

Schools are not permitted to use credit cards as this is a form of borrowing. However corporate procurement cards are permitted under the Scheme.

The local authority has the right to remove permission for a school to hold a debit card, procurement card, charge card or trade account card(s) where a school has infringed on any of the criteria for holding any card, including breaches of their own controls or infringements relating to loans, overdrafts or leases.

Schools should ensure that all internal controls on cards are reviewed annually and updated as necessary. All procedural changes need to be agreed with the local authority.

5.9 Other Provisions

Schools are permitted to open investment bank accounts in an approved bank where there is no risk to the principal sum. Any investment must be made through the school itself and not through an intermediary.

Section 6: Treatment of surplus and deficit balances arising in relation to budget shares

6.1 Right to Carry Forward Surplus Balances

Schools are able to carry forward from one financial year to the next any shortfall in expenditure relative to the school's budget share for the year plus/minus any balance brought forward from the previous year.

Schools may enter into commitments which extend into a subsequent financial year, subject to prior notification of the commitment to the local authority and providing that they can reasonably expect that the cost will be able to be funded from within their delegated budget for that subsequent year.

6.2 Controls on surplus balances

Additional section, not previously included, but as per DfE Guidance it has added for clarification:

Schools where either the local authority or Department for Education deem the surplus balance to be excessive, may be required to comment on the rationale employed. The authority may reclaim balances from schools where they deem them excessive.

6.3 Interest on surplus balances

London Borough of Sutton does not hold balances on behalf of schools, therefore, no interest payments are made on surplus balances

6.4 Obligation to carry forward deficit balances

Any deficit which is carried forward by a school will need to be taken into account when preparing their budget plan for the following year.

If a school is in deficit (revenue and/or capital) on the 31st March in any one financial year, that deficit will be carried forward to the following financial year. A school's deficit balance at 1st April of any financial year is equal to the deficit balance as at 31st March in the previous financial year.

6.5 Planning for deficit budgets

Schools may only plan for a deficit budget in accordance with the terms of para. 6.9. below.

Schools must submit a deficit recovery plan to the local authority if their 3 year budget plan includes a revenue deficit.

6.6 Charging of interest on deficit budgets

Interest will not be charged on deficit balances held by the local authority on behalf of schools.

6.7 Writing off deficits

The local authority cannot write off the deficit balance of any school.

6.8 Balances of closing and replacement schools

Additional section, not previously included, but as per DfE Guidance it has been added for clarification:

The Director of Children's Services in conjunction with the Governing Body of a closing school will ensure that the most efficient use is made of resources in the period prior to the closure of a school.

The balance (whether surplus or deficit) in respect of a school that closes or amalgamates will revert to the Authority.

Where in the funding period, a school has been established or is subject to a prescribed alteration as a result of the closure of a school, a local authority may add an amount to the budget share of the new or enlarged school to reflect all or part of the unspent budget share (including any surplus carried over from previous funding periods) of the closing school for the funding period in which it closes.

6.9 Licensed Deficits

Schools may not plan for a budget deficit without the approval of the Strategic Directors - Resources and People. Schools are therefore required to keep their spending in each year within their delegated budget for that year.

However, a planned (or licensed) deficit may be approved if:

- the deficit will be repaid over a maximum period of three years
- Schools provide a robust deficit recovery plan showing a balanced budget (at least a zero balance) over the agreed period of time;
- The budget plan incorporates a summary of key actions and assumptions;
- The budget plan must be approved by the governors and submitted to the local authority by 20th June.

In exceptional circumstances only, it may be possible to extend the recovery period. Such requests will need to be approved by the Strategic Directors - Resources and People, who will need to be satisfied that the circumstances are indeed exceptional, and that all reasonable action will be taken to clear the deficit at the earliest opportunity.

Where a school has a change of circumstances which results in a deviation from the agreed plan, the school must discuss the situation with the local authority at the earliest opportunity.

In all instances of deficits, including forecast deficits for future years in the three year financial plan (A2), schools may be required to provide information and/or cooperate with the local authority officers, with a view to ensuring that the deficit is managed and monitored in the appropriate manner.

The school may be asked to produce evidence in support of figures in any of the plans produced and/or discuss it with local authority staff. In the event of the local authority not being satisfied with the plan, the school may be required to review and alter the plan, including the plan for the current year.

The school must be available to meet with local authority colleagues on a regular basis to discuss the DRP position and must provide an updated position to the local authority, in sufficient time before the meeting, to enable colleagues to review the position before the meeting.

6.10 Loan Schemes

Loans will only be used to assist schools in spreading the cost over more than one year of large one-off individual items of a capital nature that have a benefit to the school lasting more than one financial or academic year. Loans will not be used as a means of funding a deficit that has arisen because a school's recurrent costs exceed its current income.

If loans are made to fund a deficit and a school subsequently converts to academy status, the Secretary of State will consider using the power under paragraph 13(4)(d) of Schedule 1 to the Academies Act 2010 to make a direction to the effect that such a loan does not transfer, either in full or part, to the new Academy school.

The local authority has no plan to implement a loan scheme for the foreseeable future.

Credit Union Approach

Schools may group together to utilise balances held in their local bank account for a credit union approach to loans. The local authority requires an external auditor's certification of any such scheme.

Section 7: Income

7.1 Income from lettings

Current LBS wording

All income generated in respect of lettings of school premises will be retained by the school (except for nominal fees in respect of community use lettings) and recorded in the school's budget share. Income from lettings should not be payable into voluntary or private funds held by the school. This is also subject to alternative provisions arising from any joint use of Public Private Partnership agreements.

Schools will be reimbursed by the local authority for community use lettings. The level of reimbursement may take account of subsidies available to schools from other lettings e.g. voluntary. This cross-subsidy is only permitted where there is no net cost to the budget share.

Schools may let their premises at their own discretion. Governing bodies of community schools must have regard to directives issued by the local authority as to the use of school premises, as permitted under the School Standards and Framework Act 1998 for various categories of schools. These directives are also commended to governing bodies of aided and foundation schools.

Suggested wording, as per the DfE guidance

Schools may retain all income from lettings of the school premises that would otherwise accrue to the local authority, subject to any alternative provisions arising from any joint-use of private finance initiative (PFI) or public private partnerships (PPP) agreements

Schools are permitted to cross-subsidise lettings for community and voluntary use with income from other lettings, provided the governing body is satisfied that this will not interfere to a significant extent with the performance of any duties imposed on them by the Education Acts, including the requirement to conduct the school with a view to promoting high standards of educational achievement.

Schools are required to have regard to any directions issued by the local authority as to the use of school premises owned by them, as permitted under the School Standards and Framework Act 1998 for various categories of schools.

Income from lettings of school premises are not payable into voluntary or private funds held by the school. However, where land is held by a charitable trust, it will be for the school's trustees to determine the use of any income generated by the land.

7.2 Income from fees and charges

Schools may retain income received in respect of fees and charges except where a service is provided by the local authority from centrally retained funds. Schools are required to have regard to any policy statements on charging produced by the local authority.

Income received should be paid into the school budget share with any VAT accounted for where appropriate.

7.3 Income from fund raising activities

Schools may retain any income generated from fund raising activities

7.4 Income from the sale of assets

Schools may retain the proceeds from the sale of assets except in cases where the asset was purchased with non-delegated funds (in which case it should be for the local authority to decide whether the school should retain the proceeds), or the asset concerned is land or buildings forming part of the school premises and is owned by the local authority. Any retention of funds from the sale of land assets is subject to the consent of the Secretary of State, and any conditions the Secretary of State may attach to that consent relating to use of proceeds.

7.5 Administrative procedures for the collection of income

The administrative procedures for the collection, accounting and banking of income accruing to the school must be in accordance with Annex B, Section 11 of the Revised Subsidiary Financial Regulations. Schools should contact the Council's VAT Officer for guidance as to whether they should charge VAT on lettings and on the services which lead to fees and charges together with VAT implications of fund raising activities and the sale of assets.

7.6 Purposes for which income may be used

Income from sale of assets purchased with delegated funds may only be spent for the purposes of the school.

Section 8: The charging of school budget shares

8.1 General Provision

The scheme allows the budget share of a school to be charged by the local authority without the consent of the governing body only in circumstances stated in 6.2. The scheme requires the local authority to consult schools as to the intention to charge, and notify schools when it has been done.

As the circumstances in which charges may be made are detailed below, and schools will be consulted before charges are made, there is no proposal to have a disputes procedure in place.

The local authority may be the subject of a direction under s.496 of the Education Act 1996, in the event of the local authority acting unreasonably in the exercise of any power given by the scheme.

School budget shares will be charged the actual cost of salaries and wages for school-based staff.

The local authority may de-delegate funding for permitted services without the express permission of the governing body, provided this has been approved by the appropriate phase representatives of the Schools Forum.

8.2 Charging of salaries at actual cost

8.3 Circumstances in which charges may be made

Where premature retirement costs have been incurred without the prior written agreement of the local authority to bear such costs (the amount chargeable being only the excess over any amount agreed by the local authority).

Other expenditure incurred to secure resignations where the school had not followed local authority advice.

Awards by courts and industrial tribunals against the local authority, or out of court settlements, arising from action or inaction by the governing body contrary to the local authority's advice. Awards may sometimes be against the governing body directly and would fall to be met from the budget share if it was the result of local authority advice not being followed.

Expenditure by the local authority in carrying out health and safety work or capital expenditure for which the local authority is liable where funds have been delegated to the governing body for such work, but the governing body has failed to carry out the required work.

Expenditure by the local authority incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the local authority or the school has voluntary controlled status.

Expenditure incurred by the local authority in insuring its own interests in a school where funding has been delegated but the school has failed to demonstrate that it has arranged cover at least as good as that which would be arranged by the local authority.

Charging the budget share cannot take place where the local authority has no relevant insurable interest, e.g. in the buildings of a foundation school.

Recovery of monies due from a school for services provided to the school, where a dispute over the monies due has been referred to a disputes procedure set out in a service level agreement, and the result is that monies are owed by the school to the local authority.

Recovery of penalties imposed on the local authority by the Contributions Agency, HM Revenue and Customs, Teachers Pensions, the Environment Agency or regulatory authorities as a result of school negligence.

The correction of local authority errors in calculating school budget shares, where these errors related to the current financial year, and/or the one immediately preceding it.

Additional transport costs incurred by the local authority which arise from decisions by the governing body on the length of the school day, and failure to notify the local authority of non-pupil days resulting in unnecessary transport costs.

Legal costs which are incurred by the local authority because the governing body did not accept the advice of the local authority (see also section 11)

Costs of necessary health and safety training for staff employed by the local authority, where funding for training had been delegated but the necessary training not carried out.

Any expenditure or compensation to a third party arising from non-performance or cancellation of a contract by a school. This mainly relates to central contracts arranged on behalf of schools by the local authority, e.g. for photocopiers.

Compensation paid to a lender where a school enters into a contract for borrowing beyond its legal powers, and the contract is of no effect.

For each of these circumstances (except 6.2.11) the local authority would have to be able to demonstrate that the local authority had necessarily incurred the expenditure now charged to the budget share. This means that where the local authority cannot incur a liability because the statutory responsibility rests elsewhere, no charging is possible. Therefore the position on charging will vary between categories of school.

Cost of work done in respect of teachers pension remittance and records for schools using non-local authority payroll contractors, the charge to be the minimum needed to meet the cost of the local authority's compliance with its statutory obligations.

Costs incurred by the local authority 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 low cost high incidence SEN and/or specific funding for a pupil with High Needs.

Costs incurred by the local authority due to submission by the school of incorrect data.

Recovery of amounts spent from specific grants on ineligible purposes

Cost incurred by the local authority as a result of the governing body being in breach of the terms of a contract.

Costs incurred by the authority or another school as a result of a school withdrawing from a cluster arrangement, for example where this has funded staff providing services across the cluster.

Costs incurred by the authority in administering admissions appeals, where the local authority is the admissions authority and the funding for admission appeals has been delegated to all schools as part of their formula allocation.

Section 9: Taxation

9.1 Value Added Tax (VAT)

Governing bodies are eligible to reclaim any VAT they incur on their official expenditure from their budget share. The only exception to this would be expenditure incurred by governing bodies of voluntary aided schools when carrying out their statutory responsibilities to maintain the external fabric of their buildings or capital works at Voluntary Aided (VA) and Foundation schools funded directly by the DfE.

Schools with their own bank accounts would pay input tax on supplies received (expenditure) and account for output tax on supplies made (income) where applicable. A monthly VAT return would be produced by each school detailing the input and output tax during the period. This must be submitted to the local authority within two weeks of the end of the period to which it relates. Schools would then be reimbursed for the net balance of any tax due to them monthly in arrears.

The treatment of VAT must be in accordance with the procedures detailed within the Revised Subsidiary Financial Regulations.

7.2 Construction Industry Scheme (CIS)

From 6 April 2007, Statutory Instrument 2005/2045 regulation 21 expressly excludes from the Scheme any payments made for construction operations by the governing body or Headteacher of a maintained school. As such, the Scheme should **not** be operated in respect of such payments. Additionally, Voluntary Aided Schools are not treated as contractors for the purposes of Finance Act 2004/S59 (1)(l) and do **not** have to operate the Scheme.

Section 10: The provision of services and facilities by the local authority

10.1 Provision of services from centrally retained budgets

The local authority will determine on what basis services from centrally retained funds will be provided to schools. The provision should be drawn in a way that clearly encompasses existing PRC and redundancy payments, which may not ordinarily be thought of as services. The local authority in providing the services will not discriminate on the basis of categories of schools, except where such discrimination is justified by differences in statutory duties.

10.2 Timescales for the provision of services bought back from the local authority using delegated budgets

Any arrangement with a school to buy services or facilities from the local authority is limited to a maximum of three years from the inception of the scheme or the date of the agreement, whichever is the later, and periods not exceeding five years for any subsequent agreement relating to the same services. However, schemes may contain an extension to five and seven years respectively for contracts for supply of catering services.

10.3 Packaging

The local authority will endeavour to offer any services for which funding has been delegated to schools either on an individual buy-back or package basis.

When a service is provided for schools for which expenditure is not retainable centrally by the local authority, it must be offered at prices which are intended to generate income that 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 differently.

10.4 Service level agreements

Service level agreements must be in place by the end of March to be effective for the following financial year, schools will be given at least one month prior to this time to consider the terms of agreements.

In the case of any service or facility provided to a school under a service level agreement, whether free or on a buyback basis - the terms of the agreement starting on or after the inception of the scheme will be reviewed at least every three years if the agreement lasts longer than that.

The services provided by the local authority, whether free or on a buy-back basis, will be provided on an extended agreement and on an ad hoc basis. Where services (bought back) are provided on an ad hoc basis they will be charged at a different rate to those provided on an extended agreement.

10.5 Teachers' Pensions

In order to ensure that the performance of the duty on the local authority to supply Teachers Pensions with information under the Teachers' Pensions Regulations 1997, the following conditions are imposed on the local authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares and came into effect on 1 November 2002:

The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the local authority to provide payroll services.

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 local authority 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 local authority which the local authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The local authority 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 local authority 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 local authority which the local authority requires to submit its annual return of salary and service to Teachers' Pensions and to produce its audited contributions certificate. The local authority 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 local authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

Section 11: Private finance initiative (PFI) and public private partnerships (PPP)

The local authority has the power to issue regulations periodically relating to Private and Public Partnerships (PPP) and Private Finance Initiative (PFI) projects. The local authority would seek positive endorsement on a school by school basis for such schemes. These proposals might include variations to the scheme and would be subject to the agreement of governing bodies. Agreements may cover such matters as charges relating to such schemes and the treatment of monies withheld from contractors due to poor performance.

Section 12: Insurance

12.1 Insurance Cover

Where funds for insurance are delegated to the school's governing body, the local authority will require schools to demonstrate that the cover and limits are comparable to those offered by the local authority's school insurance scheme. The need to demonstrate compliance will only arise if insurance is purchased outside of the local authority's scheme.

In the event of non-compliance within a period of 30 days from the requested proof, the local authority will take steps to arrange suitable insurance cover in compliance with 10.1.1 and recover the cost from the school or it's governing body under Section 6.2.6 of this Scheme.

The current school insurance scheme guide and any further information required is available from the insurance service upon request by email to insurance@sutton.gov.uk

The Revised Subsidiary Financial Regulations for Schools in Annex B (Section 14) covers other provisions for school insurance arrangements. Schools will be responsible for keeping the Strategic Director – Resources informed of changes to insurable risks.

A school may join the Secretary of State's Risk Protection Arrangement (RPA), instead of taking out insurance, for risks that are covered by the RPA. Schools may do this individually when any insurance contract of which they are part expires. Schools can also join the RPA collectively by agreeing through the Schools Forum to de-delegate funding.

Risk Management

School governors and staff should identify the risks currently faced by schools and the measures necessary to manage serious risks. The school should establish a formal risk register which must be updated on a regular basis. Furthermore, schools should adopt a strategy of risk reduction and management where appropriate and cost effective.

Schools may also be required to participate in corporate risk reviews and support the elimination of risk.

Section 13: Miscellaneous

13.1 Right of access to information

In addition to the periodic exchanges of information as defined in Section 2.1.2 between the school and the local authority, governing bodies must supply all financial and other information, if required, to enable the local authority to assure itself as to the school's management of its delegated budget share and/or the use made of any capital expenditure by the local authority.

13.2 Liability of Governors

Since the governing body is a corporate entity and because of the terms of S.50 (7) of the School Standards and Framework Act, governors of maintained schools will not incur any personal liability in the exercising of their power to spend the delegated budget share provided they can demonstrate they acted in good faith.

13.3 Governors' Allowances

Under schedule 11 of the School Standards and Framework Act, only allowances in respect of purposes specified in regulations may be paid to governors from a school's delegated budget share; payment of any other allowances is not permitted.

Schools are also not permitted to pay expenses duplicating those paid by the Secretary of State in respect of additional governors appointed by him/her to schools under special measures.

13.4 Responsibility for legal costs

Legal costs incurred by the governing body may be charged to the school's budget share unless the governing body acts in accordance with advice from the local authority.

In the event that there is a conflict of interest between the school's governing body and the local authority and the governing body decide to obtain independent legal advice then the costs of that advice and any proceedings will fall to the school's budget share.

13.5 Health and Safety

Governing bodies are required to have due regard to duties placed on the local authority in relation to health and safety, and the local authority's policy on health and safety matters in expanding the school's budget share.

In schools where the local authority is the employer, governing bodies are required to have due regard to the statutory duties and responsibilities placed on the local authority in relation to health and safety and the local authority's policy on health and safety matters when expanding their budget share.

For the Aided and Foundation schools, where the governors are the employers, they have a statutory responsibility to maintain a safety policy statement.

Where it has become apparent to the local authority that a governing body has failed to carry out works that are a school's responsibility and there is a high health and safety risk, the local authority will notify the governing body of the school. If the work has still not been carried out after a reasonable period the local authority will arrange for the work to be carried out and invoice the school accordingly. If this lack of school's maintenance has resulted in a severely accelerated capital defect, the school will also be required to make a contribution, in line with the local authority's Asset Management Plan policy statement.

13.6 Right of attendance for Chief Finance Officer

The Strategic Director - Resources, or his/her appointed representative, will have the right to attend meetings of governing Bodies or sub- groups of governing bodies in an advisory capacity on any matter of a financial nature relevant to exercising his/her responsibilities under Section 151 of the Local Government Act 1972. Prior notice of such an attendance will be given to governors.

13.7 Special education needs

Schools are required to use their best endeavours in spending the budget share, to secure the special education needs of their pupils. This is a statutory requirement and may lead to suspension of delegation where a situation is serious enough to warrant it. This would not normally relate to an individual pupil.

13.8 Interest on late payments

13.9 'Whistleblowing'

School governors and staff who wish to raise concerns in the public interest about financial management or financial propriety at their school should refer to the Councils Whistleblowing policy on Suttons website.

13.10 Child Protection

Schools are expected to release staff to attend child protection conferences and appropriate training events.

13.11 Redundancy/Early retirement costs

The 2002 Education Act sets out how premature retirement and redundancy costs should normally be funded. If the authority proposes to depart from this, then the scheme should contain a provision setting out the circumstances in which exceptions will be made. Further guidance is provided at Annex H.

Section 14: Responsibility for repairs and maintenance

All funding for revenue repairs and maintenance is delegated to individual schools.

The majority of capital is allocated to the local authority who decide which priorities to fund in line with the authority's Asset Management Plan policy statement. Schools also receive devolved formula capital funding.

For these purposes, expenditure may be treated as capital only if it fits the definition of capital used by the local authority for financial accounting purposes in line with the Code of Practice on Local Authority Accounting, published by the Chartered Institute of Public Finance and Accountancy (CIPFA).

Capital expenditure includes structural alterations to buildings such as re-roofing works or installing double-glazing and most spending on fixed assets. It also covers the total or major replacement of furniture and equipment. Spending on the day-to-day maintenance of assets or on the repair or the replacement of individual items of furniture and equipment does not count as capital expenditure.

The Schools' Forum set a minimum level of £2,000 for capital expenditure, the only exception to this minimum being the purchase of IT equipment which could have a lower value but still be claimed as capital expenditure.

Schools are expected to support lower value capital maintenance work from their devolved formula capital allocations up to £15,000 for primary and special schools and £35,000 for secondary schools (thresholds correct as of November 2010).

For larger value maintenance projects schools would be expected to contribute £15,000 or 15% of the project value whichever is higher up to a maximum contribution of £30,000 per scheme for primary and special schools or £35,000 or 30% of the project value whichever is higher up to a maximum of £70,000 per scheme for secondary schools.

Caretaker's Houses: The split of responsibility for capital and revenue expenditure is as for the school building, including 'off-site' houses. Where the local authority is responsible for letting the caretaker's house the caretaker is responsible for the internal decoration under the service tenancy. The small income received in rent for properties under the ownership of the Borough is credited to the overall People budget and is balanced by the cost to administer the scheme, particularly when a tenancy needs to be terminated.

Voluntary Aided Schools: From April 2002 all revenue expenditure is local authority liability and delegated to schools. Therefore, Voluntary Aided schools will be responsible for all revenue repairs as detailed in Annex I. Subject to funding, grant is available from the DfE for 90% of capital repairs, prioritised according to the Asset Management Plan and in partnership with the diocesan representatives. The DfE has set a de minimis limit for works that can be regarded as capital of £2,000.

Section 15: Community facilities

Introduction

Schools which choose to exercise the power conferred by S27 (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 local authority 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 s28(1), the main limitations and restrictions on the power will be

a) those contained in schools' own instruments of government, if any; and
b) in the local authority's Scheme for Financing Schools made under section 48 of the School Standards and Framework Act 1998. Paragraph 2 of the Schedule 3 to the Education Act 2002 extends coverage of schemes to 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 local authority and schools to secure the provision of adult and community learning.

Unless specific provision is agreed, the local authority will not meet the capital costs associated with maintaining the building for areas specifically used for community facilities.

The mismanagement of community facilities funds may be grounds for the suspension of the right to a delegated budget.

15.1 Consultation with the local authority - financial aspects

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 local authority.

Schools are required to inform the Strategic Director, People at the earliest opportunity if they intend to consider the provision of community facilities. Schools will be required to submit their proposals in writing to the Strategic Director and other departments at the appropriate stage in the process.

Schools must inform the local authority of the action that has been taken following the receipt of the local authority advice. The local authority may not levy a charge for advice.

15.2 Funding agreements - local authority powers

The provision of community facilities linking a funding agreement with a third party should be submitted to the local authority for its comments subject to a notice period of 28 days. Although the local authority does not have the power of veto for these agreements, schools are reminded that if an agreement has been or is to be concluded against the wishes of the local authority, or has been concluded without informing the local authority, which in the view of the local authority is seriously prejudicial to the interests of the school or the local authority, that may constitute grounds for suspension of the right to a delegated budget.

15.3 Other prohibitions, restrictions and limitations

Where a governing body makes use of the community facilities power, the governing body concerned shall make arrangements to protect the financial interests of the local authority or school. This should be achieved by either carrying out the activity concerned by way 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 local authority.

15.4 Supply of financial information

Schools which exercise the community facilities power are required to provide the local authority every six months with a summary statement, in a form determined by the local authority, showing the income and expenditure for the school arising from the facilities in question for the previous six months, and on an estimated basis, for the next six months.

If the local authority gives 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, then the local authority will require the above mentioned financial statements to be supplied every three months, and, if the local authority sees fit, will also require the submission of a recovery plan for the activity in question.

15.5 Audit

It is the responsibility of the governing body to grant access to the school's records in respect of community facilities power in order to facilitate internal and external audit of relevant income and expenditure.

Any funding agreements with other persons involved in the community facilities power must contain adequate provision for access by the local authority to the records and other property of those persons held on the school premises, or held elsewhere insofar as they relate to the activity in question, in order for the local authority to satisfy itself as to the propriety of expenditure thereof.

15.6 Treatment of income and surpluses

Schools are allowed to retain all net income derived from community facilities except where otherwise agreed with a funding provider, whether that be the local authority or some other person.

Schools may carry the retained net income over from one financial year to the next as a separate community facilities surplus, or subject to the agreement of the local authority at the end of each financial year, transfer all or part of it to the budget share balance.

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

15.7 Health and safety

The health and safety provisions of the scheme extend to the community facilities power.

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

15.8 Insurance

It is the responsibility of the governing body to ensure adequate insurance arrangements against risks arising from the exercise of the community facilities power. Any such expenditure should not be funded from the school budget share.

The local authority has the power to undertake its own assessment of the insurance arrangements made by the school in respect of community facilities. Should the local authority judge such arrangements to be inadequate, the local authority may make their own provision, any resultant costs to be charged to the school's non-public funds.

15.9 Taxation

Schools should seek advice from the local authority and the local VAT office on any issues relating to the possible imposition of Value Added Tax in connection with community facilities.

Any member of staff employed by the school or the local authority in connection with community facilities at the school and who is paid from funds held in a school's own bank account will be subject to the payment of income tax and National Insurance in accordance with national requirements.

15.10 Banking

Children’s Centres and other similar organisations will be subject to the Revised Subsidiary Financial Regulations for Schools as set out in Annex B where applicable.

Schools should maintain separate bank accounts for budget share and community facilities to enable separate accounting arrangements to be adopted.

No borrowing of funds in connection with the community facilities power shall be made other than with the written permission of the Secretary of State and through the Strategic Director - Resources.

ANNEX A: SCHOOLS COVERED BY THE SCHEME

SCHOOLS COVERED BY THE SCHEME FOR FINANCING SCHOOLS APPROVED UNDER SECTION 48 OF THE SCHOOL STANDARDS AND FRAMEWORK ACT 1998

Maintained Nursery Schools	**DfE Reference Number**
Spencer Nursery	1000
Thomas Wall Nursery	1001

Maintained Primary Schools	**DfE Reference Number**
All Saints Benhilton C of E Primary	3301
Beddington Infants	2040
Culvers House Primary	2048
Devonshire Primary	2023
Dorchester Primary	2038
Foresters Primary	2043
Hackbridge Primary	2016
High View Primary	2019
Holy Trinity C of E Junior	3303
Muschamp Primary	2049
Nonsuch Primary	2042
Robin Hood Infants	2037
Robin Hood Junior	2041
St Cecilia’s Catholic C Primary	3500
St Dunstan’s C of E Primary	3304
St Mary’s Catholic Junior	3501
St Mary’s Catholic Infants	3502
Stanley Park Junior	5201

Maintained Secondary Schools	**DfE Reference Number**
St Philomena’s Catholic High School	5406
The John Fisher School	5402

Maintained Special Schools	**DfE Reference Number**
Sherwood Park	7002

Maintained Pupil Referral Units	**DfE Reference Number**

Sutton **T**uition **A**nd **R**eintegration **S**ervice	9900

ANNEX B: FINANCIAL REGULATIONS

REVISED SUBSIDIARY FINANCIAL REGULATIONS FOR SCHOOLS UNDER

PARAGRAPH 2 OF SCHEDULE 14 AND SECTIONS 45 - 53 OF THE SCHOOL

STANDARDS AND FRAMEWORK ACT 1998

1 Introduction

1.1 The Council's Financial Regulations and Subsidiary Financial Regulations for Schools operating under the Scheme for Financing Schools have been examined in conjunction with the requirements of paragraph 2 of Schedule 14 and Section 48 of the Schools Standards and Framework Act 1998. With effect from April 2004, all schools were given their own bank accounts. These regulations are applicable to all Sutton Maintained schools that are subject to the above Act.

1.2 These regulations have been revised in accordance with the requirements of the School and Early Years Finance (England) Regulations 2020.

2 Accounting

2.1 The organisation and supervision of all accounting arrangements shall be the responsibility of the Strategic Director - Resources.

2.2 All school governors and staff must comply with the requirements of the Strategic Director - Resources regarding the maintenance and format of financial systems, records and procedures.

2.3 Governors and staff are responsible for ensuring the accuracy and integrity of information entered into and contained within the Council's and / or school's accounting and management information systems.

3 Internal Audit

3.1 The Strategic Director - Resources is the officer delegated by the Council as responsible for maintaining an adequate and effective system of internal audit of the Council.

3.2 The Strategic Director - Resources and any officer to whom the duty of internal audit has been delegated shall have access at any reasonable time and authority to apply any test or check to the accounts, cash, stock, securities or other property, records and computer systems as s(he) may deem necessary, and to obtain any explanation that he/she may require. The Head of Internal Audit shall have authority to report to the Chair of Governors if necessary.

3.3 Upon the completion of a full Internal Audit review, a draft report will be issued to the Headteacher who will be required to respond within five working days from the date of issue detailing management action to be taken on the recommendations made.

3.4 Further to 3.3 above, a final report will be submitted to the respective chair of Governors and Headteacher, copy to the Strategic Director – People.

3.5 Whenever any irregularity or suspected irregularity arises concerning the exercise of the functions of the Council, the Chair of Governors or the Headteacher of the school concerned shall immediately notify the Strategic Director - Resources who shall arrange for such steps to be taken as he/she considers necessary by way of investigation and report.

3.6 Governors and school staff must comply with the Council's Anti-Fraud and Corruption Policy and Information Security Policy.

4. Internal Control

4.1 It is the responsibility of all Chairs of Governors and Headteachers to ensure all systems, electronic or otherwise and procedures include adequate arrangements to ensure proper internal control which meet such requirements as prescribed by the Strategic Director - Resources.

4.2 In all procedures there must be adequate separation of duties to ensure no one person is able to handle any financial or property transaction from inception to completion.

4.3 Chairs of Governors are responsible for ensuring that systems and procedures within their school or for which they are responsible for, are adequately detailed in writing.

5. Value for Money

5.1 All school governors and members of staff are responsible for ensuring their school achieves value for money in carrying out its functions.

6. Probity

6.1 All school governors and members of staff have a duty to ensure the financial and business transactions of the school are carried out with integrity, are properly recorded and that the school is not brought into disrepute.

7. Estimates

7.1 The Strategic Director - People, in conjunction with the Strategic Director - Resources shall prepare the annual estimates of the Local Schools Budget and shall submit them to the Strategy and Resources Committee for approval.

7.2 Any decision of the Strategy and Resources Committee to alter or increase any of the existing services of the Council in such a way as may result in an increase in the expenditure to be provided for in the Local Schools Budget for the next or subsequent financial years shall be subject to the approval of the Council. The Council shall consider all such decisions in connection with their consideration of the Revenue Estimates for the next financial year as a whole and shall receive a special report from the Strategic Director - Resources on the financial implications of all such decisions.

7.3 Once the Local Schools Budget has been approved, the Strategic Director - People, in conjunction with the Strategic Director - Resources, will notify each school within the Scheme of its budget share on the basis of the resource allocation formula embodied in the Scheme.

7.4 Governing bodies or a committee of the governing body must prepare and approve a detailed budget for each financial year in accordance with an agreed format and submit this to the Strategic Director (People) by 30 June. Governing Bodies may not plan for a budget deficit without the prior approval of the Strategic Directors of People and Resources.

7.5 Governing bodies may vire resources between budget headings providing that such transactions are within the total approved budget share for the school. Financial limits must be laid down by the governing body together with the authorisation required to vire funds between budget headings.

7.6 Governing bodies shall be responsible for supervising the expenditure and income of their schools and are required to keep their spending in each year within their budget share for that year, adjusted for any surplus/deficit carried forward. In exceptional circumstances however, governing bodies may request the Strategic Director - People to approve, in conjunction with the Strategic Director - Resources, an additional allocation from the Central Reserve.

7.7 Governing bodies will report immediately to the Strategic Director - People on any potential overspending against their budget share so that appropriate action may be taken.

7.8 Governing bodies are authorised to incur expenditure up to the total of their budget share in each financial year.

7.9 Governing bodies will provide the Strategic Director - People with periodic reports in line with the monitoring and evaluation procedures laid down by the Strategic Director - People in consultation with the Strategic Director - Resources.

7.10 Governing bodies must provide the Strategic Director - Resources with details of their monthly transactions incorporating VAT expenditure analysed over the school's income and expenditure codes. The local authority will recover VAT incurred by schools from HM Revenue & Customs and reimburse them monthly in arrears.

7.11 Governing bodies may not incur expenditure for capital purposes without the prior approval of the local authority, where such capital expenditure will result in an increased budget share being allocated to the school through the resource allocation formula.

7.12 Capital expenditure includes structural alterations to buildings such as re-roofing works or installing double-glazing and most spending on fixed assets. It also covers the total or major replacement of furniture and equipment. Spending on the day-to-day maintenance of assets or on the repair or the replacement of individual items of furniture and equipment does not count as capital expenditure.

8 Procurement for Works, Supplies or Services

8.1 All procurement must be undertaken in accordance with the Council's Contract Standing Orders (where applicable) and in addition the requirements set out in Annex E, Code of Practice – Letting of Contracts in the Scheme for Financing Schools.

8.2 Official London Borough of Sutton order forms or other official order forms approved by the Strategic Director - Resources stating the estimated amount involved and any contract or agreed prices relating thereto must be issued for all goods or services required and shall not be issued unless covered by relevant financial provision.

8.3 Official orders are only to be used for goods and services within the school; governors and other members of staff at the school must not use official orders or use local authority contracts to obtain goods and services for their own private use.

8.4 Official orders shall be signed or certified only by an authorised officer as defined in Subsidiary Financial Regulation 16.

9 Contracts

9.1 All contracts must be in writing and signed on behalf of the school in accordance with the conditions set out in the Council's Standing Orders and this Scheme for Financing Schools.

9.2 All contracts not exceeding £150,000 entered into by governing bodies must be in accordance with the Standing Orders of the Council which specify procedures for advertising, tendering and the form of contract documents. In addition, the requirements and procedures relating to contracts below £150,000 as set out in Annex E of the scheme must be complied with.

9.3 All payments to contractors on account of contracts shall be made on a certificate by the appropriate authorised certifying officer in a form approved by the Strategic Director - Resources. Where payments are made on account, a record of cumulative payments made against the order or job must be maintained.

9.4 Any variation on, addition to, or omission from a contract duly authorised shall be given to the contractor by, the responsible authorised certifying officer in writing and a copy supplied to the Strategic Director - Resources.

9.5 Any variation on, addition to, or omission from a contract duly authorised which is estimated to vary the amount of an accepted tender or estimate by an amount in excess of 5% shall be reported to the Strategy and Resources Committee via the Strategic Director - People by the governing body as soon as possible together with a revised estimate of the possible cost.

9.6 All contractors' final accounts shall be made available to the Strategic Director - Resources by the governing body concerned.

9.7 Where a firm of consultants are employed to supervise work carried out by a contractor for the governing body, it shall be a condition of their employment that they comply with the Council's Standing Orders, Financial Regulations and Contract Management Handbook. Furthermore before a final certificate of cost is issued the authorised certifying officer of the school concerned shall examine the contractor's account and other documents. The authorised certifying officer of the school concerned shall certify his agreement to all certificates before approving them for payment.

9.8 Where an individual contract exceeds £250,000 in value, the responsible governing body shall report progress on the contract together with any financial implications to the relevant Performance Committee through the Strategic Director - People for the duration of the contract.

10 Payment of Accounts

10.1 The method of payment will be determined by the Strategic Director – Resources. It shall be the responsibility of the governing body or the members of staff delegated to sign on their behalf as defined in Regulation 16 of this document for ensuring that they or their staff approve accounts for payment on behalf of the school are legally and properly payable.

10.2 The local authority is to be notified of the names and designations of officers authorised to sign invoices together with copies of their specimen signatures.

10.3 All creditor invoices/contracts must be stamped with a payment certification grid stamp (or equivalent) or have a payment certification slip attached to them.

10.4 The person/persons certifying an account for payment shall be different from the person who signed the order authorising the expenditure.

10.5 No person authorised to sign documents may certify for payment expenditure relating to themselves.

10.6 The certification shall mean that:-

(i) The goods supplied, work undertaken or services rendered have been satisfactorily received/carried out in accordance with the Official Order.

(ii) The prices/charges are correct and in accordance with the estimates, quotations or contracts.

(iii) All discounts have been claimed.

(iv) VAT / income tax regulations have been correctly applied.

(v) The expenditure has been correctly allocated.

(vi) The account has not previously been certified for payment.

(vii) Previous payments on account have been deducted.

(viii) The proper entries have been made in the inventories of stores records, where appropriate.

10.7 Payments to suppliers must be in accordance with the requirements detailed in Section 12 - Banking Arrangements.

10.8 The Strategic Director - Resources can recover from the governing body the value of any account paid by the school which is not in accordance with the Council's Standing Orders and the Financial Regulations.

10.9 Any penalties imposed by either HM Revenue & Customs, or the Contributions Agency because of accounting errors or the treatment of income tax, National Insurance Contributions and VAT by schools will be recharged to the appropriate school's budget share.

10.10 Any account paid by the school from its budget share must be retained securely at the school for a period of six years following the financial year in which it was paid and must be available for inspection on request at any reasonable time by any Member of the Council, appointed representatives of the Strategic Directors, People and Resources, the local authority's external auditors and officers of H M Revenue & Customs

11 Income - Collection and Banking

11.1 The collection of all monies due to the Council shall be in accordance with arrangements approved by the Strategic Director - Resources.

11.2 All monies received on behalf of the Council shall, without delay, either be paid to the local authority in the name of the Strategic Director - Resources, or subject to his/her instructions, be banked in an account approved by him/her.

11.3 Particulars of all charges for work done, services rendered, goods supplied and other amounts due shall be promptly notified to the Strategic Director - Resources in a form approved by him/her. Accounts for income due to the school shall be rendered through the Strategic Director - Resources or in a format or arrangement approved by him/her.

11.4 All receipt forms, tickets and other documents of a similar nature shall be in a form approved by the Chief Executive and Strategic Director - Resources.

11.5 The writing-off of debts due to the Council shall be as detailed below:-

11.6 For any single debt not exceeding £1,000, the governing body for the school may approve the writing off of the debt.

11.7 For any single debt between £1,001- £10,000, the chair of governors for each school should include the details on a schedule to be endorsed by the Strategic Director - People and then submitted to the Strategic Director - Resources for approval.

11.8 Where the value of an individual debt exceeds £10,000, a draft report must be prepared by the chair of governors and submitted to the Strategic Director - People who will table it for submission to the Strategy and Resources Committee for their consideration at the next available meeting.

12 Banking Arrangements - 'Local Bank Account'

12.1 An indicative list of the financial institutions that are likely to be acceptable to the Strategic Director - Resources are set out in Annex F.

12.2 Governing bodies must inform the Strategic Director - Resources of the bank/building society chosen.

12.3 Cheque signatories shall be appointed by the governing body and details of all nominated persons together with specimen signatures must be passed to the Strategic Director - Resources.

12.4 The system of cheque production must be approved by the Strategic Director - Resources with individual cheques being signed by two cheque signatories (see below), approved by the governing body, who are employed at the school or the local authority; the school's cheque signatories should be independent of the staff who authorise official orders or certify accounts for payment. Governing bodies may agree for individual cheques to be signed by one signatory subject to a maximum limit of £250.

12.5 Blank cheques must be kept in the school safe and under no circumstances should be pre-signed.

12.6 Governing bodies must make their selected bank/building society aware of Financial Regulation 3.2 requiring access by the Strategic Director - Resources or his/her appointed representative to the account(s) details and transaction information.

12.7 Governing bodies must not make arrangements for overdrafts, loans or any other forms of credit or deferred purchases including credit or cash cards unless they are not used as borrowing i.e. any balances are paid off immediately and no interest is accumulated, without the written permission of the Secretary of State as outlined in Section 17.

12.8 Payments by Standing Order, Direct Debit (except LBS) BACS, or any electronic means can only be authorised by any two of the school's cheque signatories who must be independent of the staff who authorise official orders or certify accounts for payment.

12.9 All methods of electronic or automated banking must be approved by the Strategic Director - Resources. These methods include Internet and telephone banking. Furthermore, governing bodies must be able to provide evidence that the system has been approved by their bankers and the school has adequate systems and procedures in place to prevent any loss or damage at the school arising from fraud, irregularities, corruption, loss and waste including inefficiency or any other cause.

12.10 Governing bodies will retain all interest earned on their accounts unless they have an account within a local authority contract which makes other provisions; conversely they are liable for any bank charges that may be incurred.

12.11 Governing bodies will order their own cheque stationery from their chosen financial institution and the accounts may be held in the name of the school rather than the local authority, although monies in such accounts remain the property of the local authority until spent. All cheque stationery must be in accordance with the prevailing APACS (The Association for Payment Clearing Services) standards. Cheques may also be personalised for example with the school's crest.

12.12 A cheque control register must be maintained at each school and cheques must be kept securely when not in use.

12.13 A cash book or equivalent must be maintained at the school which must be reconciled monthly with the bank statements.

12.14 Local cheque accounts may be used for any item of expenditure included in the school's budget share with the exception of employee related costs. (Monthly payments to a payroll bureau or similar organisation in respect of staffing salaries, wages and emoluments are exempted).

12.15 The local cheque account can only have monies credited to it from the following sources:

(i) Advances from LBS, DfE, VAT and other reimbursements by the local authority;

(ii) Any income generated by the school;

(iii) External contributions to the budget share e.g. donations;

(v) Credits from suppliers.

12.16 A reconciliation between the balance shown on the bank statement with that shown on the school's SIMS-FMS system or equivalent must be undertaken on a monthly basis with copies of this being forwarded to School Returns by the 20th day of the following month to which they relate.

12.17 School governing bodies who may wish to revert to using the local authority's creditor payments system may only do so at the start of a financial year after providing four months written notice to the Strategic Directors – People and Resources. A similar provision would apply to any new school opting for a local bank account.

12.18 A governing body with a deficit bank balance would have to clear the deficit before being allowed to operate a bank account for the first time.

12.19 For a bank account to be granted, governing bodies would need to continually demonstrate to the Strategic Director - Resources that they have adequate staff resources to perform the additional tasks required of them in order that financial controls and systems are not compromised.

13. Salaries and Wages

13.1 The Strategic Director - Resources is responsible for ensuring that the payment of all salaries, wages, pensions, compensation and other emoluments are accurate, timely and in accordance with HM Revenue & Customs Regulations applicable at the time in respect of those schools using the Council's payroll provider.

13.2 Where schools do not utilise the payroll services of the local authority, the procedures for the authorisation, certification and payment of salaries and wages must be in a format or arrangement approved by the Strategic Director - Resources.

13.3 Governing bodies have a responsibility to ensure the correct deductions have been made in respect of income tax and National Insurance contributions from payments made to individuals.

14. Insurance

14.1 The Strategic Director - Resources shall review the necessary minimum level of insurance cover for schools, including those schools that have opted for insurance funding to be delegated to them.

14.2 Where insurance has not been delegated to individual schools, governing bodies shall give prompt notification to the Strategic Director - Resources of the extent and nature of new risks to be insured and of any alterations affecting insurable risks in their schools, and of any loss, liability or damage which gives rise to a claim.

14.3 Governing bodies may insure risks not covered by the local authority, the cost of these premiums to be met from the school's budget share.

14.4 Those schools that have opted for delegation of their insurance arrangements must provide to the satisfaction of the Strategic Director - Resources details of all their insured risks. Where these insurances are deemed to be inadequate, the Strategic

Director - Resources may require those schools to increase their insurance cover accordingly.

15 Security of Assets, Inventories and Stores

15.1 Governing bodies shall ensure that proper security is maintained at all times for all buildings, furniture, equipment, stocks, stores and cash under their control. Where possible, assets should be marked as the property of the school. Governing bodies shall be bound by the provisions of the Data Protection Act 1998 with regard to records and information maintained at their schools.

15.2 The governing body of the school to whom goods and/or equipment has been entrusted shall be responsible for the care and custody of such goods and/or equipment and shall maintain records in a form approved by the Strategic Director - Resources.

15.3 Inventories of school property, other than stores, shall be kept by the governing body of the school concerned. An offsite copy of the inventory should be maintained in accordance with Insurance Companies requirements.

15.4 The Strategic Director - Resources shall at all reasonable times have access to all property of the school.

15.5 School assets should only be removed from school premises with the written approval of the Headteacher and are only to be used for school related business. Headteachers are responsible for ensuring a record of all assets removed from the school is maintained in a format approved by the Strategic Director - Resources.

16 Authorised and Certified Officers

16.1 Official orders, accounts, cheques, contract certificates and similar documents shall be authorised, signed or certified for payment only by persons approved by the governing body. Details of these persons must be passed to the Strategic Director - Resources together with copies of their specimen signatures and be regularly updated.

16.2 Cheque/bank signatories must be independent of the ordering and invoice processes and be employed by the school or the local authority.

17 Investment Management and Borrowing

17.1 Investments may only be made directly in any current or deposit account of the approved bank where it can be clearly shown to provide no risk to the capital sum.

17.2 The use of intermediaries for investments is prohibited.

17.3 No borrowing of funds shall be made other than with the written permission of the Secretary of State and through the Strategic Director - Resources.

18 Unofficial /Non Public Funds

18.1 Schools must arrange for annual accounts of all voluntary, private funds and trading activities e.g. school funds to be prepared, audited and presented to the full governing body within six months of the year end to which the accounts relate.

18.2 The accounts must be signed by the custodian of the relevant account, the head teacher and the appointed auditor who should also complete an audit certificate indicating that the accounts were prepared and examined in accordance with the records produced.

19 Petty Cash Accounts

19.1 In addition to their local cheque books, schools may operate a petty cash account at the school to be used for minor disbursements, the level of these accounts to be determined by the governing body.

20 Security of Financial and Other information

20.1 Governors and staff are responsible for ensuring the security and probity of all financial and other information belonging to the school.

20.2 Governors and staff must comply with the local authority's Computer Security Policy together with the requirements of the Computer Misuse act 1990 and the Data Protection Act 1998.

21 Withdrawal of Delegation

21.1 A governing body's right to a delegated budget will be suspended where in the opinion of the authority the governing body:

(i) Has substantially or persistently failed to comply with any requirement applicable under the scheme, Standing Orders and Revised Subsidiary Financial Regulations for Schools, and/or.
(ii) Is not managing the school’s budget share in a satisfactory manner;
(iii) Has received an adverse OFSTED inspection report.

21.2 The local authority may withdraw a school’s local bank account facility should this be abused.

21.3 Any withdrawal of delegation will be undertaken in accordance with the procedures set out in Section 17 of the School Standards and Framework Act 1998.

22 **Risk Management**

22.1 School governors and staff must ensure risks are identified and managed in accordance with the Council’s Risk Management strategy.

23 Variations / Amendments to Financial Regulations

23.1 Any material variations/amendments to the above Revised Subsidiary Financial Regulations must receive The Executive’s approval.

ANNEX C: FINANCIAL RETURNS

Return	All due on 20th of following month, except at year end	Email address to send to
VAT Return	Every Month	**invoices@sutton.gov.uk**
A2 - Three Year Budget	By 20th June	**schoolreturns@sutton.gov.uk**
Planned use of Balances	By 20th June	**schoolreturns@sutton.gov.uk**
SFVS	By 31st March	**schoolreturns@sutton.gov.uk**
Monthly/**Quarterly** Reports detailed below	**June,** July, August **September,** October, November, **December,** January, February, **March**	**schoolreturns@sutton.gov.uk**

Please return all listed reports by 20th following month		
Naming Convention for Reports, attach all reports to one email		
School Name - Report Name - Month Year	e.g. ABC School - Bank Statement - June 25-26 e.g. ABC School - A3 - June 25-26	
System Generated Reports **All PDF Format**	**LBS Reports - use 25-26 Templates** **All Excel Format**	**When**
Bank Statement Bank Reconciliation Report Unreconciled Items Report	A5 - Bank Reconciliation	**Monthly** - all schools
Summary Trial Balance	A3 - Forecast	**Monthly** - deficit reserve schools* **Quarterly** - surplus reserve schools
Balance and Reserves Report	A7 - Balance Sheet	**Quarterly** - all schools
Proposed CFR Report	Quarterly Checklist	**Quarterly** - all schools
Additional Reports - Year End		
Evidence of LBS Related Accruals	A8 - Accruals	Annually - with year end reports

*LBS reserves the right to ask any school to send monthly returns

ANNEX D: EFFECTIVE MANAGEMENT OF RESOURCES AND VALUE FOR MONEY

1. Effective management of resources and value for money is a statutory duty to deliver services to clear standards, covering both cost and quality, the most effective, economic and efficient means available. Legislation is in place to place a duty on local authorities to secure efficiency and value for money in respect of the way in which they exercise their functions. In relation to schools and expenditure from delegated budgets, the main features of efficiency and value for money can be summarised as a need of the governing body of a school to ensure:

a) the existence of a programme of performance review which will aim for continual improvement. Existing mechanisms such as school development plans and post-OFSTED inspection plans can be developed to satisfy the requirements for review. The reviews should include:

challenging how and why a service is provided (including consideration of alternative providers);

comparison of performance against other schools taking into account the views of parents and pupils;

mechanisms to consult stakeholders, especially parents and pupils;

embracing competition as a means of securing efficient and effective services;

(b) the development of a framework of performance indicators and targets which will provide a clear practical expression of a school's performance, taking national requirements into account;

(c) that the following areas are included in school development plans -

A summary of objectives and strategy for the future;

Forward targets on an annual and longer term basis;

Description of the means by which performance targets will be achieved;

A report on current performance.

(d) That internal and external audit takes place ensuring that performance information is scrutinised. local authority oversight of school finances provides external review.

ANNEX E: CODE OF PRACTICE - LETTING OF CONTRACTS

The ‘Code of Practice’ relating to the letting of contracts set out below the minimum requirements that governing bodies must comply with in accordance with the Scheme for Financing Schools under Section 48 of the School Standards and Framework Act 1998. This Code is supplementary to the local authority’s Scheme for Financing Schools, the Contract Standing Orders of the Council and the Revised Subsidiary Financial Regulations for Schools. They apply to individual contracts between £5,001 - £181,302 in value in any one year. All contracts in excess of £181,302 irrespective of the contract period, will be subject to the local authority’s Contract Standing Orders and Financial Regulations.

The Code of Practice does not apply where voluntary aided school governors, on their own behalf, enter into contracts for major works with direct government funding in which case they would need to comply with the directives of the Secretary of State.

The term contract includes all forms of contractual relationships entered into by schools, for example but not exclusively, works contracts, purchase of supplies and services, hiring, letting and leasing agreements. The Code should also be read in conjunction with The Education (School Government) (England) Regulations 1999 and associated amendments.

Schools, as public bodies, must comply with the Treaty of Rome and the Public Contracts Regulations 2015. Schools therefore must conduct procurement in line with the principles of the Treaty regarding freedom of movement of goods and services within the membership of the EU. In particular all procurement must conform to the following:-

- Openness – access to tender for public contracts must be made open to all suitably competent contractors or suppliers to express interest. This means that in principle all contracts should be advertised
- Transparency – procurement processes must clear and evaluation criteria fully disclosed.
- Non Discrimination (fairness) – all tenderers must be treated equally and without prejudice.
- Proportionality – the procurement process and evaluation criteria must be proportionate to the value and nature of the contract to be procured.

Those contracts with a value over the European Directive Threshold, (currently £181,302 for supplies and services; £615,278 for social and other specific services and £4,551,413 for works) however, need to be advertised through a European contract notice sent to the Official Journal of The European Union (OJEU). Where schools are procuring over OJEU thresholds they must ensure they comply with the Public Contracts Regulations 2015 in particular with advertising requirements, inclusion of tender award criteria and weightings in invitations to tender and the requirement for a ten day standstill period after announcing in the prescribed format the intention to award.

Schools should note however that they can often meet the overall requirement to contract in compliance with the European Procurement Directive, The Council's Contract Standing Orders or this code of contract by using contracts arranged by national framework providers such as Crown Commercial Services, YPO, ESPO, Pro5 (or other similar organisations) or the appropriate local authority. Sutton schools have access to the London Borough of Sutton's corporate contracts for a range of supplies and services. Schools may also use the Construction and Property framework agreements for building consultancy services, major works partnering, responsive repairs, and minor building projects. Using these existing arrangements can save schools time and money which would otherwise be expended on procurement processes.

Schools will also want to take note of The Centre for Procurement Performance which has been specifically set up to improve procurement and efficiency for schools.

There is often confusion within schools as to when quotations may be obtained as opposed to following the prescribed tendering procedure.

- Up to £5,001 no formal tender procedure is required however you must be able to illustrate best value.

- As a rule three written quotations should be obtained for goods and services between £5,001 and £181,302 in value. All quotations should have an accompanying specification of requirements. The decisions as to which route to take will be based upon a combination of both value and whether you wish to evaluate cost only (Quick Quote) or cost/quality (Request for Quotation) with the ultimate responsibility resting with the governing body.

- Over £181,302 a formal tendering procedure must be followed.

Where work is commissioned by the London Borough of Sutton (e.g. larger projects for school expansion), the tendering process is performed by the staff in Resources Directorate on behalf of the school.

1. Interest of Governors in Contracts

1.1 Governing bodies must appoint an officer at the school to maintain a register which details for each member thereof, together with the Headteacher any business interests they or any member of their immediate family may have (see also Section 2.10 of the main scheme).

1.2 The appointed officer must ensure the register is regularly updated and revised annually. The register is to be held at the school and must be made available for inspection by governors, staff, parents and appointed representatives of the local authority.

2. Canvassing of Members of the Governing Body

2.1 Canvassing of members of the governing body or any committee of the governing body, directly or indirectly, in connection with the award of any contract or the proposed award of any contract to be let by the governing body shall disqualify the tenderer for that contract. The purport of this paragraph shall be included in any contract document.

3. Relatives of Members of Governing Bodies

3.1 A tenderer for any contract under the governing body who knows that he or she is related to any member of the governing body, or has any personal family or business connection therewith, shall, in the application disclose the relationship. Where a tenderer fails to disclose such a relationship the tender submitted shall be declared invalid. (The purport of this paragraph to be included in any contract document.)

4. Inspection of Documents Relating to Contracts

4.1 Governing bodies shall allow a member of the Council for purposes of his/her duty as such member but not otherwise, on application to the chair of the governing body, to inspect any document which is in the possession or under the control of the governing body and contains material relating to any business to be transacted at a meeting of the Council, or a committee or a sub-committee of the Council. If copies of such documents are available, a member of the Council shall, on request, be supplied for the like purposes with copies of such documents.

4.2 Where, however, it appears to the chair of the governing body that a particular document discloses confidential information of a description for the time being falling within the Education (School Government) (England) Regulations 1999, the Regulations shall apply.

4.3 All reports made or minutes kept by any committee or sub-committee shall, as soon as the committee or sub-committee has concluded action on the matter to which such reports or minutes relate be open for the inspection of any member of the governing body.

5. Authorised Officer

5.1 It is recommended that, on letting a contract, the governing body should appoint an Authorised Officer who will be responsible for supervising and managing the contract.

6. Instructions Relating to Contracts

6.1 All instructions or variations from the Authorised Officer to the contractor shall be in writing and copies of all such instructions and variations to be held securely at the school.

7. General Provisions

7.1 Every contract made on behalf of the school under this code of practice shall be entered into by the governing body. The head teacher acting as the representative of the governing body, may enter into a contract subject to the conditions set out in Section 17.

7.2 Governing bodies must ensure that adequate funding is available prior to inviting any tenders.

7.3 Governing bodies shall ensure that a clear and unambiguous specification of the required works, goods or services is prepared before letting a contract.

7.4 Governing bodies may not permit the division of any contract ordinarily treated as a single contract into two or more contracts solely in order to reduce the value to below any of the values detailed within the Revised Subsidiary Financial Regulations for Schools, this code of practice or the local authority's Contract Standing Order provisions.

7.5 A clear management trail must be evident to support tendering and contracts decisions taken. The award of any contract over £5,000 must be recorded in the minutes of the governing body.

7.6 The Code will not apply where it requires a school to do anything incompatible with any of the provisions of the scheme, or any statutory provision, or any EU Procurement Directive.

8. Tendering Procedures

8.1 All tendering procedures are subject to the Council's Contract Standing Orders and Financial Regulations. These can be viewed at the London Borough of Sutton website www.sutton.gov.uk. Search for "Council Constitution" - Section 4 Part 6 covers Contract Standing Orders and Part 7 covers Financial Regulations.

9. Register of Tenders

9.1 Governing bodies must establish a Tender Register at their school to record tenders received. This must be made available for inspection by the local authority's internal and external auditors.

9.2 The Register must include the following information:-

(i) The nature of the supply, services or works;
(ii) The estimated cost;
(iii) The last date and time for receipt of tenders;
(iv) The date and time each tender was received;
(v) The names of the companies that tendered or who were invited to tender;
(vi) The date and time the tenders were opened;
(vii) The value of each tender received;

(viii) The names of the persons (minimum of two) who opened the tenders together with their signatures;
(ix) Details of the accepted tender;
(x) The reason for acceptance;
(xi) Details of any tenders returned after the deadline had expired.

10. Tendering Instructions

10.1 Where, in pursuance of this Code of Practice, invitation to tender is made, every invitation shall state that no tender will be received unless it is enclosed in a plain sealed envelope addressed to the head teacher or his/her nominee which shall bear the word 'Tender' followed by the subject to which it relates, but no other name or mark indicating the sender should be visible.

11. Receipt and Opening of Tenders

11.1 Governing bodies must designate a person who is authorised to receive and open tenders.

11.2 On receipt of a tender, it must be marked with the date and time received and recorded in the Register and held securely.

11.3 Tenders received in accordance with the above procedures will be opened at the same time by the authorised officer in the presence of the chair or vice chair of the governing body or a member of the governing body nominated by the chair thereof and the headteacher or his/her nominee.

11.4 All tenders received are to be recorded in the Tender Register by the authorised officer who shall sign and initial each tender opened in the register accordingly together with the names and signatures of the other officer(s) present at the time of opening.

12. Enquiries into Tenderers

12.1 All tenders shall be considered subject to the governing body concerned making such enquiries (if any) as it may judge necessary as to the competence of the tenderer.

13. Acceptance of Tenders

13.1 All tenders must be reported to the next full meeting of the governing body.

13.2 A tender other than the lowest tender, if payment is to be made by the governing body or the highest tender if payment is to be received by the governing body, shall not be accepted until the Governors have considered a report thereon at a meeting of the full governing body.

13.3 A governing body may accept a tender as being the most economically advantageous to the school after taking into account the consequential costs of accepting the tenders received.

13.4 No tender which exceeds 10% of the estimate shall be accepted unless a report has been considered and approved by the full governing body.

13.5 The acceptance of a tender does not preclude the need to place an official order in accordance with the Revised Subsidiary Financial Regulations for Schools.

13.6 Before accepting any tender, the chair of governors or the person appointed in his / her absence shall satisfy themselves that the financial, professional and technical standing of the contractor as well as the contractors competence and capacity are sufficient to fulfil the requirements of the contract.

14. Sub-Contracting

14.1 The contract conditions of each contract shall ensure that the contractor shall not assign, or sub-contract, the provision of the service without the previous written consent of the governing body.

14.2 However tenderers should, where appropriate, be asked to identify elements of the contract which they may sub-contract and to identify any sub-contractors to be used.

15. Contents of Contracts, Quality Assurance and Security for their Performance

15.1 Every contract shall be in writing and shall specify:-

(i) The work, materials provided, had or done;
(ii) The price to be paid with a statement of discounts or other deductions;
(iii) The time or times within which the contract is to be performed, where appropriate.

15.2 Where an appropriate British Standard or European Standard Specification or British Standard or European Code of Practice issued by the British Standards Institution or equivalent European Institution is current at the date of tender, every contract shall require that, all goods and materials used or supplied and all workmanship shall be to a standard not less than the British Standard or European Standard.

15.3 Governing bodies must ensure that all contractors provide evidence of sufficient insurance cover. For assistance setting the insurance requirement, please refer to the insurance team's guidance document, found here.

15.4 Prospective contractors must be compliant with, and be able to demonstrate, all health and safety requirements including the Health and Safety at Work Act 1974 and the Management of Health and Safety at Work Regulations 1992.

16. Corrupt Practices

There shall be inserted in every written contract for the supply of goods or materials or the execution of work, a clause empowering the governing body to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation, if the contractor shall have offered, or given, or agreed to give, any person any gift or consideration of any kind as an inducement in relation to the obtaining or execution of this or any other contract with the governing body.

17. Contract Conditions

Contracts over the value of £5,001 should be signed by the head teacher and the chair of governors.

18. Commencement of Work

No supply of works, goods or services is to commence until all contract documentation has been duly completed.

19. Availability

Copies of this Code of Practice shall be given to the chair of governing bodies and Headteachers and they should also make it available to other members of the governing body.

ANNEX F: APPROVED BANKS AND BUILDING SOCIETIES

Bank of Scotland (part of Lloyds Banking Group)

Barclays Bank PLC

HSBC PLC

Lloyds Bank (part of Lloyds Banking Group)

National Westminster Bank (part of RBS Group)

Nationwide Building Society

Santander UK

ANNEX G: SCHOOL FINANCIAL VALUE STATEMENT (SFVS)

The SFVS is an annual statement that helps to provide governing bodies with the assurance that the school is meeting the basic standards necessary to achieve a good level of financial health and resource management. It is designed to enable schools to make better informed decisions about financial planning and management, and to guide the allocation of resources.

It is a statutory requirement that all maintained schools complete and submit the SFVS to the local authority on an annual basis. However, the SFVS will not be externally assessed; the local authority will use the school's returns to inform their programme of financial assessment and audit.

The SFVS and supporting notes (see DfE website) provides a self-assessment tool for the school to review its current arrangements against these standards and best practice.

The SFVS self-assessment document comprises of two main elements:

- A checklist that asks questions in six areas of resource management:

    1. Governance
    2. School Strategy
    3. Setting the Annual Budget
    4. Staffing
    5. Value for Money
    6. Protecting Public Money

Checklist guidance on how to complete the questions is available on the DfE website, along with examples of good practice and advice for governing bodies to assist them in addressing specific issues.

- A data input section or dashboard where finance statistics from the school must be submitted. These are automatically compared to thresholds of good resource management. For this section schools are advised to use the most up to date data available to them, and not rely on lagged published data.

The SFVS submission form must be discussed at governors meetings and signed by the Chair of Governors and kept at the school.

An electronic copy of the approved SFVS should be sent to the Council by the 31st March.

ANNEX H: RESPONSIBILITY FOR REDUNDANCY & EARLY RETIREMENT COSTS

This guidance note summarises the position relating to the charging of voluntary early retirement and redundancy costs. It sets out what is specified in legislation and provides some examples of when it might be appropriate to charge an individual school's budget, the central Schools Budget or the local authority's non-schools budget.

Section 37 of the 2002 Education Act says:

(4) costs incurred by the local education authority in respect of any premature retirement of a member of the staff of a maintained school shall be met from the school's budget share for one or more financial years except in so far as the authority agree with the governing body in writing (whether before or after the retirement occurs) that they shall not be so met

(5) costs incurred by the local education authority in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school shall not be met from the school's budget share for any financial year except in so far as the authority have good reason for deducting those costs, or any part of those costs, from that share.

(6) The fact that the authority have a policy precluding dismissal of their employees by reason of redundancy is not to be regarded as a good reason for the purposes of subsection (5); and in this subsection the reference to dismissal by reason of redundancy shall be read in accordance with section 139 of the Employment Rights Act 1996 (c. 18).

The default position, therefore, is that premature retirement costs must be charged to the school's delegated budget, while redundancy costs must be charged to the local authority's budget. In the former case, the local authority has to agree otherwise for costs to be centrally funded, while in the latter case, there has to be a good reason for it not to be centrally funded, and that cannot include having a no redundancy policy. Ultimately, it would be for the courts to decide what was a good reason, but the examples set out below indicate the situations in which exceptions to the default position might be taken.

Charge of dismissal/resignation costs to delegated school budget

- If a school has decided to offer more generous terms than the authority's policy, then it would be reasonable to charge the excess to the school
- If a school is otherwise acting outside the local authority's policy
- Where the school is making staffing reductions which the local authority does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit
- Where staffing reductions arise from a deficit caused by factors within the school's control

Where the school has excess surplus balances and no agreed plan to use these

Where a school has refused to engage with the local authority's redeployment policy

Charge of premature retirement costs to local authority non-schools budget
Where a school has a long-term reduction in pupil numbers and charging such costs to their budget would impact on standards

Where a school is closing, does not have sufficient balances to cover the costs and where the central Schools Budget does not have capacity to absorb the deficit

Where charging such costs to the school's budget would prevent the school from complying with a requirement to recover a licensed deficit within the agreed timescale

Where a school is in special measures, does not have excess balances and employment of the relevant staff is being/has been terminated as a result of local authority or government intervention to improve standards

Costs of early retirements or redundancies may only be charged to the central part of the Schools Budget where the expenditure is to be incurred as a result of decisions made before 1st April 2013. Costs may not exceed the amount budgeted in the previous financial year.

It is important that the local authority discusses its policy with its Schools Forum. Although each case should be considered on its merits, this should be within an agreed framework. It may be reasonable to share costs in some cases, and some authorities operate a panel to adjudicate on applications.

A de-delegated contingency could be provided, if the Schools Forum agree, to support individual schools where 'a governing body has incurred expenditure which it would be unreasonable to expect them to meet from the school's budget share'.

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

(7) Where a local education authority incur costs—

(a) in respect of any premature retirement of any member of the staff of a maintained school who is employed for community purposes, or

(b) in respect of the dismissal, or for the purpose of securing the resignation, of any member of the staff of a maintained school who is employed for those purposes,

they shall recover those costs from the governing body except in so far as the authority agrees with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable.

(7A) Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local education authority may be met by the governing body out of the school's budget share for any funding period if and to the extent that the condition in subsection (7B) is met.

(7B) The condition is that the governing body is satisfied that meeting the amount out of the school's budget share will not to a significant extent interfere with the performance of any duty imposed on them by section 21(2) or by any other provision of the Education Acts.

(8) Where a person is employed partly for community purposes and partly for other purposes, any payment or costs in respect of that person is to be apportioned between the two purposes; and the preceding provisions of this section shall apply separately to each part of the payment or costs.

Disapplication request process 2026 to 2027

Funding Financial Oversight July 2025

For all disapplication requests

Supporting information that we need:

- What is the impact of your request (and any alternative options that have been considered) on the school, pupils and local authority?
- What is the wider context of this request? How you have considered local factors before submitting this request
- Consultation: what are the views of the impacted schools, parent/carer groups, schools forum and other interested parties?

Considerations:

- Why is this request the local authority's preferred option and considered to result in the best possible outcomes for the schools, pupils and local authority in the short and long term?

Block transfers - general overview

As with previous years, ministers have confirmed that local authorities will be able to transfer up to 0.5% of their schools block funding into another block, with the approval of their schools forum.

Local authorities must submit a block transfer disapplication request if:

- They wish to move more than 0.5% of the schools block, even in cases where the schools forum approve
- The schools forum has turned down a proposal from the local authority to move any amount of funding out of the schools block, but the local authority wishes to proceed with the transfer
- Block transfer requests will be assessed on a case by case basis. The following slides set out the information that will be assessed – and do not preclude any Ministerial decisions on how different considerations will be balanced against each other.

Block transfer disapplications - important information

You should be clear how your block transfer is going to improve outcomes for children and young people or used on an invest to save plan to improve financial sustainability.

It is important you detail:

- why this is your preferred option
- how it fits with your longer-term plans to manage the local authorities DSG
- what the impact on children and young people will be
- how involved schools, parents and carers have been in producing your plan
- if schools forum agree with your plans for special educational needs and disability (SEND) improvement and DSG management, even if it does not agree with the block transfer

Block transfer disapplications - what we need

For all block transfer disapplication requests there are criteria which need satisfying:

- a DSG management plan that includes:
- a forecast position for the next 5 years
- details of predicted education, health and care plans (EHC plans) growth, sufficiency, and the actions the local authority is taking to mitigate overspending
- costed mitigating actions, with narrative explaining how the figures have been derive

We also require:

- rationale for this transfer, including changes in demand over the last 3 years and how the local authority has met that demand by commissioning places in all sectors
- plans to change the pattern of provision where necessary
- evidence of partnership working between the local authority, schools and parents
- an explanation of plans to support the inclusion of children with special educational needs and disabilities (SEND) in mainstream schools
- information presented to all schools through consultation and to the schools forum, and details of responses to the transfer proposal, including papers for and minutes of schools forum meetings, showing details of the vote.

	2025/26 Allocation
School Name	**Adjustment - 0.5% Tfr to HNB & 0% MFG £**
Abbey Primary School	(6,809)
All Saints Benhilton CofE Primary School	(12,462)
All Saints Carshalton Church of England Primary School	(12,285)
Avenue Primary Academy	(29,195)
Bandon Hill Primary School	(11,931)
Barrow Hedges Primary School	(19,267)
Beddington Infants' School	0
Beddington Park Academy	(9,250)
Brookfield Primary Academy	(11,931)
Cheam Common Infants' Academy	(10,429)
Cheam Common Junior Academy	0
Cheam Fields Primary Academy	(12,727)
Cheam Park Farm Primary Academy	(25,748)
Culvers House Primary School	0
Devonshire Primary School	0
Dorchester Primary School	(9,280)
Foresters Primary School	0
Green Wrythe Primary School	(7,660)
Hackbridge Primary School	(22,183)
Harris Junior Academy Carshalton	(10,282)
High View Primary School	0
Holy Trinity CofE Junior School	(10,134)
Manor Park Primary Academy	(5,895)
Muschamp Primary School and Language Opportunity Base	(17,175)
Nonsuch Primary School	0
Robin Hood Infants' School	(7,660)
Robin Hood Junior School	(10,576)
Rushy Meadow Primary Academy	0
St Cecilia's Catholic Primary School	(12,668)
St Dunstan's Cheam CofE Primary School	(11,313)
St Elphege's RC Infants' School	(7,689)
St Elphege's RC Junior School	0
St Mary's RC Infants School	0
St Mary's RC Junior School	(10,723)
Stanley Park Infants School	(7,689)
Stanley Park Junior School	(10,782)
Tweeddale Primary School	(10,900)
Victor Seymour Infants' School	(7,660)
Wallington Primary Academy	(3,111)
Westbourne Primary School	(18,589)
Wood Field Primary School	(19,944)
Primary Total	(383,948)
Carshalton Boys Sports College	(54,579)
Carshalton High School for Girls	(55,509)
Cheam High School	(65,153)
Glenthorne High School	(60,925)
Greenshaw High School	(68,244)
Harris Academy Sutton	(45,817)
Nonsuch High School for Girls	(46,629)
Oaks Park High School	(53,493)
Overton Grange School	(43,324)
St Philomena's Catholic High School for Girls	(52,527)
Sutton Grammar School	(29,825)
The John Fisher School	(40,046)
Wallington County Grammar School	(32,730)
Wallington High School for Girls	(45,780)
Wilson's School	(41,370)
Secondary Total	(735,949)
Total Allocated	(1,119,897)

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Year 1 – Update on SEND Transformation

October 2025

Schools Forum

Introduction

- This update has been compiled to provide an overview of the activities of the SEND Transformation Programme over the academic year 24/25 to inform key stakeholders of progress made and next steps.
- The programme has now been running for one academic year and is centred on achieving the aims as set out in Priority 5 of Sutton's SEND and AP Strategy 'A more **financially sustainable system** so we live within our means and prioritise resources on those children and young people that need them most'

Workstream 1 – Managing demand for EHCNAs and increasing support for inclusion in mainstream settings

Every Child, Every School (OAP)

- Guidance co-produced with educational settings across Early Years, Primary and Secondary phases to articulate what provision is expected to be 'ordinarily available' in our mainstream schools to support children with SEND

Next steps:

- Implement through work with SENCO clusters, training offer and support from Head teachers

SEND Support Advisory Partnership (SSAP)

- Mechanism to provide multidisciplinary advice, support and funding for pupils at SEND Support
- Education, health and social care services represented

Next steps:

- Continue rollout and monitor impact

Local Area School Inclusion Dashboard

- Data agreed and dashboard being built
- This will include data for SEND metrics, attendance, exclusions, CLA and children with social care support

Next steps:

- Share with schools and agree regularity of updates

Early Years transition to mainstream

- A new process of transition plans and associated funding allocated to high-needs children moving into Reception classes to provide additional funding outside of an EHCP has been implemented
- Outreach model being scoped to provide more additional support for settings

Next steps:

- Further work on outreach model
- Implementation of OAP
- Focus setting support on inclusive practice and presumption for mainstream
- Continued focus on 'Reception as an assessment year' through placement decisions and SEND processes

Workstream 1 – Managing demand for EHCNAs and increasing support for inclusion in mainstream settings

Sutton SEMH offer

- NESCOT 14-16 provision commissioned to support 20 concurrent learners on a 2-day/week offer
- Capital funding available with a focus on supporting mainstream schools with inclusion hubs
- Review of other AP/SEMH provision in the borough underway

Next steps:

- Alternative curriculum/inclusion spaces project being set up by Heads

Local Offer support pathways

- Service offer available for a range of additional SEMH, and neurodiversity needs have been mapped by universal, targeted, specialist services
- This covers EBSA, ADHD, Autism, trauma/ACEs, demand avoidance, self-harm/suicidal ideation
- Covers education, health and social care

Next steps:

- To be launched on the LO

Therapies

- Transformation Lead recruited and in post in the Therapies Team
- Transformation Lead is working closely with commissioners to redesign provision models
- Two PfA leads have been recruited
- Verbo pilot settings identified

Next steps:

- Roll out of redesigning therapy model
- Roll out Verbo pilot

Specialist outreach

- Link School outreach service being designed to support up to 14 learners with SEMH needs, to support access to mainstream education, to avoid NMI placements

Next steps:

- Scoping exercise underway regarding outreach support for mainstream schools; this will include support with key stage transitions

Workstream 2 - Specialist Commissioning - reduce reliance on NMI provision

Creating additional provision at Carew Manor

- Additional 25 spaces at Sherwood Hill, Carew site have been agreed by Schools Forum
- Contractors started on site 16 June and work due to be finished and students on site mid September.

Next steps:

- Proposal agreed with Schools Forum to expand the provision annually to grow to 84 places long term, where needed

Expanding Oakfield Base from 56 to 84 place

- Oakfield places confirmed providing additional places of 6 per year
- Capital investment agreed through the Special Provision Capital Fund (SPCF) programme.

Cognus Education Centre

- Business case being finalised to create an internal tuition and reintegration centre

Creating additional secondary bases within mainstream settings

- Overton base confirmed providing additional base places agreed at 5 places each year

Creating additional provision Sherwood Park

- Expansion of Sherwood Park onto the former Carew Manor site, creating additional local specialist provision.

Alternative provision

- Additional Alternative Provision has been developed at Sunningdale Road, opening in September 2025, offering vocational training opportunities for young people at risk of exclusion

Workstream 3 - Review of SEND Funding levels, Processes and Governance

To produce a deficit recovery plan on the High Needs Block

- The DSG Management Plan was considered and endorsed by Schools Forum in February 2025
- On the current trajectory and based on current forecasts, it will be challenging to fully balance the High Needs Block without wider system reform and therefore at this stage, work is focussed on reducing the rate of increase in the overspend on the high needs block

See further slides

Return from NMI

- NMI Officer appointed to look at all NMI placements to ensure placements remain appropriate and costs are scrutinised and mapped against individual EHCPs and CYPs needs

Next steps:

- Continue this work, expanding scope as required to look outside usual transition points

Review of SEND funding levels

- Targeted funding has been moved away from ASCs and cluster funding to the SSAP
- Scoping around hourly rates for EHCP and Sutton provision maps underway

Next steps:

- Awaiting updates in the guidance from the central government before considering any further changes

Review of SEND processes

- Alternative processes for secondary transfer panel has been created
- OLA panel regarding OLA placements

Next steps:

- Roll out processes and monitor success in enabling more Sutton pupils to be placed in Sutton schools

Health

- Health engagement and recoupment of funding has been part of Workstream 3
- A Health and Commissioning Tracker was developed to help understand health funding contributions and track progress of individual cases. This means health funding can be tracked more accurately, and discrepancies flagged and progressed
- Health contributions tracked on the first logged 27 cases show that Education are paying over **£440k** per annum towards placements that have been made in relation to a physical health related need
- Total placement cost per annum for CYP now placed in an NMI following a mainstream placement breakdown related to a mental health need (culminating in emotionally based school avoidance or PEX/risk of PEX), but did not have support or input from CAMHS is **£2,245,511** per annum

High Needs Block position

- Financial Year (FY) 2024/25 outturn position on the Council's Dedicated Schools Grant position was an overspend of **£9.2m**.
- The deficit carried forward from FY2023/24 was **£1.4m**, giving an overall deficit carried forward to FY2025/26 of **£10.6m**.
- The demand for EHCPs continues to grow, so the forecast position for this year is an overspend of circa **£12.3m**, which will increase the deficit position to circa **£22.9m** at the end of this financial year. *It is anticipated that following analysis of the September data this figure will reduce further, numbers above come from August reports.*
- The overspend on the DSG represents a significant risk given the underlying position of the Council's current and projected financial position and low level of reserves.

Cost avoidance achieved to date

- A focus on analysis of NMI placements via a dedicated post has resulted in the SEND team implementing a strategy to reduce NMI costs, which is projected to have saved just over **£1mil** at the point of Key Stage transfer in September 2025 and a saving of around **£85k** outside KS Transfer points. July '25 241 pupils in NMI placements were recorded, currently we're reporting a net decrease of **at least 4 places**, whereas previously we've had a year-on-year increase.

- Cost reduction associated with additional placements created at Carew Academy (new site), Avenue Primary (Base), Woodfield Primary (Oakfield Base), Green Wrythe Primary (Rainbow Base), Overton Grange High School (Base) and new placements created at Sherwood Manor (all from September 2025), which is just circa **£6.8mil** over five years (*following September data analysis there may be more savings to report*).

Given the ongoing growth in EHCPs, the DSG Management Plan will not address the structural deficit in the High Needs Block. Instead, the aim is to reduce the rate of increase in the overspend over time. Additionally, whilst a range of measures are being completed with the aim of reducing the deficit to the high needs block as part of the SEND Transformation Programme, these are more challenging to accurately predict the extent of savings/cost reduction that will be realised, especially given that some are still only in pilot or early phases.

- Planned cost avoidance for other projects centres on improving access to support earlier and providing support through pre-statutory funding.

Assisted Travel

- Despite the increase in the number of EHC plans, Sutton is forecasting a saving against budget of £1.55M for Assisted Travel in 25/26.
- Reducing number of operator routes.
- Route optimisation: maximising route efficiencies to bring passenger costs down.
- Greater uptake of personal travel budgets and parental mileage.
- Increased participation in Travel Training.
- Post-16 charging has been effective in promoting independent travel and will recoup c£54k of income during 2025-26 academic year.
- Assisted Travel is funded from the General Fund, not the DSG so nor formally part of the DSG management plan.

Sutton

Cognus
No Limits on Learning

Average annual placement costs

MAINSTREAM	£ 8,086		
BASES	£ 13,573	£ 19,573	PLUS PLACE FUNDING 'NOTIONAL'
SPECIAL SCHOOLS	£ 28,042	£ 38,042	PLUS PLACE FUNDING 'NOTIONAL'
NMI	£ 53,000		
POST-16	£ 10,560	INCLUDES SPECIALIST POST-16 PLACEMENTS	

Projected growth in number of EHCPs

NB. numbers are as at the mid-point of the financial year (Oct 25)

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
MAINSTREAM	653	692	733	778	825	876	967	1050	1140	1239	1349	1470	1603
BASES	258	272	289	307	341	362	399	439	439	439	439	439	439
SPECIAL SCHOOLS	416	440	467	495	507	537	593	680	705	705	705	705	705
NMI	108	114	120	128	184	193	241	250	250	323	395	469	543
POST-16	259	272	288	306	336	355	392	424	459	498	540	585	634
OTHERS	0	0	0	45	96	217	122	62	114	123	131	140	150
TOTALS	1694	1790	1897	2059	2289	2540	2715	2905	3108	3326	3559	3808	4074
NMI as % of TOTAL LEARNERS	6.4%	6.4%	6.3%	6.2%	8.0%	7.6%	8.9%	8.6%	8.1%	9.7%	11.1%	12.3%	13.3%

Projected expenditure based on projections of learner numbers

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
MAINSTREAM	£ 5,280,158	£ 5,595,512	£ 5,927,038	£ 6,290,908	£ 6,670,950	£ 7,083,336	£ 7,818,596	£ 8,494,298	£ 9,219,593	£10,016,448	£10,904,146	£11,884,922	£12,962,636
BASES	£ 5,049,834	£ 5,323,856	£ 5,656,597	£ 6,008,911	£ 6,674,393	£ 7,085,426	£ 7,808,844	£ 8,592,547	£ 8,592,547	£ 8,592,547	£ 8,592,547	£ 8,592,547	£ 8,592,547
SPECIAL SCHOOLS	£15,825,472	£16,738,480	£17,765,614	£18,830,790	£19,287,294	£20,428,554	£22,573,552	£25,868,560	£26,819,610	£26,819,610	£26,819,610	£26,819,610	£26,819,610
NMI	£ 5,724,000	£ 6,042,000	£ 6,360,000	£ 6,784,000	£ 9,752,000	£10,229,000	£12,783,865	£13,250,000	£13,265,108	£17,107,531	£20,956,683	£24,837,070	£28,804,912
POST-16	£ 2,735,040	£ 2,872,320	£ 3,041,280	£ 3,231,360	£ 3,548,160	£ 3,748,800	£ 4,142,424	£ 4,476,933	£ 4,851,648	£ 5,258,503	£ 5,700,297	£ 6,180,072	£ 6,693,189
TOTALS	£34,614,504	£36,572,168	£38,750,529	£41,145,969	£45,932,797	£48,575,116	£55,127,281	£60,682,338	£62,748,506	£67,794,639	£72,973,283	£78,314,221	£83,872,894
NMI as % of TOTAL SPEND	16.5%	16.5%	16.4%	16.5%	21.2%	21.1%	23.2%	21.8%	21.1%	25.2%	28.7%	31.7%	34.3%

→ NMI becomes 13.3% of learner placements by 2031 but 34.3% of cost

NB. Cost projections do not include Therapies or Assisted travel costs

NB. Cost projections do not include inflation or any rate uplifts

How schools can help to slow NMI growth

1. Fewer EHCNAs
2. Greater support for pupils with SEND via SEND Support Advisory Partnership (SSAP)
3. Ensure health needs are met and highlight where they are not met during annual review processes
4. Prepare pupils ahead of their transition into secondary school to reduce the number who move into NMI at this point
5. Reduce number of imports to net zero in our specialist provisions

Costs associated with import/export imbalance

- 212 learners are imported into Sutton specialist settings, compared to 102 Sutton learners who are exported out (academic year 24/25) This year to date we have 225
- We were therefore a net importer of 110 pupils (24/25)
- If we had these extra spaces available for Sutton pupils, we would have over 100 pupils who did not require NMI placements, typical extra cost £16k per place
- Per year this would have saved us over £1.6 million
- Additionally, NMI learners typically have higher assisted travel costs

Disapplication process

- To support the costs of specialist provision recently commissioned in the borough (see slide) there is a need to transfer a % into the HNB
- There has been no need to apply to DfE previously as Sutton Schools Forum have agreed to a 0.5% transfer
- In 2023 every request to DfE was approved, 2024 data has not all been published
- DfE approved 1.5% for Norfolk in 2024 and 1% in 2023, 1% for Hammersmith & Fulham 2024, the remaining applications were mostly for 0.5%

LA position on disapplication

- Meetings scheduled with Councillors and senior officers in late October / early November – the overall Council revenue position is <u>very</u> challenging
- DSG deficit a significant concern – cost of borrowing on DSG deficit now equates to about £1m a year
- LA seeking to balance pressures on schools with pressures on LA revenue budget
- Officer recommendation is to request 0.5% again this year – ahead of consideration about the implications of white paper and financial proposals from Government as part of Local Government settlement in November / December.

Year 2 priorities

- Year 1 projects requiring monitoring and evaluation inc. SSAP, returns from NMI, transition plans, TSS and OLA processes
- Further roll out of OAP to all schools and settings
- Launch dashboard
- Develop 'alternative mainstream pathways' inc. curriculum offer and review of school environments
- Early Years – outreach model, Reception as assessment year cont.
- AI – pilot for SEND team
- Cognus Education Centre
- Therapies – work through Transformation project
- Parent carer confidence
- Specialist outreach
- Continue to develop post 16 placement offer widen options available within FE colleges for YP with SEND
- Ensure a clear process established to agree Health related funding
- **Action any requirements as a result of government white paper**

Report Title	SEND Hourly Rates
Meeting	Schools Forum
Date	14 October 2025
Chair	Jenny Sims
Report Author(s)	Jo Suchy, SEND Transformation Programme Manager
Open/Exempt	Open

1. Summary

1.1. As part of the SEND transformation programme, the Council has been reviewing the hourly rates used by the SEND Team when costing hours in Education, Health and Care Plans (EHCPs). Hourly rates are also used for other decision-making processes to identify when a school has exhausted their notional budget on a student. This review was precipitated by a need for consistency and to ensure all schools understand the basis upon which the hourly rates apply.

2. Recommendations

2.1. To share views in relation to the recommendations outlined, notably for Cognus to adopt hourly rates as outlined in 2.2 when costing EHCPs and provision maps for any additional funding being sought by schools. This includes some new and some revised costings.

2.2. To note that a funding calculator be used and shared with schools to support greater standardisation of costing decisions.

3. Background Information

3.1. The London Borough of Sutton currently operates a standard hourly rate for Teaching Assistants (TAs) supporting pupils. Additional local costing rates are applied for Emotional Literacy Support Assistant (ELSA) time, nurture group provision, and Speech and Language Therapy (SaLT) and Occupational Therapy (OT) time. These were agreed in April 2022/23 (with the TA rate uplifted in April 2023) and are currently as follows:

Intervention	**Hourly rate 1:1**
Teaching Assistant (TA)	£15.56
ELSA	£15.56[1]
Inclusion/Nurture support	£76.89
Speech and Language or Occupational Therapist	£65 (within EHCPs)

3.2. Whilst these are internal figures which are used by the SEND panel it is understood that the version most recently shared externally with school staff was done so several years ago. Therefore, even though SEN co-ordinators (SENCOs) are aware of an agreed £15.56 rate for TA's this has not been formally communicated. This has led to some difficulties when schools are asked to provide a costed provision map (for SEND panel, SSAP requests etc.) as schools/MAT's often have differing views of the hourly costs for particular members of staff. This concern has been raised several times following formal and informal decisions and requests for re-costings of provision maps, as well as during SENCO Cluster meetings by SENCOs who seek additional clarity.

3.3. It is for the Local Authority to set these rates and not schools, but the LA would wish to take the view of Schools Forum into account when setting those rates.

[1] note an incorrect figure of £142 had been listed in previous communications

4. Proposals

4.1. The Local Authority is proposing the following changes:

- Introduction of new rates for the education staff roles identified in the table below
- The use of a template for calculating costings which is used internally by Cognus staff and is shared more widely with school staff to support their calculations.

4.2. The figures in the table below are derived from a desktop benchmarking activity completed by the Head of SEND Support. Although it can be difficult to compare, Appendix 1 provides further information on the funding approaches taken by neighbouring Local Authorities in order to assess what is being proposed in the table below:

Intervention	Hourly rate 1:1	Narrative
Teaching Assistant (TA)	£15.56	Remains the same following benchmarking of neighbouring boroughs.
Higher-Level TA (HLTA) (or Senior/Lead TA/LSA)	£18.50	New rate introduced to compensate for staff who require more training to run particular interventions.
ELSA	£18.50	On the basis that ELSA is frequently delivered by a HLTA.
Inclusion/Nurture support	n/a	This has been removed as it is not regularly costed for and would be covered within the HLTA costings. In some instances, if required, SEND Panel may determine a specific cost.
Teacher	£33 (£29-£45)	Although a teacher rate is rarely used, a mid-range figure has been introduced for transparency. It is anticipated that due to the irregularity with which teacher costs are used, this would be more of an individual decision. In most instances teacher costs are considered to be 'ordinarily available' and are therefore not an additional cost to a school to provide. In some instances where small group teaching, above and beyond what could be ordinarily expected is required, this could be an additional cost. Instances where tuition by a teacher is required may also be costed additionally.
Speech and Language or	£65 (within EHCPs)	Remains the same.

Occupational Therapist	£87.50 (traded cost)	

4.3. The rates above include an HLTA rate which was not previously used in Sutton. The inclusion of an HLTA rate brings Sutton in line with practice elsewhere and ensures accurate costings for time-limited, higher-level interventions (e.g., ELSA, nurture work, targeted curriculum support).

4.4. This would include interventions such as ELSA and Nurture (which will now be costed at the new HLTA rate) as well as highly targeted curriculum-based interventions (see Appendix 2 for further examples). A teacher rate is included for the instances in which this needs to be applied to provide further transparency.

4.5. A Therapies rate is also included as these costs are only pre-funded by the local authority when an EHCP is in place. For children outside of the statutory process Therapies costs would be expected to be provided out of a school's notional budget. For new processes such as the SSAP it's important that accurate costing about what is currently in place for a pupil can be identified to ascertain whether or not it would be fair to offer additional funding.

4.6. Once agreement is reached about these hourly rates it is advised that these are circulated widely with schools to ensure that there is transparency as to the costs being used by the local authority and so that schools are able to apply these to their own costed provision maps when seeking additional funding. It is proposed that this information will be shared in the form of funding calculator, which would also be used consistently by Cognus professionals when calculating individual learner costs. Initially this would be used for SEND Panel and SSAP calculations, but moving forward would become embedded in reviews of provision as part of the Annual Review process. A copy of the funding calculator is included in Appendix 3.

4.7. Within this funding calculator there is clarity around how hours should be costed when the provision is to be delivered to more than one pupil and when it is time limited rather than open-ended. This document also provides guidance notes which address many of the common issues that arise when schools submit provision maps which they are subsequently told do not adhere to local area guidelines.

Potential risks and mitigations

Potential risks	Mitigations
Publishing these costs will make clear to schools that there is not an increase this year in TA costs in spite of this being requested.	At no point have schools been informed that there is the possibility of an increase in rates, therefore it is not anticipated that this expectation exists.
Introducing an HLTA rate may bring about additional costs for maintaining EHCPs.	Whilst this is a slight risk it is judged that few interventions require this level of staffing (see Appendix 2 for all examples), and those that do should be compensated for correctly.
Schools do not adhere to the costings set out. There remains an ongoing challenge whereby Sutton and schools use different sets of costings.	Some MATs have set costings which they do not allow individual schools to deviate from. This is not something we are able to address locally but it is hoped that clear guidance will support individual school SENCOs further in any discussions with MAT leadership structures.
Introducing a teacher rate may bring about additional costs for maintaining EHCPs.	As noted above there will only be a limited number of situations in which a teacher cost is applied or agreed. When using external tuition providers, the hourly rate for teachers is considerably higher, with Sutton currently paying between £50-£75 per hour for learners on tuition packages. It is hoped that through having an agreed rate in some instances external tuition may be avoided and costs reduced.

5. Recommendations

1. Hourly rates as outlined in 2.2 are adopted by Cognus when costing EHCPs and provision maps for any additional funding being sought by schools. This includes some new and some revised costings. It does not include an uplift for the basic TA rate which is not deemed necessary in light of benchmarking local comparators whereby Sutton rates are seen to be more favourable for schools.

2. Revised hourly rates are shared by way of formal communication with schools, publicised through Head teacher forums, and a funding calculator which can then be used by schools when ascertaining the cost of provision they are putting in place for individual pupils.

Appendix 1 – Arrangements in bordering local authorities

Of the surrounding local authority's different models of top-up funding are in operation. It should be noted that the highest top-up for a mainstream EHCP in Sutton is **£19,722.30**, plus direct Therapies time (funded outside of the EHCP).

Croydon

- Uses a banding system from 0 to 4 based on the number of TA hours
- This means that the hourly rate varies by band from £11.83 per hour to £15.86 per hour, with the mean rate being **£13.34** per hour.

Bands	Basic	0	1	2	3	4
Band Hours	0-12	13-14.99	15-19.99	20-24.99	25-29.99	>30
Delegated funding	£6000.00	£6000.00	£6000.00	£6000.00	£6000.00	£6000.00
Top up funding	£ -	£ 1,015.00	£3,280.00	£5,300.00	£7,800.00	£10,805.00

Merton

- Use a banding system from Band 2 to Band 6 but do not provide hours for these bands
- Band 6 is only for pupils who are in a mainstream placement but awaiting a move into a specialist or additional resourced provision
- Using Band 5 and equating this to 32.5 hours of support Merton's per hour rate is worked out as being **£14.47**
- Estimating the hourly rate of the other bands (excluding Band 6) suggests that it varies from £14.21 per hour to £17.07 per hour.

Banding	Top Up	Notional and Top Up Total
Notional Funding	£ 6,000.00	£ 6,000.00
Band 2	£ 5,085.00	£11,085.00
Band 3	£ 7,983.00	£13,983.00
Band 4	£10,160.00	£16,160.00
Band 5	£12,338.00	£18,338.00
Band 6	£21,072.00	£27,072.00

Surrey

- Use descriptors to offer funding described as Targeted 1, Targeted 2, Enhanced 1, Enhanced 2 and Bespoke (only agreed in exceptional circumstances), not hours
- According to Surrey paperwork 'The principle is that funding follows a child based on their holistic needs and the provision stated in their EHCP, rather than depending on hours of one-to-one support'
- Funding can be used for staff training as well as direct pupil support
- Using Enhanced 2 and equating this to 32.5 hours of support Surrey's per hour rate is worked out as being **£12.31**

Band	Top Up (in addition to £6,000)	Notional and Top Up Total
Targeted 1	£1,646	£7,646
Targeted 2	£3,774	£9,774
Enhanced 1	£6,525	£12,525
Enhanced 2	£9,597	£15,597
Bespoke	£10,632+	£16,632

Appendix 2 – HLTA/Senior TA/LSA roles

A list, not exhaustive, of potential roles and interventions which would expect to be delivered by an HLTA and could be costed as such. It is important to note that if a school has a TA delivering these interventions they will not be awarded an HLTA rate.

- Literacy and numeracy interventions which require higher levels of monitoring and review
- Catch up teaching
- Homework clubs
- Planning and devising of bespoke interventions e.g., SALT and OT, social skills
- Small group teaching
- ELSA/Draw and Talk
- Nurture
- Enhanced learning support e.g., for pupils working on an engagement model curriculum
- *These members of staff may have a particular area of specialism or responsibility e.g., Autism Champion, EAL, Therapies Champion*

LEARNER FORENAME		**NB: ONLY INPUT INTO WHITE CELLS**			
LEARNER SURNAME					
LEARNER DOB					
LEARNER CM #					
PLACEMENT NAMED ON EHCP					
PLACEMENT START DATE					
TYPE OF PLACEMENT	MAINSTREAM				
BANDING, IF BASE OR SPECIAL					NOTES
ANNUAL PLACE TOP-UP, IF BASE OR SPECIAL				£ -	
ADDITONAL SUPPORT: ONGOING		**HOURLY RATE**	**SUPPORT RATIO**	**ANNUAL COST**	
TA HOURS PER WEEK (A)	5	£ 15.56	1	£ 3,034.20	SEE NOTE A1
TA HOURS PER WEEK (B)	10	£ 15.56	3	£ 2,022.80	SEE NOTE A1
TA HOURS PER WEEK (UNSTRUCTURED)	5	£ 15.56	3	£ 1,011.40	SEE NOTE A2
TA HOURS PER WEEK (SALT CARRYOVER)		£ 15.56			
TA HOURS PER WEEK (OT CARRYOVER)		£ 15.56			
HLTA HOURS PER WEEK	0	£ 18.50	1	£ -	SEE NOTE A3
TEACHER HOURS PER WEEK	0	£ 33.00	1	£ -	SEE NOTE A4
TOTAL HOURS OF SUPPORT PER WEEK	***20***	*NB: THIS MUST NOT EXCEED 32.5 HOURS*			
TOTAL FUNDING (ANNUAL)				**£ 6,068.40**	
ADDITONAL SUPPORT: TIME LIMITED		**HOURLY RATE**	**SUPPORT RATIO**	**ANNUAL COST**	SEE NOTE A5

TA HOURS PER WEEK (A)	8	£	15.56	1	£	4,854.72	
TA HOURS PER WEEK (B)	5	£	15.56	3	£	1,011.40	
TA HOURS PER WEEK (UNSTRUCTURED)	10	£	15.56	3	£	2,022.80	
HLTA HOURS PER WEEK	0	£	18.50	1	£	-	
TEACHER HOURS PER WEEK	0	£	33.00	1	£	-	
ELSA FUNDING		£	18.50	1	£	-	12 WEEKS MAX. SEE NOTE A6
TOTAL HOURS OF SUPPORT PER WEEK	***23***	*NB: THIS MUST NOT EXCEED 32.5 HOURS*					
TOTAL FUNDING (ANNUAL)					**£**	**7,888.92**	
SUPPORT DURATION (WEEKS)				**26**			
TOTAL FUNDING (DURATION)					**£**	**5,259.28**	
FUNDING TOTAL					**£**	**11,327.68**	
NOTIONAL FUNDING CONTRIBUTION *(DELETE IF SPECIAL, BASE OR INDEPENDENT)*					-£	6,000.00	
TOTAL NET FUNDING					**£**	**5,327.68**	

THERAPIES	**HOURS**	**HOURLY RATE**	**SUPPORT RATIO**	**ANNUAL COST**	SEE NOTE A7
Speech and Language Therapy (Direct Input)		£87.00			
Speech and Language Therapy (Indirect Input)		£87.00			
Speech and Language Therapy (Administration)		£87.00	1		
Occupational Therapy (Direct Input)		£87.00			
Occupational Therapy (Indirect Input)		£87.00			
Occupational Therapy (Administration)		£87.00	1		

COMMENTARY

NB: 1 TERM = 13 WEEKS

NOTE #	
A1	TA Hours per week is split into (A) and (B) so that TA time which may be split between different support ratios can be calculated accurately. For example, a student who may receive 1:1 support for 5 hours per week but support in a 1:3 ratio for 20 hours per week, this can be inputted accordingly on the separate rows. Costings should usually be worked out on the lower end of the ratio to ensure increased social inclusion of pupils with SEND unless this is specifically detailed otherwise.
A2	TA Hours (Unstructured) refers to any TA time allocated to supporting a student(s) during break or lunch times.
A3	HLTA hours would not be ordinarily used for in class support or most interventions. In some schools HLTAs may also be called Lead or Senior TA/LSAs. Some examples of when HLTA rates could be applied include in a time limited way for: --Literacy and numeracy interventions which require higher levels of monitoring and review -Catch up teaching -Homework clubs -Planning and devising of bespoke interventions e.g., SALT and OT, social skills -Small group teaching -ELSA/Draw and Talk -Nurture -Enhanced learning support e.g., for pupils working on an engagement model curriculum -These members of staff may have a particular area of specialism or responsibility e.g., Autism Champion, EAL, Therapies Champion
A4	Teacher hours would not usually be costed on a provision map as this time is paid for out of other school funding pots. In some instances, when recommended by an external professional, it may be costed for. A suggested hourly rate is provided although the range of teacher costs is acknowledged and an individualised funding formula is likely to be applied in liasion with the SEND Team.
A5	In many instances intervention, rather than supported and adapted teaching and learning experiences, will be recommended to be delivered on a time-limited basis. Usually a term at which point it is reviewed, in some cases followed by another half-term and review and in a small number of instances a further half-term. Intervention when targeted appropriately aims for a pupil to make accelerated progress in a short period of time, after which they return to their usual learning environment and embed the skills learnt during intervention independently.
A6	ELSA Support is intended as a time limited intervention capped at 12 weeks per academic year. In most instances it would not be anticipated that a pupil receive this support for multiple blocks over concurrent years, but that some may receive 2-3 rounds of ELSA over the course of their time in school.
A7	Assessment options for traded Therapies work (including both Speech and Language and Occupational Therapy) are costed via individual packages. This includes Option 1: Observation report and recommendations (2 hours, £165). Option 2: Assessment and short report with recommendations (6 hours, £495). Option 3: Assessment and report with outcomes (8 hours, £660). Option 4: Full Sensory Processing assessment completed by a sensory integration practitioner (OT only) (10 hours, £875).

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Sutton

Report Title	Capital Report
Meeting	Schools Forum
Meeting Date	14 October 2025
Chair	Jenny Sims
Report Author(s)	Jack Cutler, Acting Head of Pupil Based Commissioning
Open/Exempt	Open

1. Summary

1.1. This report provides an update on capital funding and further information on pupil place planning and any capital implications arising.

2. Recommendations

2.1. To note the summary of developments against the primary, secondary and special expansion programmes.

2.2. To note the intention to establish a a school organisation plan steering group, to report into the Schools Forum, to provide recommendations on managing falling rolls within Primary Schools.

3. Background and Key Information

Basic Need Capital

3.1. The overall expansion programme costs (below) have been adjusted to reflect the latest position but remain similar to those last reported to Schools Forum in January.

	Previous estimate (May '25) £m	Current estimate (Oct '25) £m
Primary expansions	81.1	81.1
Secondary expansions	99.7	100.2
SEN expansions	20.1	22.0

Capital Maintenance Programme: 2025/26 programme

An application process commenced in October 2024, with the AMP steering group meeting in January to confirm allocations. The agreed programme value was £1,010,000. The final DfE allocation to Sutton was £1,186,060. Considering the negative balance brought forwards from 24/25, the contingency for emergency winter works was -£2,797. The current value of agreed emergency works is £35,590, resulting in a current carry forward shortfall to the 26/27 programme of £38,387. The shortfall carried forward into 26/27 will reduce the variable capital in 26/27 accordingly.

Capital Maintenance Programme: 2026/27 programme

The application process will open 13 October 2025, where LA maintained schools will be invited to submit applications for capital investment covering school conditions works. The value of grant funding is estimated at £1,200,000, with a current estimated balance of -£38,387 brought forward from 25/26, resulting in an available budget of approximately £1.161m.

Place Planning - Secondary Programme

3.2. September 2025 pupil offers were slightly higher than the September 2024 offers. 3523 offers were made on national offer day, against 3441 offers in September 2024 (an increase of 82 places. However, numbers are not forecast to reduce back to levels that can be accommodated within current school PANs until 2028/29.

3.3. Additional funding has been agreed through an urgency notice issued by the council to increase the budget available for the agreed expansion works at Oaks Park High School to £5.6m (which includes £500k investment in SEND provision from the SPCF), to support the additional 50 places being provided in all years between September 2022 - September 2028.

3.4. For September 2025 the following bulge classes were agreed

- Carshalton Boys - 30 places
- Oaks Park High School - 50 places

Total - 80 places

3.5. For September 2026 the following additional bulge class places are available if needed:

- Carshalton Boys - 30 places
- Carshalton Girls - 30 places
- Cheam High - 20 places
- Oaks Park High School - 50 places
- Overton Grange - 30 places

Total: 160 places

Not all of these places are expected to now be required; following the latest School Capacity Survey analysis, discussions will take place with Headteachers in September 2025 to agree where additional places will need to be provided. Given the level of surplus capacity sitting within a secondary school in September 2025, it may be that only 110 of the additional places available are required. The capital investment has already been made across these schools should the additional places be needed, as agreed in December 2022 as part of the additional places agreements.

Place Planning - Primary Programme

3.6. Officers continue to discuss with schools options for permanent reductions in primary places, and school organisation changes, with consideration based on a variety of different factors including where pupils live, where birth rates have fallen most significantly, parental preferences and the location of delivered and planned housing developments.

3.7. Regarding Reception admissions for September 2025, offers were lower than in the previous year, and corresponding September 2025 pupil numbers were also lower. The Local Authority will continue to work with schools to manage the increasing surplus places resulting from these falling numbers. Note, the planning area applications data refers to all applications, from children living both in, and outside of , Sutton, whilst the LA level data is for Sutton residents only. A workshop was held on 24 September with primary schools, with a recommendation to establish a school organisation plan steering group, reporting into the Sutton Schools Forum.

3.8. No bugle classes were needed for September 2025, or for the foreseeable future. A school organisation plan, with a focus on managing falling rolls, is currently being developed that will establish clear priorities in Sutton for how falling rolls across the local area are managed.

Place Planning - SEND Programme

3.9. Notwithstanding the actions the council has taken to create additional specialist capacity in the borough, as stated above, the demand for specialist places continues to grow and most of the state funded specialist provision in the borough is now largely full. As a result, the council has commissioned places at the following schools for September 2025.

- Oakfield base at Woodfield School - 54 to 60 places
- Sherwood Park Special School - 180 to 205 places
- The Limes College - 180 -200 places (additional 20 (That can support 50 young people concurrently) at risk of exclusion places at a new satellite to operate from Sunningdale Road, to open from April 2025.
- Carew Academy - 254 to 274 places, concurrent with the introduction of a new skills for learning funding pathway
- Avenue base - additional 2 bulge classes (16) places, into KS1

The following additional places have been agreed for September 2026:

- 10 Places - Carew Academy
- 16 Places - Avenue Primary school ASD resource provision
- 24 Places -Sherwood Park School
- 6 places - Oakfield Resource Provision (Woodfield School)

3.10. Some capital funding has been agreed with schools to support these additional places; Expenditure against these projects will be reported against the SEND expansion programme.

3.11. In addition to these places, additional post-16 and post-19 provision places have been secured at Orchard Hill College. The provision will be available from September 2025.

3.12. Round 9 of the special provision capital fund was agreed through the co-opted Asset Management Plan steering group in June, with a total programme value of up to £2.9m.

3.13. The Local area has now received £18.2m between 2018/19 to 2025/26 through Special Provision Capital Funding (SPCF) allocations. The vast majority of this has been distributed to schools and other education settings through an application process overseen through a steering group of school headteachers and local area SEND representatives and officers.

3.14. The SPCF round 10 application window is currently open for schools and early years setting to bid for funding through, and the AMP steering group will convene near the end of the autumn 2025 term to consider these applications.

<u>Place Planning - Free School Programme</u>

3.15. There are two ongoing free school proposals in the borough. The first relates to Sutton Free School 2, which has now been named the Angel Hill Special Academy. This project is led by the Department for Education (DfE) to deliver a new 96 place Autism Spectrum Condition (ASC) special school on the proposed site of the disused all weather pitch at the Rosehill site - to be run by the Greenshaw Learning Trust (GLT). Planning consent for this school was granted on 7 February 2024. The opening date of the new building is now confirmed for September 2027, with construction planned to commence October 2025.

3.16. Sherwood Park school opened a new provision at the Carew Manor site for 25 places in September 2025. This provision will open a further 24 places in September 2026, and a further 12 places each year until all year groups are in place at the school, up to year 13.

3.17. The second Free School project relates to the Carew Academy special school and the relocation of this school into a new special school on the Sheen Way site. Similarly, this project is led by the Department for Education (DfE), and the new school opened on 30 April 2025. A grant of £130,000 was agreed against this school project, from SPCF grant, to provide external play equipment for this school, as external play equipment is not within scope of the DfE free school programme.

4. Implications

4.1. The Council's capital budgets have been updated to reflect committed expenditure.

5. Appendices

Appendix Letter	Appendix Title
N/A	N/A