



Notice of Meeting:

Ealing Schools Forum

Meeting Location:

Council Chamber, Ealing Town Hall, New Broadway, Ealing W5

Date and Time:

Wednesday, 21 June 2023 at 6.00 pm

Contact for Enquiries:

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Chief Executive:

Tony Clements

This meeting will be held in public. If you would like attend in person and have any special requirements in order to attend, please email democraticservices@ealing.gov.uk or telephone on 020 8825 6302 at least three clear working days in advance wherever possible.

Committee Membership:

P Adair (Chair), R Kruger (Vice-Chair), J Hannay (Vice-Chair), V Nicholas, P Broadbent, T George, S Sajid, N Hassanali, E Appelby, S Dhillon, K Herring, J Hicks, J Maloy, P Portwood, M Pye, C Hames, M Budd, M Cassidy, S Simms, W Smith, R Walsh, D Woods, I Buchanan, I Woolley, Cllr A Steed, Cllr J Martin and Cllr C Sharma

AGENDA

Open to Public and Press

WEBCAST MEETING - LINK TO VIEW

This meeting will be webcast live on the Council's You Tube site and can be viewed by following this link:

[LINK HERE](#)

Private pre-meeting for members

There will be a 5.15pm pre-meeting for members.

1 Appointment of Chair

Appointment of chair for the new municipal year (2023-24).

2 Election of vice-chair(s)

Election of vice-chair(s) for the new municipal year (2023-24).

3 Apologies for Absence and Substitutions

To note any apologies for absence and substitutions.

4 Urgent Matters

To consider any urgent matters arising since the despatch of the agenda that the Chair has agreed should be considered at the meeting.

5 Matters to be Considered in Private

6 Declarations of Interest

7 Minutes

(Pages 5 - 12)

To approve as a correct record the minutes of the Ealing Schools Forum meeting held on 4 May 2023.

8 MEMBERSHIP

(Pages 13 - 14)

To note the current membership of the Ealing Schools' Forum.

9 Schools Forum Report - June 2023

(Pages 15 - 52)

10 Date of Next Meeting

The next meeting will be held on 29 November 2023.

Published: Tuesday, 13 June 2023

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Minutes of the meeting of the Ealing Schools Forum

Date: Thursday, 4 May 2023

Venue: Council Chamber, Ealing Town Hall, New Broadway, Ealing W5

Attendees (in person):

P Adair (Chair), J Hannay (Vice-Chair), S Dhillon, J Hicks, P Portwood, M Cassidy, S Simms, W Smith and Cllr C Anderson

Apologies:

R Kruger (Vice-Chair), P Broadbent, E Appelby, J Maloy, M Budd, D Woods and I Woolley

Attendees (virtual):

T George, S Sajid, K Herring, M Pye, C Hames, R Walsh, I Buchanan, Cllr H Haili and Cllr A Steed

1 Apologies for Absence and Substitutions

PRESENT

Members:

Special Schools: Paul Adair (chair, in person), Ian Buchanan (virtual)

Primary Schools: In person: Jeremy Hannay, Mike Cassidy, Philip Portwood and Wendy Smith

High Schools: Mia Pye, Charlotte Hames (both virtual)

Academies: Kimberley Herring, Roisin Walsh and Toni George (all virtual)

Pupil Referral Unit: Jon Hicks (in person)

Representative of Staff nominated by recognised trade unions: Stefan Simms (in person)

PVI Nursery Provider: Susan Dhillon (in person)

16-19 Partnership: Sajada Sajid (virtual)

Non-Executive Members of Council: Councillors A. Steed and H. Haili (both virtual), C. Anderson (in person)

Vacant positions

Primary Schools x 2

Representative of Non-Maintained SEN providers x1

There were apologies for absence from:

Primary Schools: Iram Woolley, Jamie Maloy, Dave Woods and Emma Appelby

High Schools: Marion Budd and Rachel Kruger

VA and Faith Ethos Academy/Free School Providers: Pete Broadbent

Absent

Nursery Schools: Nick Hassanali

2 Urgent Matters

There were none.

3 Matters to be Considered in Private

There were none.

4 Declarations of Interest

There were none.

5 Minutes

Resolved:

That the minutes of the meeting of the Ealing Schools Forum held on Thursday 19 January 2023 be approved by the Forum and signed by the chair as a true and correct record.

6 MEMBERSHIP

Resolved:

That the Forum noted the membership and current vacancies on this committee. The chair welcomed the new members on the Forum and the following officers: Mr Robert South, LBE Strategic Director, Children's Services; Madhu Bhachu, acting AD Special Educational Needs & Disabilities (SEND) and Angie Dennison, acting AD Early Help & Prevention.

7 Schools Forum Report - School Funding 2023-24

Tamara Quinn, Assistant Director, Schools Planning, Resources and Service Development, introduced the May 2023 report on School Funding 2023-24, the purpose of which was to agree the scheme for financing schools in the year 2023-24 and to provide Forum with an update on the government's early years' childcare reforms and with an update on high needs including the government's SEND and Alternative Provision Improvement Plan and Ealing's joint Strategy for SEND, as outlined in the report.

Kim Price, Planning and Resources Strategic Lead, presented the part of the report relating to the summary of changes to the Scheme for Financing Maintained Schools and to the revised draft Scheme for Financing Maintained Schools, attached as Appendix 1 to the report. The main change in the draft scheme related to the incorporation of further guidance from the DfE on retention of funds from the sale of land assets.

There was a discussion on whether the local authority should consult with maintained schools on changing the balance control mechanism (BCM), this point had been raised at the last meeting of the Forum. Currently, the BCM was set at 8% for nursery, primary and special schools and 5% for high

schools. The number of schools who would have potentially been in scope for clawback of 2021-22 balances based on the current scheme and two alternative options were presented in Table 1 of the report. Ms Price noted that as stated in the report, changes to the scheme would require full consultation with governing bodies and headteachers of maintained schools ahead of a Forum decision. Therefore, should Forum wish the Local Authority to consult on changes to the scheme, this would be included within the school funding consultation in Autumn 2023 to inform a decision at the November Forum.

Ms Quinn informed the Forum that the decision around the local authority's recommendation regarding implementation of the balance control mechanism (stated on page 16 of the report), would come to the Forum's June 2023 meeting. Maintained schools had just closed off the 2022-2023 financial year and would soon be submitting balance forms to officers. The outturns would be reported to Forum at the June meeting in order for Forum to decide whether to apply the mechanism as set out in the scheme.

The Chair clarified that the issue for the Forum at this meeting was to comment on whether it wanted possible revisions to the balance control mechanism to be included in the consultation in autumn or whether it was happy with the parameters of the current BCM.

Members of the Forum expressed the following views:

- the percentage clawback should be greater than 5%, 10% or 15% for schools with excess balances year on year.
- holding a consultation would be a neutral position to garner the opinions of colleagues and move forward.

In response to questions from the Forum, Ms Quinn clarified that:

The schools' Forum had requested that the LA implement a mechanism and the purpose of the BCM was to encourage schools to spend the money that they received for children while those children were in school and to reduce the accumulation of significant balances among schools in Ealing. There were concerns that in some schools, the balances were continuing to increase. The purpose of considering a change to the current BCM was that a change may be needed to prompt the desired effect (a reduction in surplus balances) in some schools.

Ms Quinn went on to say that each year there were conversations with schools that fell within the BCM. Ms Quinn acknowledged there could be further work done around the communications to schools, including the timing of such communications so that schools and governors understood the implications of not spending their funding and encouraging them to keep their balance at an appropriate level.

Ms Price explained that any agreed change, stemming from the consultation would relate to the implementation of the balance control mechanism during the 2024-25 academic year. The chair explained that the Forum had requested that the BCM be re-visited and the mechanism to do that was

through the consultation.

A Forum colleague made the point about the ringfencing of certain funding and that schools had received some funding that they had not necessarily anticipated; in addition, some schools faced recruitment challenges and had not been able to appoint to all posts that they wished to; there was an instability around staffing and pupil numbers in the future. There was therefore an argument for continuing with the current percentages. Additional communications and guidance would be welcomed.

The Chair pointed out that the jump from 4 to 30 schools in the options presented was quite stark and asked whether it would be appropriate to put all that work in for four schools. The issue for this meeting was whether to include the BCM in the next consultation round.

In response to questioning from the Forum, Ms Quinn explained that the agreement with the Forum was that the funds clawed back would be applied to the High Needs Block which benefited all schools. Minor adjustments could be made for ring-fenced funding such as catch-up grants, however the purpose was that the broader maintained school community would benefit. Ms Price added that use of any subsequent funds that were clawed back would be agreed with Forum members.

Tamara Quinn informed that so far the BCM was having the desired effect; with most schools were only subject to the BCM for one year, although a small number had been subject for more than one year. Awareness of the BCM prompted the decision-making and the planning that it was designed to do in most cases. However, it needed to continue to be informed by the context that schools were operating in.

Officers reiterated that options would be presented in the consultation, which could include continuing with the present mechanism; applying the BCM as a single year snap-shot or increasing or decreasing the incremental levels to which the BCM was applied.

Ms Quinn added that officers would also seek to consult on the principles underpinning the Balance Control Mechanism (BCM). Forum members should be clear on the implications of going to consultation and that it was possible that schools might respond that they did not wish to continue with the BCM. She advised that the consultation should be anchored in the principles and outcomes that the Forum was seeking, as well as on the technical values.

The chair summed up the consensus that the issue to be consulted on was not whether to have a BCM, rather on what type of BCM was appropriate.

Angie Dennison, acting Assistant Director Early Help & Prevention, presented the part of the report relating to Early Years as per paragraph 3.2 in the report. This related to the Chancellor's childcare reforms announced in the Spring 2023 budget. The effect of these reforms was intended to increase availability, reduce costs and increase the number of parents using childcare,

with the roll out starting from the 2023-24 academic year till 2028. Challenges around capacity was one of the issues the local authority would be faced with. The Forum raised the issue providers might be facing in terms of the impact of the cost of living pressures on sustaining or expanding on their offer.

A Forum member raised the challenge of getting trained staff to provide expanded care or wrap-around care, particularly for children that were aged three and under. Ms Dennison said the authority was awaiting further guidance and would hope to bring a further update to the Forum in the autumn.

Madhu Bhachu, acting Assistant Director, Special Educational Needs & Disabilities (SEND), presented the part of the report relating to High Needs as per paragraph 3.3 in the report. This reflected the government's response in March 2023 to the March 2022 Green paper. The LA was mindful of the challenges around training, resources and capacity that the government's improvement plan might require.

Ms Bhachu thanked the local authority officers and all the stakeholders that had been involved in producing Ealing's Strategy for Additional and Special Educational Needs and Disabilities, 2023-2027, which had been approved by cabinet on the 19th April 2023. She said looked forward to working with schools including Forum members to bring the strategy to life.

Ms Bhachu also reported on the one off £0.450m grant from the Contain Outbreak Management Fund (COMF), received in Autumn 2021 to transform and enhance the support to parents and preschool children with SEND. She said the feedback from schools and parents had been positive and that the authority was looking for ways to continue funding the model it currently had.

Robert South, Strategic Director, Children's Services, said he was keen to go out to individual schools and get their feedback and that he would welcome that Forum members and officers would actively engage with each other and other colleagues as much as possible and keep a log of questions, challenges and ideas for the DfE and other colleagues that could be used for lobbying purposes. There was a case for working with other local authorities in terms of putting the case for the government getting it right and communicating to government what the authority believed the government needed to do to get the best outcomes for children and young people in their education journey.

Ms Price went on to present the section on SEND sufficiency and High Needs deficit recovery. Reporting that the number of EHC plans maintained by Ealing had increased by a further 326 (10%) between January 2022 and January 2023 to 3,445 plans, continuing to place considerable pressure on the high needs block. She continued by outlining the information on this topic as detailed in the report.

Robert South stated that SEND was a critical area of concern nationally and that Ealing's high needs deficit was not within the government's range of

concern at present. He mentioned the government's Delivering Better Value in SEND Program, which operated in three phases; an initial, safety valve phase which focussed on those local authorities with the highest proportion of over-spends, followed by two further phases. He said the government would use the learning coming out of these phases to work with local authorities to develop programs to address demand in High Needs and look at evidence based forms of practice and operations that have an impact on the demand. Officers would report the government's findings to the Forum with considerations of how those findings might fit the demands in Ealing. Ealing will also collaborate with other authorities. The painstaking work needed to be done to find out what worked evidentially for children and young people in different cohorts in the Ealing context.

Officers explained that the nearest SEND free school approved in the latest round was in Hillingdon. The reasons set out by the DfE why the Ealing bid had not been successful were around i) a clear and compelling case; ii) Ealing's SEND Strategy, which has now been finalised, had not been available at the time of the bid; iii) Ealing's bid had been joint with Harrow and Hounslow, however the DfE had struggled to evaluate the bid on the basis of that cross-borough, regional working. Officers would be meeting with the DfE to better understand their feedback and to receive feedback on the kind of joint bids that they would be keen to receive to inform any possible future bids in subsequent free school rounds.

Ms Bhachu reassured the Forum that officers were doing some work regarding the roll-out of therapeutic thinking, which was a borough-wide 'whole school approach' to supporting young people, and providing clarity around 'ordinarily available provision'.

Mr South said it was important to keep talking to all the diverse stakeholders, including families with young children. The Forum noted that schools were struggling to recruit staff to support children that were neuro-diverse. Resources were an issue and a strategy that dealt with matters on the ground was urgently needed.

Ms Quinn responded that there was a broader governance structure around the delivery of the SEND strategy which included partners. The decision-making role of the Forum in respect of high needs would be focussed on the management of the deficit recovery plan and ensuring that was built into the strategy. Ultimately if the provision was received – right place, right time – the LA would be able to use money effectively whether it was in deficit or not. Forum decisions were around the transfer of the 0.5%, which would be consulted on in the autumn. These topics would be the focus of future reports to the Forum, alongside contextual information.

The Forum made the point that future support for the 0.5% transfer may need more concrete details about how the money would be spent. The chair encouraged schools to engage in this difficult process.

Ms Price then presented on Top up funding arrangements for 2023-24

[Special Schools], as per the report. Officers confirmed that the bulk of the work in setting the budget for 2023-24, had now been done, although there was still ongoing work to agree the distribution of children across the level descriptors for one special school. The LA would continue to work with schools across settings to ensure that there was a mechanism to review funding on an on-going basis. The LA and all schools were having to make difficult decisions in terms of high needs top-ups, in view of inflation, however officers felt the budget [for 2023-24] was broadly in the right place. Officers would place the detailed level descriptors and additional information in Ealing Grid for Learning (EGfL) and inform schools of this via Gatekeeping. Ms Quinn thanked those schools who had participated as it had required a significant time commitment. The chair said a range of professionals had visited schools as part of the process and that the process had added value, including from a professional development standpoint.

There was a discussion on School Place Planning and Organisation, with reference to section 3.4 of the report. In response to a query from a Forum member, officers clarified that the SEND Strategy was a 0 – 25 strategy and that the Early Years' block funding arrangements were brought to the Forum for consultation.

There was a discussion on Attendance guidance and funding arrangements, with reference to section 3.5 of the report.

Officers said they were keen to set up a working group with some representative heads, in order to discuss the development of the Attendance Service offer. However, this was separate to Forum's decision-making role. Funding for the Attendance Service is primarily from the Central School Services Block, which is separate from the Schools Block and decided on by Forum on a line-by-line basis. De-delegation was not an option for the attendance service.

Forum was therefore limited in the way it could make decisions about funding the attendance service and a consultation was needed to set thresholds and expectations for the attendance service. What were statutory functions and what was the responsibility of the individual schools but could be delivered through a traded service, needed to be worked through in more detail. The view was expressed by the Forum that the consultation should focus on statutory requirements.

Resolved

That the Ealing Schools Forum:

Scheme for Financing Schools

- i. Note the summary of changes to the Scheme for Financing Maintained Schools.
- ii. Agree to the revised Scheme for Financing Maintained Schools, attached as **Appendix 1** to the report, coming into effect from 1st April 2023.
- iii. Note that should there be any further amendments following feedback on the provisions in the scheme, these will be reported and considered

at the next meeting of the Forum.

- iv. Note and comment on the alternative Balance Control Mechanism approaches and agree whether Forum wish the Local Authority to consult with maintained schools on changing the mechanism in the 2024-25 Scheme for Financing Schools.

Early years

- v. Note the update on the childcare reforms set out in the Chancellor's Spring 2023 budget announcement.

High needs

- vi. Note the update on the government's SEND and AP Improvement Plan, Ealing's joint Strategy for Additional and Special Educational Needs and Disabilities, the early years SEND programme, SEND sufficiency and high needs deficit recovery.
- vii. Note the top up funding arrangements for 2023-24.

School Place Planning and Organisation

- viii. Note the update on the School Place Planning and Organisation Working Group which has been set up to inform the development and delivery of responses to changes in demand for mainstream, specialist, and alternative provision.

Attendance service funding arrangements and extended duties

- ix. Note the funding arrangements for the school attendance services and the extended duties set out in the governments *working together to improve school attendance* guidance.

8 Date of Next Meeting

Resolved:

That the Ealing Schools' Forum notes the next meeting will be held on Wednesday 21 June 2023.

Meeting commenced: 6.00 pm

Meeting finished: 7.45 pm

Signed:

Dated: Wednesday, 21 June 2023

P Adair (Chair)

EALING SCHOOLS FORUM MEMBERSHIP

Term of office is three years except for councillors who are appointed annually.

Category of member	Name	School	Start of Term of Office	Expiry of Term of Office (3 years)
Special Schools x 2	Paul Adair	Castlebar Primary School	1 October 2021	30 September 2024
	Ian Buchanan	Springhallow School	17 April 2023	16 April 2026
Nursery Schools x 1	Nick Hassanali	Acting Head of Maples Nursery and Children's Centre	1 September 2022	31 August 2023
Primary Schools x 10	Emma Appelby	Horsenden Primary School and Children's Centre	17 April 2023	16 April 2026
	Iram Woolley	Featherstone Primary School	1 October 2021	30 September 2024
	Jamie Maloy	Grange Primary School	1 October 2021	30 September 2024
	Philip Portwood	John Perryn Primary School	1 October 2021	30 September 2024
	Dave Woods	Beaconsfield Primary School	1 October 2021	30 September 2024
	Jeremy Hannay	Three Bridges Primary School	17 April 2023	16 April 2026
	Venessa Nicholas	Derwentwater Primary School	27 April 2023	26 April 2026
	Mike Cassidy	Gifford Primary School	1 October 2021	30 September 2024
	Wendy Smith	Three Bridges Primary School	1 October 2021	30 September 2024
		VACANCY		

High Schools x 4	Marion Budd	Northolt High School	6 November 2020	5 November 2023
	Mia Pye	Greenford High School	1 January 2021	31 December 2023
	Charlotte Hames	Brentside High School	1 October 2021	30 September 2024
	Rachel Kruger	Ellen Wilkinson School for Girls	6 November 2020	5 November 2023
Pupil Referral Unit x 1	Jon Hicks	Ealing Primary Centre & Outreach Services	1 October 2021	30 September 2024
Academy x 3	Toni George	Dormers Wells Infant & Junior School	17 April 2023	16 April 2026
	Kimberley Herring	Ark Schools Trust	1 October 2021	30 September 2024
	Róisín Walsh	Dormers Wells High School	1 October 2021	30 September 2024
Representative of non-maintained SEN providers x 1	VACANCY			
Representative of Staff nominated by recognised TUs x 1	Stefan Simms		30 October 2020	29 October 2023
VA and Faith Ethos Academy/Free School Providers x 1	Pete Broadbent	Twyford C of E Academies Trust	17 April 2023	16 April 2026
PVI Nursery Provider x 1	Susan Dhillon	Twinkle Tots Day Nursery Ltd	24 June 2022	23 June 2025
16 – 19 partnership x 1	Sajada Sajid	West London College	5 January 2023	4 January 2026
Non-Executive Members of Council x 3	Councillor Charan Sharma		23 May 2023	May 2024
	Councillor John Martin		23 May 2023	May 2024
	Councillor Andrew Steed		23 May 2023	May 2024



**Report for:
CONSULTATION and ACTION**

Item Number:

Contains Confidential or Exempt Information	NO
Title	School Funding 2022-23 to 2024-25
Responsible Officer(s)	Tamara Quinn, Assistant Director Planning, Resources and Service Development, tquinn@ealing.gov.uk 020 8825 8444
Author(s)	Kim Price, Planning and Resources Strategic Lead (Children's Services) kprice@ealing.gov.uk 020 8825 8698
Portfolio(s)	Councillor Nagpal, Cabinet Member for a Fairer Start
For Consideration By	Schools Forum
Date to be Considered	21 st June 2023
Implementation Date if Not Called In	Not applicable
Affected Wards	All
Keywords/Index	School Funding Formula, Dedicated Schools Grant (DSG)

Purpose of Report:

Provide a summary of the outturn position for the Local Authority "LA's" maintained schools and the Dedicated Schools Grant (DSG) 2022-23; and highlight issues relating to funding that the Forum will need to consider as part of the Early Years, High Needs, Schools and Central Schools Budgets for 2023-24 and 2024-25.

1. Recommendations for DECISION and NOTING

It is recommended that the Schools Forum:

- i. **Note** the update from the Assistant Director of Audit and Investigation (**Appendix 1**)
- ii. **Note** the level of school balances as well as loans and deficit agreements at 31st March 2023 (**Appendix 3**).
- iii. Agree the proposed plan of action the Forum wishes to take where schools have excessive surpluses, including applying a clawback mechanism as recommended at option 1 in section 4.3 below (**Appendix 2 and 4**).
- iv. Agree to retain 2022-23 DSG reserves for expected high needs deficits, commitments against the growth fund and other pressures related to future school organisation changes.
- v. **Note** the update on the National Funding Formula (NFF) and the outcome of the government consultation about their approach to implementing the direct NFF.

- vi. **Note** the summary of Dedicated Schools Grant (DSG) funding decisions to be made for 2024-25 and **provide initial feedback** on these services to assist in the Local Authority's planning (**Appendix 5**):
 - De-Delegation
 - Retained Duties
 - General Duties
 - Historic Commitments
 - Central Schools Block Commitments
- vii. **Note** an update on Early Years, and the Early Years National Funding Formula (EYNFF) for 2023-24 and 2024-25.
- viii. **Note** an update on high needs funding pressures and **provide feedback** on whether the Forum is minded to continue a 0.5% transfer from the School's Block to the High Needs Block.
- ix. **Note** DSG Outturn 2022-23.

2. Reason for Decision and Options Considered

At the Summer meeting of the Schools Forum officers report the outturn position of the previous financial year 2022-23, the current financial year 2023-24, and financial outlook for the coming financial year 2024-25. Further reports will be made in November and then in January. At the January meeting, final budget proposals are considered before the Schools Block is agreed by the Council and submitted to the Department for Education.

3. Key Implications

3.1 School Balances

School Balances provisionally totalled £17.8m as at the 31 March 2023, a decrease of £2.6m on the previous year. Of the 75 Ealing maintained schools:

- 64 schools (85%) closed with a surplus balance.
- 24 schools (32%) increased their balances, including 2 schools who moved from a deficit 2021-22 into a surplus in 2022-23.
- 40 schools (53%) decreased their balances.

3.2 Excessive and Deficit Balances

An extract from the 2023-24 Ealing Scheme for Financing (**Appendix 2**), sets out that reasonable levels of balances are considered to be up to 8% of budget for nursery, primary and special schools and 5% of budget for High Schools. The excess amount above those thresholds represented £6.4m. Of the maintained schools in Ealing, 30 had excess balances:

- 1 Nursery School
- 25 Primary Schools,
- 4 Secondary Schools
- 0 Special Schools

Guidance from the Department for Education (DfE) within the “Scheme for Financing Schools” outlines at 6.2 the following framework that local authorities should adopt regarding surplus school balances

“The scheme [the LA Scheme for Financing] may contain a mechanism to clawback excess surplus balances.

Any mechanism should have regard to the principle that schools should be moving towards greater autonomy, should not be constrained from making early efficiencies to support their medium-term budgeting in a tighter financial climate, and should not be burdened by bureaucracy.

The mechanism should, therefore, be focused on only those schools which have built up significant excessive uncommitted balances or where some level of redistribution would support improved provision across a local area.”

The full details of Schools balances are shown in **Appendix 3**. These figures remain provisional at this stage and the Local Authority are working with schools to resolve some outstanding queries.

Deficits

There were 11 schools in deficit at the end of 2022-23 (2 nursery schools, 6 primary schools and 3 special schools), in comparison to 7 at the end of 2021-22.

- 2 schools (both secondary) went from deficit to surplus.
- 1 school reduced their deficit
- 3 schools increased their deficit
- 7 schools previously in surplus are now in a deficit (including one school which merged with a school previously in deficit)

The deficits in total amounted to £1.21m and ranged from between £0.02m to £0.22m. Schools with deficits are expected to achieve a balanced budget within 3 years.

The Local Authority has robust monitoring requirements and offers ongoing support for schools that fall into deficit. All schools were required to submit a 3 year plan in May 2023 which will be reviewed, risk assessed and where appropriate follow up conversations held with school leaders. The Local Authority will once again request an in-year budget monitoring return from all maintained schools in the autumn term and report an in year forecast position to Forum in January 2024.

3.3 Clawback of Excess Surplus Balances

Last year Schools Forum supported a decision to apply the Balance Control Mechanism (BCM) to 2021-22 excess balances. Schools with excess balances and an increase in surplus between 2019-20 and 2020-21 and between 2020-21 and 2021-22 were considered for clawback at the following incremental levels:

Nursery, Primary and Special Schools:

- 5% on surpluses between 9% to 12%

- 10% on surpluses between 12% to 20%
- 15% on surpluses more than 20%

Secondary Schools:

- 5% on surpluses between 6% to 9%
- 10% on surpluses between 9% to 17%
- 15% on surpluses of more than 17%

For example, if a Primary school had a balance of 30%, the amount between 9% and 12% attracts a 5% clawback, between 12% and 20% a 10% clawback, and the amount above 20% a 15% clawback.

This resulted in 4 Schools being subject to clawback totalling £0.023m. The clawbacks ranged from £1.3k to £12.6k. Of those 4 schools subject to a clawback, all continued to have excess balances at the end of 2022-23, however 3 reduced their balance in 2022-23 and would no longer be subject to clawback under the proposed BCM.

The Balance Control Mechanism methodology applied to 2021-22 balances was maintained in the 2022-23 Scheme for Financing Schools. There would potentially be 5 schools (3 primary, 2 high) subject to a clawback on 2022-23 balances, using the 3 year review period, only one of whom experienced a clawback last year. **Appendix 4** sets out an illustration of the provisional clawback values for 2022-23.

School Forum members are asked to consider:

- Option 1 - Apply a clawback mechanism agreeing that the resultant clawback fund can be used to support high needs pressures and other potential pressures related to future school organisation changes. Use the same BCM as the previous year, considering only those schools who have increased excessive balances over a 3-year period (2 consecutive years, 2020-21 to 2022-23) resulting in up to £0.316 clawback. This is the option the Local Authority recommended that Forum agree.
- Option 2 - No clawback of excess balances

Currently the figures in the clawback illustration are based on total outturn balances, and have not yet been adjusted for spend under the accrual limit or ring fenced grants. If the BCM is applied, Schools Accountancy will be required to undertake the following tasks prior to processing of the clawback:

- Review the School Balance Forms.
- Ensure projects on the form if capital in nature are using the school's devolved capital balances before applying the revenue balance.
- Ensure schools earmarked revenue contributions to capital schemes led on by the council are deducted from balances subject to clawback, and these contributions are held in a central reserve.
- Ensure the spend under the accrual limit is taken into account and ones with committed orders have been spent.

This may reduce the value of any clawbacks and may mean that some of the schools listed in Appendix 4 are subsequently not subject to clawback or there is agreement to hold the amount clawed back for contributions to capital schemes.

Currently the Balance Control Mechanism uses a three year review period and therefore schools with significant excess balances that had reduced over one or both of the past two financial years would not currently be considered for clawback. Forum members agreed at the May 2023 meeting that they would like officers to include alternative approaches to the mechanism in the Autumn 2023 school funding consultation. If schools were minded to make any changes to the Balance Control Mechanism methodology, Forum would need agree these at the April 2024 Forum meeting as part of agreeing the 2024-25 Scheme for Financing Schools.

3.4 National Funding Formula (NFF)

The government published their [response](#) to the 'Implementing the direct national funding formula' consultation in April 2023.

The consultation included proposals on reforms of two elements of funding, which will be implemented in advance of the full introduction of the direct NFF – split sites and growth and falling rolls funding. The consultation response confirms that changes to both factors will go ahead for 2024-25.

- **Introduce a national split sites factor.** The NFF will determine funding for schools with split sites using a basic eligibility element and a distance eligibility element. The exact design of the formula will be confirmed in July 2023.
- **Place further requirements on how local authorities can operate their growth and falling rolls funding.** The government will introduce a set of minimum standards for the allocation of growth funding by local authorities to improve consistency and predictability. They will also revise the NFF's current growth allocation methodology to allocate funding to local authorities on the basis of both growth and falling rolls and will work with stakeholders over the coming months to refine the standard criteria that will be used to fund schools with significant increases in pupil numbers or falling rolls from 2024-25.

The consultation also covered the **interaction between funding for mainstream schools and funding for high needs** and the government response confirms how two key elements of this interaction will be managed under the direct NFF

- Continued flexibility to transfer funding to high needs budgets, with a corresponding adjustment to mainstream schools' funding allocations, through an application process to the Secretary of State.
- Introduce a national approach to calculating schools' indicative SEND budgets and consult further on the design and operation of this approach, including aligning with the reforms in the Government's SEND and Alternative Provision Improvement Plan. This will replace the notional SEN budgets that local authorities currently calculate within their local formula.

3.5 Dedicated Schools Grant (DSG) funding decisions to be made for 2024-25

The Local Authority will formally consult schools in Autumn 2023 on funding arrangements for the following financial year across all blocks of the DSG. The Forum is asked to note the update on the implementation the National Funding Formula and consider some key decisions in relation to the local formula for 2024-25 set out below.

Schools Block Funding Formula Factors

Ealing's funding continued to substantially mirror the the NFF in 2023-24, with some minor adjustments to the AWPU rates (-0.25%) and the FSM6 and prior attainment factors (the maximum allowable -2.5%) for affordability.

Premises

Existing arrangements for the PFI premises factor are likely to remain in place for 2024-25 based on historic commitments plus inflation. Split sites funding will change to being allocated nationally on the basis of a formula factor made up of a 'basic eligibility' element and a 'distance eligibility' element from 2024-25.

Growth and Falling Roll Funding

In 2019-20, pupil growth moved to a formulaic basis. Ealing saw a reduction in funding from £3.7m to £1.8m over 3 years to national formula funding levels based on current population data. The growth fund remained at £1.8m in 2023-24. In 2024-25, the government have confirmed they will revise the current growth allocation methodology to allocate funding on the basis of both growth and falling rolls and will expand the use of both growth and falling roll funding to allow local authorities to fund the revenue costs associated with repurposing or reducing school places (for example to create SEND Units or additionally resourced provision). They will also introduce minimum requirements for how much growth funding should be provided in circumstances where a school has agreed with the Local Authority to host an additional class to meet basic need. The Local Authority will consult schools on actions to meet any shortfall in funding, these may include retaining current growth fund rules or reducing allocations (where they are above the minimum requirement), so they are met within the funding available.

Minimum Funding Guarantee (MFG)

All Ealing schools received protection to their per pupil funding through a 0% MFG in 2023-24. This was the minimum allowable. Schools and the Forum will be asked to consider the level of minimum funding guarantee for 2024-25. The Local Authority will consult schools on these arrangements in the autumn term.

The table below sets out some of the key activities that will need to be undertaken.

Table 1: Indicative DfE and ESFA updates and Local Authority actions for the DSG 2024-25

SCHOOL FUNDING FORMULA	
DfE and ESFA:	
Unit values for formula factors confirmed, and operational guidance	July and throughout Autumn
Confirmation of indicative grant value	December
Local Authority actions:	
Consult Schools on Funding arrangements	September to October
Model the impact of applying the national funding formula (and any updates to that formula).	October
Schools Forum early decisions (where possible) 2024-25	November
Schools Forum and LA final decision making for 2024-25	January

Schools and Central Services Blocks

In addition to the schools funding formula consultation, the Forum is required to vote and approve a range of de-delegated and central budgets line by line at its meeting in either November 2023 or January 2024. To assist in their planning the Local Authority are seeking feedback on whether the Forum is minded to continue to fund these service budgets (**Appendix 5**):

- Education Functions
- De-Delegation
- Central Schools Block and Retained Duties

Historic Commitments

At the November meeting it was reported that the historic commitments grant allocation would reduce by a further 20% in 2023-24 from £0.599m to £0.479m, a reduction of £0.12m. A similar 20% decrease in funding in 2024-25 would reduce this to £0.383m. Existing 2023-24 budgets are set out below.

Table 2: Historical Commitment Budget 2023-24:

Historical Commitments 2023-24	£m
Contribution to Supportive Action for Families in Ealing (SAFE)	0.175
Parenting Service	0.059
Contribution to LAC Teaching Service	0.029
Transfer to High Needs	0.216
Total	0.479

3.6 Early Years Block

The national Early Years Funding Formula was introduced in April 2017. The funding arrangements for 2023-24 guiding the structure of the formula remain unchanged. The maximum a Local Authority will be able to retain for central spend remains at 5%.

Ealing increased its local funding rate from £4.63 to £4.73 for all providers of 3–4-year-old provision in 2023-24. Ealing has also seen an increase in April 2023 to its 2-year-old funding entitlement from £6.29 per hour to £6.92 which has been passed onto providers in full.

In addition to this there have been increases to the Disability Access Funding (DAF) for children in receipt of living allowance, £828 being rewarded to the setting per year to support children's needs, and an increase to Early Years Pupil Premium to £353 per year, which are both passed onto providers in full.

Early summer headcounts are seeing small increases of 7.6% to headcount from the Spring term, which is expected, this is an increase compared to this point last year where the increase was at 5%. The Local Authority will continue to monitor over the remaining term and into the Autumn term.

A contingency for 2023-24 has been retained at £0.773m, to ensure adequate funding is in place to cope with any in year headcount changes. Following the constant challenges of lockdowns and difficulties Covid-19 have presented over recent years there continues to be larger than usual changes in headcount.

Local Authority data collections have continued to reflect a narrowing in gap of where provision is being accessed with latest collections showing take up at 53% at state funded nursery schools and classes and 47% now taking up provision in private voluntary and independent provision. Take up of the 30-hour offer has continued to grow, data reflects 64% of this being taken up in PVI settings and 36% in state funded nursery schools and classes.

Updates to the early years funding allocations from the DfE will be published late in the summer term. The Local Authority are expecting further updates to funding allocations based on the new childcare reforms announced during the Chancellor Spring budget. Forum will be updated as this occurs.

3.7 High needs Block

The overall deficit in the high needs block after 2022-23 is £0.570m. Deficits in the DSG are carried forward to the following financial year and the Local Authority is responsible for working with schools and other stakeholders to manage spending and reduce the deficit. The Local Authority will provide an update to Forum on the forecast high needs block overspend for 2023-24 in November.

At the May 2023 meeting, the Local Authority provided Forum with information about current and projected demand for SEND provision. The high needs block is largely passed through to providers. As reported to the Forum in April, the DfE has partly recognised this pressure by providing an additional £6.7m grant in 2023-24, including additional pressures funding of £3.2m. Indications are that future growth in funding will be below the levels seen in recent times, with the DfE advising authorities in the safety valve programme to use an assumption of a 3% for future years, although actual funding for all LAs will be decided as part of the usual annual process of setting allocations.

The Local Authority recommends the Forum note the forecasted growth in demand and the work the Local Authority is doing to ensure sufficiency of places (as outlined in the May report) and the deficit on the High Needs Block and provide feedback on whether Forum is minded to continue the existing 0.5% transfer (£1.46m in 2023-24) from the school's block to the High Needs Block in 2024-25 should this continue to be allowable under the funding arrangements.

3.8 DSG Reserves 2022-23

Table 4

DSG Reserves 2022-23	Opening £m	In year over / under spend	Use of Reserves £m	Closing £m
High Need Block	1.147	(0.577)	0.000	0.570
Early Years Block	(0.563)	(1.031)	0.000	(1.594)
Schools Block	(1.365)	0.031	1.013	(0.321)
Total Overall DSG Reserve (+ deficit / - surplus) as at 31 March 2023	(0.781)	(1.577)	1.013	(1.345)

The high needs deficit has been reduced by £0.577m in 2022-23 from £1.147m to £0.570m. This position includes the £2.66m additional government high needs funding and 0.5% (£1.46m) transfer from the schools block to the high needs block, it does not account for a small number of on ongoing funding negotiations with state funded specialist providers.

High needs deficits are to be recovered (repaid) over a planned period in line with a recovery plan, building on the work of the All Age Disability Programme. This will continue to require the close attention of the Local Authority and Schools Forum.

The surplus on the Schools Block of £0.321m is largely related to historic growth fund and unused contingencies. As reported and agreed by the Forum in July 2022 to be applied to commitments against high needs, growth fund and other pressures related to future school organisation changes. The reserve has been used for the growth fund and school organisation changes, it was not necessary to apply to high needs. The balance includes an amount (£0.023m) clawed back from maintained schools through the implementation of the Balance Control Mechanism. Forum agreed in July 2022 that this would be used to support high needs pressures and other potential pressures related to future school organisation changes.

While the growth fund historically has had some headroom, in 2022-23 and forecasted 2023-24 and 2024-25 commitments are greater than the level of grant funding available. This is the result of both the reduction in grant funding and a high number of in year applications across all high school year groups, as well as increases in levels of demand in Ealing and Acton at primary. The Local Authority has a statutory duty to offer a school place within 4 weeks and a number of schools have delivered, or been approached to deliver, bulge classes to meet basic need.

Underspends on the Early Years Block of £1.594m includes £0.563m committed to by schools forum in 2021-22 to reduce the cumulative high needs deficit starting at £0.570m in 2023-24, and includes the anticipated clawback following the most recent headcount and flow from unused contingencies following uncertainty over grant allocations due to the ESFAs approach to retrospectively adjusting Local Authority grants based on census information and fluctuations in numbers. The reserve also The early years funding formula for 2024-25 will be reviewed and consulted on in the Autumn 2023.

Both underspends have been carried over to the 2023-24 financial year.

The Forum is asked to consider and agree the Local Authority recommendation to retain DSG reserve underspends in the Early Years and Schools Blocks for overspend pressures in the High Needs (HN) Block, commitments against the growth fund across primary and high schools, and other pressures related to future school organisation changes.

4. Financial

In 2022-23 the DSG underspent by £0.564m (before use of reserves), the table below outlines the variances in outturn by DSG block

Table 5: 2022-23 DSG Outturn

DSG	DSG Allocation £m	Outturn £m	Variance to Budget £m
Schools Block	189.283	190.327	1.044
CSS Block	2.565	2.565	-
Early Years Block	26.964	25.933	(1.031)
High Needs Block	72.030	71.453	(0.577)
Total Underspend 2022-23	290.842	290.280	(0.564)
Use of Reserves			(0.781)
DSG balance after reserves			(1.345)
Accruals Adjustment			0.000
DSG balance after reserves and accruals adjustment			(1.345)

Should the Local Authority have an overall deficit on its DSG account at the end of the 2023 to 2024 financial year, or a DSG surplus that has substantially reduced during the year, they will be required to co-operate with the Department for Education (DfE). In particular, the Local Authority would need to:

1. Provide information as and when requested by the department about its plans for managing its DSG account in the 2024 to 2025 financial year and subsequently.
2. Provide information as and when requested by the department about pressures and potential savings on its high needs budget.
3. Meet with officials of the department as and when they request to discuss the Local Authority's plans and financial situation.

4. Keep the schools Forum regularly updated about the Local Authority's DSG account and plans for handling it, including high needs pressures and potential savings.

The Secretary of State reserves the right to impose more specific conditions of grant on individual local authorities that have an overall deficit on their DSG account, where he/she believes that they are not taking sufficient action to address the situation.

5. Legal

The Education Act 2002 is the principal statute for school funding. Regulations setting out the arrangements for school funding are made under s. 14 of that Act. The School Standards and Framework Act 1998, s 47A, requires the Council to set up a Schools Forum body representing the governing bodies and head teachers of schools maintained by the authority.

The Schools Forum Regulations 2012, SI 2012/2261, School and Early Years Finance (England) Regulations 2021, SI 2021/59 and the School and Early Years Finance (England) Regulations 2022, SI 2022/27 set out the matters on which the Council must consult the Schools Forum or seek the approval of the Schools Forum or the approval of the Secretary of State.

Under the School and Early Years Finance (England) Regulations 2015 the Council is required to consult the Schools Forum, its maintained schools and early years providers (where affected) on its proposed formulae for determining budget shares for the forthcoming year.

Consultative Role

- i. To respond to consultation by the Local Authority on changes to the formula for determination of school budget shares. (Only school members, academy members and members representing early years, private, voluntary and independent providers can vote on this.),
- ii. On the terms of any proposed contract for supplies or services paid out of the authority's schools budget where the estimated value of the proposed contract is more than the relevant threshold at least one month prior to invitations to tender,
- iii. in respect of the authority's functions relating to the schools budget in connection with arrangements for the education of pupils with special educational needs, arrangements for the use of pupil referral units and the education of children otherwise than at school, arrangements for early years provision and administrative arrangements for the allocation of central government grants paid to schools via the authority (Consultation must be at least annually),
- iv. Any other matters concerning the funding of schools as the authority sees fit.

The Forum has the responsibility of informing the governing bodies of all schools maintained by the authority of the results of consultations carried out by the authority

Decision making role

The areas on which the Forum makes decisions on Local Authority proposals are set out by the Education and Skills Funding Agency. In each of these cases, the Local Authority can appeal to the Secretary of State if the Schools Forum rejects its proposal.

A Local Authority may also apply to the Secretary of State for authorisation to make a number of alternative arrangements including to deduct from its schools budget any expenditure falling outside the classes of expenditure set out in Schedule 2 of the 2021 Regulations, to alter the threshold below which schools will be expected to meet the additional costs of pupils with SEN from its budget share, to increase the amount deducted for Central Services beyond what was agreed in the previous funding period and to make variations to the minimum funding guarantee.

Voting requirements

All members are entitled to vote on all matters put to a vote with the exceptions set out above, i.e. consultation on changes to the Formula and de-delegation of services

Publications

In July 2022 the Education and Skills Funding Agency published 'Schools revenue funding 2023 to 2024: [Operational guide](#)'.

In March 2021 the Education and Skills Funding Agency published the updated '[Schools Forum operational and good practice guide](#)'.

Implications of the Equality Act 2010

Under s85 of the Act the responsible body (and this means for maintained schools the Local Authority and the Governing Body) must not discriminate against a pupil because of a 'protected characteristic':

- a) in the way it provides education for the pupil
- b) in the way it affords the pupil access to a benefit, facility or service
- c) by not providing education for the pupil
- d) by not affording the pupil access to a benefit, facility or service
- e) by excluding the pupil from the school
- f) by subjecting the pupil to any other detriment

The protected characteristics for the schools provisions are disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

As public bodies schools and local authorities also have separate duties under S149 the Equality Act 2010. In summary, those subject to the S149 must, in the exercise of their functions, have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Compliance with the duties in this section may involve treating some persons more favourably than others.

6. Value For Money

This report is concerned with allocating funding between schools.

7. Sustainability Impact Appraisal

None required.

8. Risk Management

This report provides information for schools about the direction of travel in the medium term on budgets and should help them consider the longer-term implications of the changes. In the short term, the MFG will moderate the impact of any changes in funding for individual schools.

9. Community Safety

None.

10. Links to the 3 Key Priorities for the Borough

The decisions are linked to the 'Fighting inequality priority.

11. Equalities, Human Rights and Community Cohesion

An equalities assessment will be undertaken in the autumn following consultation on the schools funding formula.

12. Staffing/Workforce and Accommodation implications:

None.

13. Property and Assets

None.

14. Any other implications:

None.

15. Consultation

The Forum, individual schools and others have been consulted on funding arrangements, and will be consulted in Autumn 2023 for the financial year 2024-25.

16. Timetable for Implementation

Use of Reserves: June 2023 for 2023-24 financial year. Schools funding agreements and decision-making: January 2024 for 2024-25 financial year

17. Appendices

Appendix 1: Schools Forum update from Assistant Director Audit and Investigation

Appendix 2: Extract from Scheme for Financing Schools 2023-24 – Surplus Balances

Appendix 3: Outturn Balances for Ealing Schools (Excl Academies) 2022-23 (provisional)

Appendix 4: Illustration of excessive balances clawback on 2022-23 balances (provisional)

Appendix 5: Centrally Retained and de-delegated budgets 2023-24

18. Background Information

School Forum Report May 2023

Education and Skills Funding, Schools Forum Operational and good practice guide

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/971710/Schools Forum operational and good practice guide amended March 2021.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/971710/Schools_Forum_operational_and_good_practice_guide_amended_March_2021.pdf)

Consultation (Mandatory)

Name of consultee	Post held	Date sent to consultee	Date response received	Comments appear in paragraph:
Internal				
Cllr Kamaljit Nagpal	Cabinet Member for A Fairer Start	26.05.23		
Robert South	Strategic Director Childrens Services	26.05.23		
Julie Lewis	Director Learning Standards and Schools Partnerships	26.05.23		
Tamara Quinn	AD Planning, Resources and Service Development	26.05.23	26.05.23	Throughout
Madhu Bhachu	Acting AD ESCAN, SEND and Inclusion	26.05.23	01.06.23	3.7
Angie Dennison	Acting AD Early Help and Prevention	26.05.23	31.05.23	3.6
Kathleen Ennis	Principal Lawyer (Housing and Social Care)	26.05.23	12.06.23	Throught
Russell Dyer	AD Accountancy	26.05.23	12.06.23	3.8, 4
Mark Nelson	Schools HR	26.05.23		

Report History

Decision type:	Urgency item?
Report no.:	Kim Price, Planning and Resources Strategic Lead
	kprice@ealing.gov.uk 020 8825 8698

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Schools Forum

21st June 2023

Mike Pinder (pinderm@ealing.gov.uk)

Assistant Director Audit and Investigation

Ealing and Hounslow Audit and Investigation Shared Service

Me:

- Assistant Director Audit and Investigation (Shared Service with Hounslow)
- Since last year, appointed as a Trustee for a Multi-Academy Trust. Serving on their Audit Committee.
 - Hit home that I have responsibilities and how do I get assurances.

Schools Audits

- What are we finding
- Fraud risks and prevention

What we have found in 2023

School	Assurance	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	
1	Reasonable																															
2	Reasonable																															
3	Reasonable																															
4	Substantial																															
5	Reasonable																															
6	Reasonable																															
7	Substantial																															
8	Limited																															
9	Reasonable																															
10	Nil																															
11	Reasonable																															
12	Substantial																															
13	Reasonable																															
14	Reasonable																															
15	Reasonable																															
16	Reasonable																															
17	Limited																															
18	Limited																															
19	Reasonable																															
20	Nil																															
		9	5	8	16	4	2	14	12	3	2	1	2	0	2	2	0	9	10	0	6	2	2	2	1	0	3	20	1	2	4	

Most regular items are:

Register of business interests and avoiding conflicts?

Is the financial strategy aligned with the schools strategy?

Are there adequate arrangements in place to guard against fraud and theft?

Extract from Financial Regulations

- **Gifts and Hospitality**

- 1. Official or Unofficial Funds must not be used for buying gifts for School Staff or other people who may assist the School in a voluntary capacity.
- 2. Official or Unofficial Funds should not be used for providing hospitality or meals for staff. All staff in school must provide their own refreshments and Official or Unofficial Funds must not be used to pay for personal consumption. The only exemption to this is where a member of staff is undertaking lunch time supervision duties.
- 3. A pool of refreshments such as tea, coffee, milk and sugar for consumption by visitors to the School is permitted (if agreed by governors and is included in the school's finance policy) and the purchase of these items can be made through the School Budget. Schools are advised to set up a cost centre for 'Hospitality' so that there is a clear audit trail for expenditure of this type.
- 4. If meetings with visitors to the School extend through the lunchtime period, it is usually acceptable to provide sandwiches or a finger buffet and non-alcoholic drinks, all of which may be purchased through the School Budget.
- 5. There may be occasions when more than light refreshments are required to entertain Visitors. Expenditure of this nature should be agreed, in advance, with the Governing Board (GB) and setting out the reasons for granting approval.
- 6. Under no circumstances should alcohol be purchased using Official or Unofficial funds.

Trend:
Increased
number of
issues
around
hospitality

Fraud Risks

Report it to fraud@ealing.gov.uk

<https://www.egfl.org.uk/finance-and-data/funding-and-finance/schools-financial-procedures/fraud>

Examples

A screenshot of a BBC News article. The URL in the browser is <https://www.bbc.co.uk/news/uk-england-surrey-65137533>. The page has a red header with the word "NEWS" in white. Below the header is a navigation menu with links for Home, Cost of Living, War in Ukraine, Climate, UK, World, Business, Politics, Culture, and Tech. The main headline reads "Surrey woman jailed for stealing nearly £500k from school". Below the headline is a sub-headline "© 31 March" and a small red icon. A photograph of a woman with short brown hair and glasses is shown. Below the photo is a caption: "SURREY POLICE | Debra Poole was a school business manager at Hinckley Wood Primary School in Esher". The author is listed as "By Christian Fuller" and "BBC News". A short summary at the bottom reads: "A woman who stole almost £500,000 from the primary school where she".

A screenshot of a news article. The headline is "School bursar Susan Ashworth who stole £100,000 to fund holidays, mortgage and sons education". Below the headline is the date "31st July 2018" and two category tags: "EAST LANCASHIRE" and "CRIME". A photograph of a woman with blonde hair is shown. Below the photo is a caption: "Susan Ashworth has been jailed".

Fraud Risks – Management and Oversight

Debra Poole

- Claimed 30 hours per week at the breakfast and afterschool club
- Abused her position as signatory of the club's bank accounts
- Submitted a variation in pay form to the Council in 2009; and 2 years later.

Susan Ashworth

- Cheques paid to herself
- Duped others in to signing

Prevention

Segregation of duties – don't leave it to the head or bursar.

Authorisation – are you checking what you are 'signing'/authorising?

Checks on payroll, particular for admin staff who can amend.

Checks on payroll - overtime was it worked, is it high?

Invoices – do they look real? Google (other search engines) is your friend.

Bank mandate (who can access, authorise etc).

Schools central record (SCR) are people being paid on there?

Was it done? E.g. Purchasing works – was it done?

Head Teachers

ARE YOU CHECKING

DO YOU REVIEW WHAT YOU ARE SIGNING

DO YOU REVIEW RECONCILIATIONS

DO YOU REVIEW PAYROLL ESPECIALLY FOR SUPPORT STAFF WHO MAY HAVE ACCESS TO CHANGE THINGS.

DO YOU ENSURE PURCHASE ORDERS ARE RAISED

Governors

Do you discuss controls and the SFVS return with the Head?

Do you see the finance staff along with figures?

Does the HT have a credit card do you sign it off?

Unofficial funds – are they monitored, audited?

Other Reference Points

Gifts and Hospitality

<https://www.egfl.org.uk/finance-and-data/funding-and-finance/schools-financial-procedures/gifts-and-hospitality>

Scheme for financing schools

<https://www.egfl.org.uk/finance-and-data/funding-and-finance/scheme-financing-schools>

Schools financial procedures

<https://www.egfl.org.uk/finance-and-data/funding-and-finance/schools-financial-procedures>

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Appendix 2 - Extract from the Ealing Scheme for Financing Schools 2023-24 (for application to 2022-23 – cumulative Surplus Balances)

6 THE TREATMENT OF SURPLUS AND DEFICIT BALANCES ARISING IN RELATION TO BUDGET SHARES

6.1 Right to carry forward surplus balances

Subject to section 6.2 of this scheme, a school shall carry forward from one financial year to the next any cumulative deficit or surplus balance from the previous year.

The amount of a surplus or deficit balance will be shown in the relevant out-turn statement published in accordance with directions given by the Secretary of State under s.251 of the Apprenticeships, Skills, Children and Learning Act 2009

Good practice

Schools should be aware that it is good financial management to maintain reserves up to the region of 5% (for secondary schools) - 8% (for nursery, primary and special schools) of the school's budget share.

6.2 Control on surplus balances

A Balance Control Mechanism (BCM) allows an authority to clawback excess surplus balances.

The mechanism is focused on only those schools which have built up significant excessive uncommitted balances or a redistribution of the balance would support improved provision within Ealing schools.

- a) The Authority shall calculate by 31 May each year the surplus balance, if any, held by each school as at the preceding 31 March. For this purpose the balance will be the recurrent balance as defined in the Consistent Financial Reporting Framework, including creditor and debtor provisions.
- b) If the result of step a is a sum is the greater of 5% for secondary schools, 8% for primary and special schools and nurseries, of the maintained schools original budget submitted to the LA. then the authority shall apply the clawback mechanism set out in section 6.2.d and deduct resulting amount from the current year's budget as appropriate. The LA will seek agreement to implement the BCM from Schools Forum following the confirmation of maintained school balances for the year.
- c) At year end every school with balances over 5% for secondary schools, 8% for primary will need to complete a School Balances form. Should Schools Forum agree to implement the BCM the LA will Review the School Balance Forms ensuring:
 - Projects on the form if capital in nature are using the school's devolved capital balances before applying the revenue balance
 - Schools earmarked revenue contributions to capital schemes lead on by the council are deducted from balances subject to clawback, and these contributions are held in a central reserve
 - Spend under the accrual limit and accruals with committed orders have been spent.
- d) Schools with an increasing excessive surplus for 2 consecutive years will be considered for clawback at the following incremental levels:

Nursery, Primary and Special Schools:

- 5% on surpluses between 9% to 12%
- 10% on surpluses between 12% to 20%
- 15% on surpluses more than 20%

Secondary Schools:

- 5% on surpluses between 6% to 9%
- 10% on surpluses between 9% to 17%
- 15% on surpluses of more than 17%

For example, if a Primary school has a balance of 30%, the amount between 9% and 12% attracts a 5% clawback, between 12% and 20% a 10% clawback, and the amount above 20% a 15% clawback.

Appendix 3 - Outturn Balances for Ealing Schools (Excl Academies) 2022-23 (provisional)

School	BUDGET ISB + School Budget I01-I05 & I18 (£)	2022-23 Outturn Balance (Surplus)/ Deficit (£)	Balance as a % of budget	School Balance Mechanism (BML) Limit %	Above BML (Yes/No)	% above BML	Above BML (£)	2021-22 CFR Outturn Balance B/F (£)	(Increase)/Decr ease Balance years (£)
GREENFIELDS CHILDREN'S CTR	1,382,702	-7,774	0.56%	8%	No			-35,674	27,900
GROVE HOUSE CHILDREN'S CTR	989,169	24,550	-2.48%	8%	No			-53,419	77,969
SOUTH ACTON CHILDREN'S CTR	1,886,050	-242,723	12.87%	8%	Yes	4.9%	(91,839)	-178,165	-64,558
MAPLES CHILDREN'S CTR	722,811	128,140	-17.73%	8%	No			21,060	107,080
Total NURSERY	4,980,731	-97,807					-91,839	-246,198	148,391
ALLENBY PRIMARY	1,989,331	-167,060	8.40%	8%	Yes	0.4%	(7,914)	-174,787	7,727
BEACONSFIELD P	2,972,683	-334,821	11.26%	8%	Yes	3.3%	(97,006)	-422,832	88,011
ACTON GARDENS	1,210,532	214,132	-17.69%	8%	No			-12,708	226,840
BLAIR PEACH P	2,454,826	-105,107	4.28%	8%	No			-125,398	20,291
CLIFTON P	2,872,715	-322,499	11.23%	8%	Yes	3.2%	(92,682)	-474,574	152,075
COSTONS P	3,116,276	-314,467	10.09%	8%	Yes	2.1%	(65,165)	-268,728	-45,739
DAIRY MEADOW P	2,585,967	-215,273	8.32%	8%	Yes	0.3%	(8,396)	-244,649	29,376
DERWENTWATER P	2,618,736	-660,463	25.22%	8%	Yes	17.2%	(450,964)	-585,256	-75,207
DOWNE MANOR P	2,384,712	135,454	-5.68%	8%	No			-54,509	189,963
DRAYTON P	2,580,657	134,544	-5.21%	8%	No			-607,796	742,340
DURDAN'S PARK P	2,330,269	-17,017	0.73%	8%	No			-13,976	-3,041
EAST ACTON P	1,464,182	-180,527	12.33%	8%	Yes	4.3%	(63,392)	-40,160	-140,367
EDWARD BETHAM P	2,363,113	-74,056	3.13%	8%	No			-80,358	6,302
FEATHERSTONE P	4,144,025	-369,988	8.93%	8%	Yes	0.9%	(38,466)	-443,917	73,929
FIELDING P	6,036,761	-61,433	1.02%	8%	No			-327,689	266,256
GIFFORD P	5,918,773	-213,937	3.61%	8%	No			-310,166	96,229
GRANGE P	4,502,901	-400,170	8.89%	8%	Yes	0.9%	(39,938)	-276,660	-123,510
GREENWOOD P	3,326,206	-276,581	8.32%	8%	Yes	0.3%	(10,485)	-287,526	10,945
HAMBROUGH P	2,681,490	-276,853	10.32%	8%	Yes	2.3%	(62,334)	-187,124	-89,729
HAVELOCK P	2,992,232	-240,079	8.02%	8%	Yes	0.0%	(700)	-201,415	-38,664
HOBBAVNE P	2,587,663	218,613	-8.45%	8%	No			182,471	36,142
HORSENDEN P	4,454,587	-162,576	3.65%	8%	No			-275,164	112,588
JOHN PERRY P	2,535,407	-527,927	20.82%	8%	Yes	12.8%	(325,094)	-321,327	-206,600
LADY MARGARET P	3,497,477	-169,666	4.85%	8%	No			-110,786	-58,880
LITTLE EALING P	3,701,460	-264,250	7.14%	8%	No			-256,825	-7,425
MAYFIELD P	2,576,424	-263,418	10.22%	8%	Yes	2.2%	(57,304)	-325,796	62,378
MONTPELIER P	3,561,756	-146,635	4.12%	8%	No			-272,860	126,225
MOUNT CARMEL P	2,188,269	-24,069	1.10%	8%	No			-52,981	28,913
NORTH EALING P	3,641,472	-4,289	0.12%	8%	No			-69,450	65,161
NORTH P	2,457,771	-160,893	6.55%	8%	No			-112,988	-47,905
PETTS HILL P	1,631,121	-274,513	16.83%	8%	Yes	8.8%	(144,023)	-250,292	-24,221
OAKLANDS P	2,771,322	-163,949	5.92%	8%	No			-236,708	72,759
OLDFIELDS P	2,172,615	-11,769	0.54%	8%	No			-27,852	16,083
VISITATION P	2,551,804	-380,067	14.89%	8%	Yes	6.9%	(175,923)	-278,535	-101,532
PERIVALE P	2,824,448	36,987	-1.31%	8%	No			-278,212	315,199
RAVENOR P	3,949,556	-301,220	7.63%	8%	No			-364,831	63,611
SELBORNE P	4,101,592	-352,036	8.58%	8%	Yes	0.6%	(23,909)	-405,690	53,654
SOUTHFIELD P	2,023,561	174,029	-8.60%	8%	No			61,802	112,227
ST ANSELM'S P	1,379,425	-123,949	8.99%	8%	Yes	1.0%	(13,595)	-165,268	41,319
ST GREGORY'S P	2,150,031	-224,711	10.45%	8%	Yes	2.5%	(52,709)	-243,028	18,317
ST JOHN FISHER	2,202,932	-62,155	2.82%	8%	No			-173,991	111,836
ST JOHN'S P	3,255,678	-6,160	0.19%	8%	No			-492,175	486,015
ST JOSEPH'S P	3,308,493	-66,028	2.00%	8%	No			-79,315	13,287
ST MARK'S P	2,827,502	-77,912	2.76%	8%	No			-144,349	66,437
ST RAPHAEL'S P	2,865,302	-560,157	19.55%	8%	Yes	11.5%	(330,933)	-490,399	-69,758
ST VINCENT'S P	2,957,153	-222,247	7.52%	8%	No			-257,082	34,835
STANHOPE P	2,206,591	-248,147	11.25%	8%	Yes	3.2%	(71,620)	-198,429	-49,718
THREE BRIDGES P	2,776,701	-102,766	3.70%	8%	No			-78,801	-23,965
TUDOR P	2,522,639	-428,491	16.99%	8%	Yes	9.0%	(226,680)	-494,521	66,030
VICARS GREEN P	2,450,400	-410,511	16.75%	8%	Yes	8.8%	(214,479)	-614,205	203,694
VIKING P	1,486,713	-125,723	8.46%	8%	Yes	0.5%	(6,786)	-168,089	42,366
WEST ACTON P	4,346,156	-407,053	9.37%	8%	Yes	1.4%	(59,361)	-480,461	73,408
WEST TWYFORD P	2,920,752	-28,714	0.98%	8%	No			-104,188	75,474
WILLOW TREE P	3,727,499	-79,841	2.14%	8%	No			-126,630	46,789
WOLF FIELDS P	1,737,850	-83,291	4.79%	8%	No			-56,533	-26,758
KHALSA P	2,499,303	-797	0.03%	8%	No			-70,209	69,412
CHRIST THE SAVIOUR P	5,279,218	-22,756	0.43%	8%	No			-22,379	-377
THE HOLY FAMILY CATHOLIC P	2,535,495	-137,304	5.42%	8%	No			-213,534	76,230
Total PRIMARY	169,210,525	-9,942,562					-2,639,856	-13,209,837	3,267,275
CARDINAL WISEMAN HIGH	13,406,517	-622,936	4.65%	5%	No			-1,212,699	589,763
ELTHORNE HIGH	11,442,221	-669,653	5.85%	5%	Yes	0.9%	(97,542)	-671,858	2,205
Total HIGH	24,848,738	-1,292,589					-97,542	-1,884,557	591,968
BELVUE SPECIAL	5,596,366	-429,045	7.67%	8%	No			-505,502	76,457
CASTLEBAR SPECIAL	4,769,055	-305,282	6.40%	8%	No			-414,252	108,970

School	BUDGET ISB + School Budget I01-I05 & I18 (£)	2022-23 Outturn Balance (Surplus)/ Deficit (£)	Balance as a % of budget	School Balance Mechanism (BML) Limit %	Above BML (Yes/No)	% above BML	Above BML (£)	2021-22 CFR Outturn Balance B/F (£)	(Increase)/Decr ease between years (£)
JOHN CHILTON SPECIAL.	4,005,458	-206,279	5.15%	8%	No			-304,686	98,407
MANDEVILLE SPECIAL.	5,080,873	79,325	-1.56%	8%	No			-46,897	126,222
ST. ANN'S SPECIAL.	4,198,719	34,348	-0.82%	8%	No			58,749	-24,401
SPRINGHALLOW SPECIAL.	5,028,918	25,340	-0.50%	8%	No			-60,935	86,275
Total SPECIAL SCHOOL	28,679,389	-801,593					0	-1,273,523	471,930
GREENFORD HIGH	14,276,028	-1,058,803	7.42%	5%	Yes	2.4%	(345,002)	-366,817	-691,986
ELLEN WILKINSON HIGH	10,203,498	-25,570	0.25%	5%	No			49,488	-75,058
NORTHOLT HIGH	7,352,487	-196,650	2.67%	5%	No			276,122	-472,772
BRENTSIDE HIGH	12,414,220	-1,324,750	10.67%	5%	Yes	5.7%	(704,039)	-1,079,348	-245,402
VILLIERS HIGH	11,378,906	-3,077,799	27.05%	5%	Yes	22.0%	(2,508,854)	-2,682,773	-395,026
Total FOUNDATION SCHOOLS	55,625,139	-5,683,572					-3,557,894	-3,803,328	-1,880,244
	283,344,523	-17,818,123					-6,387,131	-20,417,443	2,599,320

Appendix 4, Illustration of Excess Balance Clawback 2022-23 (provisional)

Option 1 - Apply BCM to those schools with excessive and increasing balances over 2 consecutive years

School	School Balances 2022-23							Indicative Clawback Amounts							Previous Outturn Balances				
	BUDGET ISB + School Budget 101-105 & 118 (£)	2022-23 Outturn Balance (Surplus)/ Deficit (£)	Increase between years 21/22 and 22/23 (£)	Balance as a % of budget	Above BML (£) 5% & 8%	Above clawback level (9% & 6%)	Claw Back Free (9% P&S, 6% H)	Band A 5% on 9 to 12% P&S 6 to 9% H	Band B 10% on 12 to 20% P&S 9 to 17% H	Band C 15% on More than 20% P&S 17% H	Clawback 5% Band A	Clawback 10% Band B	Clawback 15% Band C	Clawback Total BCM 2022-23 Option 1	2021-22 CFR Outturn Balance (£)	2021-22 balance as a % of budget	2020-21 CFR Outturn Balance (£)	2020-21 balance as a % of budget	Change between Years 20/21 and 21/22
PETTS HILL P	1,631,121	-274,513	(24,221)	16.83	(144,023)	(127,712)	146,801	48,934	78,778	0	2,447	7,878	0	10,325	-250,292	15.6%	-215,931	13.7%	(34,361)
VISITATION P	2,551,804	-380,067	(101,532)	14.89	(175,923)	(150,405)	229,662	76,554	73,851	0	3,828	7,385	0	11,213	-278,535	11.8%	-265,413	10.9%	(13,122)
ST RAPHAEL'S P	2,865,302	-560,157	(69,758)	19.55	(330,933)	(302,280)	257,877	85,959	216,321	0	4,298	21,632	0	25,930	-490,399	17.1%	-444,161	14.7%	(46,238)
VILLIERS HIGH	11,378,906	-3,077,799	(395,026)	27.05	(2,508,854)	(2,395,065)	682,734	682,734	1,024,102	688,229	34,137	102,410	103,234	239,781	-2,682,773	25.0%	-1,289,712	13.0%	(1,393,061)
BRENTSIDE HIGH	12,414,220	-1,324,750	(245,402)	10.67	(704,039)	(579,897)	744,853	579,897	0	0	28,995	0	0	28,995	-1,079,348	9.5%	-1,016,471	9.4%	(62,877)
	30,841,353	-5,617,286	-835,939		-3,863,772	-3,555,358	2,061,928	1,474,078	1,393,051	688,229	73,704	139,305	103,234	316,243	-4,781,347		-3,231,689		-1,549,658

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Appendix 5 –Centrally retained and De-Delegated budgets 2023-24

Education Functions

The Forum agreed for the LA to increase the rate for Education Functions in 2023-24 to £34.93 per pupil in the November 2022 Forum meeting. This maintained the funding for functions previously covered by the Education Services Grant at £28.00 and increased the funding to deliver core school improvement functions to £6.93 following the full removal of the school improvement monitoring and brokering grant.

The table below shows the budget for Education Functions in respect of maintained schools now that pupil numbers have been finalised:

Maintained Schools		Budget 2023-24 £m	Per Pupil £
NOR Maintained Schools (Excl Academies and Free Schools)	33,934		
Statutory & Regulatory duties		0.731	21.55
Education Welfare, Inspection of Registers		0.064	1.90
Central Support Services		0.000	0.00
Asset Management		0.154	4.55
Premature Retirement & Redundancy		0.000	0.00
Monitoring National Curriculum Assessments		0.000	0.00
Core School Improvement Functions		0.235	6.93
Total Primary and High		1.185	34.93

De-Delegation of funding in respect of services to maintained schools

At its November and January meetings, the Schools Forum approved de-delegation of certain services, in accordance with the voting requirements. Maintained primary and high school representatives respectively agree to de-delegate items. The rates may vary between sectors.

The table below sets out budgets for 2023-24 now based on confirmed pupil numbers in maintained schools. Should a maintained school convert to an academy during the year there would be an adjustment to the 2023-24 Budget

De-delegated Budgets	2022-23 rates £	2023-24 rates £	Pupil Count	Budget 2023-24 £m
Contingencies (Primary and Secondary)	3.90	3.90	33,934	0.132
Trade Union Facility Time (Primary)	4.07	4.29	25,311	0.109
Trade Union Facility Time (Secondary)	2.86	3.02	8,623	0.026

Free School Meals Eligibility (Primary and Secondary)	1.95	2.07	33,934	0.070
Behaviour Support Services (primary only)	7.42	8.38	25,331	0.212

Centrally Retained Budgets

From 2018-19 all centrally retained budgets for primary and high schools were included in a separate block and now includes the former Education Services Grant for retained services in respect of all schools and academies in the borough (the below excludes Early Years central budgets).

At its November meeting the Schools Forum approved on a line by line basis centrally retained funding to the total of the central schools services block (CSSB) the DfE has allocated to the LA. The table below sets out the final grant value for 2023-24, which was an increase of £0.053m from the previous year, following an increase in Ealing's CSSB per pupil rate from £42.71 to £43.71.

Description	Grant Allocation £m	Comments
2023-24 total funding for ongoing responsibilities (Excluding historic commitments)	£2.019	