



Schools' Forum

Date: Friday, 25 September 2026
Time: 2.00 pm
Venue: Online (MS Teams)

All members and named observers of the Dorset Schools Forum are requested to attend this meeting of the Forum. A full list of the current membership and any vacancies can be found [here](#).

A full list of the Schools Forum's powers and responsibilities can be found [here](#)

For more information about this agenda please contact Tom Easterbrook, Schools Forum Officer on 10305 224567 or by email to tom.easterbrook@dorsetcouncil.gov.uk

Members of the public are welcome to attend this meeting as a silent observer by giving 5 working days' notice to the Schools Forum Officer using the information above.

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For Approval

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- To consider a report from Paul Scothern, Service Manager – Property & Capital Commissioning, Commissioning and Partnerships, People – Children Directorate
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- To consider a report from **Vanessa Eddey, Team Manager – Schools Finance & Support Team**, Commissioning and Partnerships, People – Children Directorate
For information
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SCHOOLS' FORUM

MINUTES OF MEETING HELD ON FRIDAY 3 JULY 2026

40. Attendance Record

Sector	Name	Role Establishment	and26 Sep	7 Nov	16 Jan	27 Feb	27 Mar	3 Jul
MEMBERS								
Secondary Maintained	Phil Jones (Chair)	Head Teacher - Ferndown Upper School	P	P	P		P	P
	Keith Hales (Vice Chair)	Head Teacher - Beaminster School	P	P	P		P	P
	Luana Girling	Governor - Lytchett Minster School	P	P	A		P	P
Primary Maintained	Simon Smith	Head Teacher - Parrett & Axe Primary School	A	P	P		P	A
	Andrew Johnson	Head Teacher - Conifers Primary School	P	A	P		P	A
	Barbara Southcott	Governor - Cerne Abbas First School	P	P	P		P	P
Special Maintained	Clive Padgett	Head Teacher - Yewstock School & College	A	P	P	Reserve date, meeting not required	P	P
Learning Centre Maintained	David Dinsmore	Head Teacher - Dorchester Learning Centre	P	P	A		A	A
	Alison Glazier	Head Teacher - Compass Learning Centre	-	-	-		P	P
Secondary Academy	Brian Boyes	Director of Secondary Education – Initio Learning Trust	P	A	A		A	A
	Nick Rutherford	Head Teacher - Thomas Hardy School, Wessex MAT	P	P	A		P	P
	Vacancy							
	Vacancy							
Primary Academy	Adam Gough	Head Teacher - Burton Bradstock	P	P	-		-	-

		Primary, Initio						
	Paul Lavis	Interim Director of Education - SAST	P	P	P		A	P
	Giles Pugh	Deputy Director of Education and Finance Director - Salisbury Diocesan Board of Education	P	P	P		A	P
	Debbie Shutts	Chief Financial Officer - Wessex MAT	P	P	P		A	P
Special Academy	Katherine Seymour	Head Teacher - Wyvern Academy	P	P	P		A	P
Learning Centre Academy	Kelly Knight	Head Teacher - Harbour Vale School, SAST	P	P	P		P	P
Early years	Lorraine Clark	Proprietor - Hopscotch Pre-school	P	A	P		P	P
	Dani Mark	Director - Muddy Monkeys Ltd	A	P	P		-	-
Post-16	Kate Wills	Principal - Coastland College	P	A	P		P	A
Trade Unions	Sarah Randell	NASUWT - Dorset Teachers' & Support Staff Council	P	P	-		P	P
NAMED OBSERVERS								
Maintained Learning Centres	Kieren Hasler	Governor - Forum Centre	P	P	P		A	P
Maintained Special Schools	Bruce Bonwell	Governor- Westfield Arts College	P	A	P		P	A
Local Authority	Clare Sutton	Portfolio Holder for Children's Services	P	P	A		P	P
Church Schools	Giles Pugh	Deputy Director of Education and Finance Director - Salisbury Diocesan Board of Education	P	P	P		A	P
Local Authority	Bridget Bolwell	Elected Member	-	P	-		-	-
Local Authority	Carole Jones	Formal observer to the Schools Forum (Elected Member)	-	-	-		-	P
OFFICERS IN ATTENDANCE								
Local Authority	Tom Easterbrook	Schools' Forum Officer, (Clerk)	P	P	P		P	A
Local	Vanessa Eddey	Acting Schools'	P	P	P		P	P

Authority		Forum Officer, (Clerk)						
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Key	
P	Present
A	Apologies
-	Absent without apologies
n/a	Not applicable

41. **Apologies for Absence and Vacancies**

The Chair opened the meeting and noted apologies received from David Dinsmore, Brian Boyes, Bruce Bonwell, Simon Smith and Mick Homer.

The Chair welcomed 4 new members Cllr Carole Jones, has replaced Cllr Byron Quayle as formal observer to the Schools Forum, Adam Gough, Bincombe Valley Primary (primary maintained), Mick Homer, St Mary's First School, Charminster (primary academy) and Alex Fulton, Little Birch Pre-school (Early Years).

An observer to the meeting is Cllr Jindy Atwal and Alison Glazier attending on behalf of DALCH.

In terms of vacancies, Giles is stepping down as primary academy member but will remain as the Church school's member. Furthermore, the Chair highlighted the long-standing secondary academy vacancies and asked members to assist in filling these.

The Chair thanked Andrew Johnson who will be leaving Schools' Forum at the end of this term.

No further apologies or membership updates were raised.

42. **Declarations of Interest**

There were no declarations of interest.

43. **Minutes and Actions from the Previous Meeting**

The Chair invited Forum members to comment on the accuracy of the minutes from the previous meeting. No amendments were requested, and the minutes were approved as an accurate record.

The Chair referred to the 4 outstanding items within the action log and the Clerk confirmed that these would be covered within the meeting.

One nomination had been received and seconded for Chair therefore Phil Jones will continue in his role as Chair. One nomination had been received

and seconded for Vice Chair therefore Keith Hales will continue in his role as Vice Chair.

44. Work of Schools' Forum 2026/27

The Forum noted the updated membership following recent elections and appointments.

The following members were confirmed as elected or reappointed:

- Mick Homer, Primary Academy
- Adam Gough, Primary Maintained
- Alex Fulton, Early Years
- Cllr Carole Jones, Formal Observer to the Schools Forum

New members have all attended a Schools' Forum induction session. The draft forward plan for 2026/27 was reviewed and some additional items raised. There has been a lot of activity around school-based nurseries so this will be brought to Forum in November.

The Forum asked about a date for the 90% write off via the High Needs Stability Grant. Officers updated Forum members that a local area Partnership SEND reform plan was submitted on 19th June and a decision is expected from the DFE in September about whether they approve our plan or not. However, this may not be in time for the September meeting and assurance was given that it would be brought as soon as possible to Forum.

Forum members asked for information around incentives for inclusive practice, previously presented in a detailed spreadsheet looking at the number of EHCPs in each school in Dorset. Forum members also requested information on post 16 capacity numbers and planning around this.

The proposed meeting dates and formats were also confirmed and going forward regular business meetings are scheduled to be online with the potential for 2 face to face workshops in November and March. Officers are aware that these sessions need to be meaningful and a good use of officers and Forum member's time.

45. High Needs Allocations funded by block transfer

There were two options presented for Forum to consider with the clarification that the allocations are high needs block funding in line with high needs guidance as opposed to a refund of schools' block funding or unwinding of the high needs block transfer. The aim of the additional funding is for schools to utilise it alongside the Inclusive Mainstream Fund.

It was agreed that schools understood the methodology used for the Inclusive Mainstream Fund in Option A, however officers were asked to explain Option B in more detail. The approach for option B is to distribute

based on the pupil factors in the October 2025 census; numbers of pupils in stage, free school meal children, low-priority attainment,

English as additional language, mobility and the IDACI deprivation measure. It was highlighted that this would not include any sort of exceptional circumstances or lump sum allowances.

Feedback received by Forum members from schools was that they understood that the money would be returned in the closest way that it was taken. It was noted that some schools could make considerable gain in their original funding using Option A.

In summary, Forum noted that the decision lies with officers, however that money being returned to schools was a benefit. The overall feeling was that Option B would be the most appropriate.

46. **Dedicated Schools' Grant (DSG) Outturn 2025-26**

The Forum received an update on the DSG final position for 2025-26. This continues to highlight the financial pressures facing the education system, particularly around special educational needs and disability. The overall DSG allocation was around £369 million of which there was an overspend of £54.5 million, exclusively within the high needs block. One of the reasons for that overspend, which has been well documented, is the continued rise in children and young people who require an education, health and care plan (EHCP).

Forum members observed that overall individual school balances have increased and the number of schools in deficit has gone up by one, but the amount of deficit has come down. Officers continue to work with schools with an excess surplus this year, collecting information on what plans are, with the principle of money today is for children in school today.

Forum members queried point 26, alternative provision spend and building capacity in learning centres to limit the AP spend. Officers explained a previous slide was shared showing the different pathways that we've developed with the Learning Centres and the 4th, Connect pathway is primarily designed for children that have been out of school for a long time. Officers will continue to work with Learning Centres on this.

Forum members queried the growing reserve balances for both Permanent Exclusions and Pupil Growth. Officers advised that the Pupil Growth balance includes the falling rolls fund and there will be a paper at the September forum meeting regarding this.

Action 2025/11 Lee House: Provide further detail in respect of variances in the DSG budget in the next monitoring report.

47. **SEND Reform Update**

Officers presented slides that were shown to secondary headteachers recently around SEND reform. The information included sufficiency plans around improving inclusion and capacity in mainstream schools. Data was presented to address previously raised actions and in particular the increase in Learning Centre capacity. From September, there is increased capacity in some Learning Centres.

Attention was drawn to the report in Appendix (08a) relating to Mainstream Specialist Funding in Dorset Report. £7.6 million pounds has been spent on this initiative over the past two years and the report summarises how the funding has been spent. East and Purbeck localities attribute the majority share of the spend, but this reflects the higher demand, the higher complexity of need and differences in local provision in that area.

Members asked about any capital plan to increase capacity in special schools for the most complex pupils and at what point would a family be given further options about continuing in mainstream or specialist provision. The vision is to create the understanding that there will be a choice for their child to be educated locally.

Action 2025/12: Gavin Hayman to report back

Members queried how educating more children more locally might reduce the transport budget. A working party will do a detailed piece of analysis around this.

Members asked about provision at post 16. Officers reassured members that a major strand of the SEND reform plan involves improving provision transition points, particularly secondary to post 16 and post 16 to adulthood. This involves extending the value in the SEND tool to post 16 transitions, developing something equivalent to the reception ready approach for secondary to post 16, creating more consistent information sharing between settings.

48. Funding formulae for 2027-28: Timetable for Consultation

The paper summarises the timeline for the consultation on the DSG formula for 2027-28 which is mostly dictated by the DfE deadlines and publications. Forum members were directed to a request for some feedback around how to introduce a new mainstream schools SEND working group this year. The group will initially focus on the High Needs Block and SEND Reform, incorporating a review of exceptional funding and the banding system. Members were also informed about an ongoing automation of EHCP's project with a view to purchase AI technology to support in this area. The proposed technology has very clear benefits for SEND colleagues in terms of reducing admin burden and improving consistency, allowing more time for relationship work with families and schools.

Paul Dempsey closed the meeting by giving members some further updates.

Dorset Council has funding for a SEND expert in every family hub across Dorset, which is very welcome and recruiting to those posts is happening now. More capacity has been added into the Council's SEND system and from September, there will be a specialist assessment team of officers just doing EHCP assessments.

49. **Any other business**

None

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Action Log - 3rd July 2026

Title	Meeting Date	Action	Officer
2025/07	07/11/25	Provide data on specialist-in-mainstream placements, associated costs, and sufficiency planning for review	Ellen Eager; Hannah Davis
2025/08	07/11/25	Provide detailed update on sufficiency planning and capacity projects, including timelines for new provision.	Sean Cremer; Jen Furnell
2025/09	27/03/26	Detail in respect of DSG overspend, separating specialist placements, independent placements, mainstream and specialist top-ups and AP and exceptional packages.	Lee House
2025/10	27/03/26	Detail in respect of independent specialsit placements: numbers and costs	Lee House
	03/07/26	Detail on incentives for inclusive practice, previously presented in a detailed spreadsheet looking at the number of EHCPs in each school in Dorset.	
	03/07/26	Information on post 16 capacity numbers and planning around this.	
	03/07/26	Detail on how PEX and pupil growth reserves will be utilised.	
2025/11	03/07/26	Provide further detail in respect of variances in the next DSG monitoring report.	Lee House
2025/12	03/07/26	Details of capital plans to increase capacity in special schools for the most complex pupils	Gavin Hayman

Expected Completion
Date

27/03/26

27/03/26

03/07/26

03/07/26

25/09/26

Dorset Schools' Forum

Date of Meeting:	25 September 2026
Report Title:	Updates to the Scheme for Financing Schools
Executive Director:	Paul Dempsey, Executive Director for People - Children
Corporate Director:	Jen Furnell, Corporate Director for Education and Learning
Report Author: Title: Tel: Email:	Tom Easterbrook Schools' Forum Officer Schools, Finance & Support 01305 224567 tom.easterbrook@dorsetcouncil.gov.uk
Presenting Officer:	Tom Easterbrook, Schools' Forum Officer Schools' Forum Officer Schools, Finance & Support
Report Status:	Public
Reason for Submission to Schools' Forum:	For APPROVAL Under Forum power/responsibility: 1(e) Changes to the Scheme for Financing Schools
Recommendation(s):	That the maintained members of the Schools' Forum approve the updates to the Dorset Scheme for Financing Schools.
Reason for Recommendation(s):	To ensure the Council is compliant with latest statutory guidance and that the Dorset Scheme remains in line with Government best practice.
DECLARATIONS OF INTEREST	Schools' Forum members are reminded of their responsibility to make a declaration of interest in any agenda item in which they have an interest, to the Chair or the Clerk, preferably in advance of the meeting.

1. Executive Summary

Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain, to meet the provisions of Section 48 of the School Standards and Framework Act 1998, and Schedule 14 to that Act.

When making any changes to their schemes, they must consult all maintained schools in their area and then obtain the approval of the members of their schools' forum representing maintained schools, except in the case of presentational changes and changes known as 'directed revisions' requested by the Secretary of State. There are no directed revisions in this issue.

We last updated the scheme in September 2025 following approval from Forum, since then the DfE has issued updated guidance, so we are seeking approval for an updated scheme in the light of the new guidance and internal audit recommendations.

We consulted maintained schools on three proposed changes to the scheme from 7 September 2026 – 14 September 2026. 12 out of 46 maintained schools responded.

The changes consulted on were:

- There are no new directed revisions in this issue.
- Contact details have been updated to reflect changes in officers responsible for the Scheme, and the Schools' Forum contact link has been updated.
- Section 4.1 has been updated to introduce a new requirement for schools to retain financial records, including accounting records, invoices, payroll records and supporting documentation, for a minimum of seven years and to make those records available for audit and inspection when required.
- Section 4.2 has been revised. Previous requirements mandating use of the Dorset Council chart of accounts and prohibiting internal trading codes have been replaced with broader requirements for schools to maintain financial records and reporting arrangements that comply with the Local Authority's chart of accounts, coding structure and reporting requirements.
- A new subsection, Chart of Accounts and Financial Reporting Requirements, has been added to clarify expectations for schools operating their own financial systems, including alignment with the Local Authority coding structure and the Authority's right to require changes where reporting requirements are not met.
- Annex A has been updated to reflect changes to the list of maintained schools to which the Scheme applies.

There were no objections.

2. Financial Implications

n/a

3. Climate Implications

n/a

4. Other implications

n/a

5. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: low

Residual Risk: low

6. Equalities Impact Assessment (EqIA)

n/a

7. Appendices

Appendix A: Dorset Scheme for Financing Schools (September 2026 version)

8. Background Papers

n/a

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

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Dorset Scheme for Financing Schools 2026

Consultation with Maintained Schools

Launch date	7 September 2026
Closing date	14 September 2026 at 5:00pm

Introduction

This consultation seeks the views of Dorset maintained schools on proposed amendments to the Dorset Scheme for Financing Schools.

Why are we consulting with you?

Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain, to meet the provisions of Section 48 of the School Standards and Framework Act 1998, and Schedule 14 to that Act.

When making any changes to their schemes, they must consult all maintained schools in their area and then obtain the approval of the members of their schools' forum representing maintained schools, except in the case of presentational changes and changes known as 'directed revisions' requested by the Secretary of State.

How to respond

Please complete the online consultation form by [clicking here](#). Should you need any support with completing the constellation form please use the contact details below.

Publication of results

An analysis of your responses will be published with the Schools' Forum papers on Friday 18 September 2026. This will enable Schools' Forum members to reflect upon what you have said before they meet on Friday 25 September 2026

Contacts

Consultation process queries: Tom Easterbrook

Email: tom.easterbrook@dorsetcouncil.gov.uk

Telephone: 01305 224567

Queries regarding the contents of the Scheme: Vanessa Eddey

Email: vanessa.eddey@dorsetcouncil.gov.uk

Telephone: 01305 225918

Change 1: Retention of Financial Records

A new requirement has been added requiring schools to retain financial records, invoices, payroll records and supporting documentation for at least seven years and make them available when required for audit, inspection or investigation.

Do you agree with the proposed addition regarding financial record retention?

☐ Yes ☐ No

Comments:

Change 2: Financial Reporting and Chart of Accounts

Section 4.2 has been updated to clarify financial reporting requirements and alignment with the Local Authority chart of accounts, coding structure, and reporting requirements.

Do you agree with the proposed revisions to financial reporting requirements in Section 4.2?

☐ Yes ☐ No

Comments:

Change 3: Financial Systems Used by Schools

A new section has been added setting out expectations for schools operating their own financial systems and ensuring information can be provided in the format required by the Local Authority.

Do you agree with the proposed new section covering chart of accounts and financial reporting requirements?

☐ Yes ☐ No

Comments:

Scheme for Financing Schools

September 2026

For further information contact Vanessa Eddey
vanessa.eddey@dorsetcouncil.gov.uk | 01305 225918

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1. Summary

1.1 About this document

This is the November 4 version of the Dorset Scheme for Financing Schools, (formerly known as the Scheme of Financial Management). It has been amended following guidance from the Secretary of State for Education and following consultation with all Dorset maintained schools to make the changes summarised in paragraph 1.5 below.

Local authorities are required to publish schemes for financing schools setting out the financial relationship between them and the schools they maintain, to meet the provisions of Section 48(4) of the School Standards and Framework Act 1998, and Schedule 14 paragraph 2A(2) to that Act.

When making any changes to their schemes, they are required to consult all maintained schools in their area and then obtain the approval of the members of their schools' forum representing maintained schools, except in the case of changes known as 'directed revisions' requested by the Secretary of State.

1.2 Directed revisions

The power of 'directed revision' is used by the government either to remove outdated provisions or insert new provisions to reflect latest legislation or policy. In this instance, local authorities are directed by the Department for Education to incorporate within, or remove from, their schemes specific wording and no consultation with maintained schools or approval of the Schools' Forum is necessary.

Before making a directed revision to schemes, the Secretary of State is required, by provisions in the School Standards and Framework Act 1998, to consult the relevant local authorities and other interested parties.

1.3 Expiry or review date

This scheme is reviewed annually and updated as necessary.

1.4 Contact information for Dorset Schools' Forum members

This is [available online](#) should you wish to discuss any aspects of this Scheme with a member of the Schools' Forum.

1.5 Changes from the July 2025 version of this scheme

Following guidance from the Secretary of State the changes summarised below have been made to reflect current policy positions and changes in legislation.

Summary of changes:

- There are no new directed revisions in this issue.
- Contact details have been updated to reflect changes in officers responsible for the Scheme, and the Schools' Forum contact link has been updated.
- Section 4.1 has been updated to introduce a new requirement for schools to retain financial records, including accounting records, invoices, payroll records and supporting documentation, for a minimum of seven years and to make those records available for audit and inspection when required.
- Section 4.2 has been revised. Previous requirements mandating use of the Dorset Council chart of accounts and prohibiting internal trading codes have been replaced with broader requirements for schools to maintain financial records and reporting arrangements that comply with the Local Authority's chart of accounts, coding structure and reporting requirements.
- A new subsection, Chart of Accounts and Financial Reporting Requirements, has been added to clarify expectations for schools operating their own financial systems, including alignment with the Local Authority coding structure and the Authority's right to require changes where reporting requirements are not met.
- Annex A has been updated to reflect changes to the list of maintained schools to which the Scheme applies.

2. The outline scheme

The following references are made throughout this scheme:

- “the act” is the [School Standards and Framework Act 1998](#)
- “the authority” is Dorset Local Authority
- “the council” is Dorset Council
- “the regulations” are [The School and Early Years Finance \(England\) Regulations 2025](#)

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;
- 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 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.

3. Introduction

3.1 The Funding Framework

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

Under this legislation, local authorities determine for themselves the size of their Schools' Budget and their Non-Schools Education Budget, although at a minimum the LA must appropriate its entire Dedicated Schools Grant to their 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 the 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).

The amounts to be deducted for these purposes are decided by the authority concerned, subject to any limits or conditions, including gaining the approval of the 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 the centrally retained expenditure 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.

Upon approval of the Individual Schools Budget by the Authority and it being allocated in accordance with the formula, the Governors, or the Head teacher if authorised on their behalf, is empowered to incur expenditure for the purposes and up to the amount specified in the estimates as approved.

The financial controls within which delegation works are set out in a scheme made by the LA in accordance with section 48 of the Act and regulations made under that section. All proposals to revise the scheme must be submitted for consultation with all schools (both head teachers and governing bodies) and approved by the Schools' Forum, though the 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 school¹. They may also spend budget shares on 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).

Dorset LA may suspend a school's right to a delegated budget if the provisions of the Scheme for Financing Schools, 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. There is no right of appeal.

Each 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. The formula used to calculate the budget share for each school will be published by the LA separately from this Scheme.

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.

3.2 The role of the scheme

The scheme defines the financial relationship between the Authority and the maintained schools which it funds.

The requirements of the scheme relating to financial management and associated issues are binding on both the Authority and schools. They ensure compliance with statutory requirements, accounting and auditing standards and codes of practice which are established by the professional accounting bodies and shall apply to all staff employed at the school, including consultants.

Section 48(3) of the School Standards and Framework Act provides that where there is any inconsistency between the scheme and any other rules or regulations made by the LA relating to the funding or financial management of schools which they maintain, the terms of the scheme shall prevail.

3.3 Application of the scheme to the authority and maintained schools

The scheme applies to all community, nursery, special, voluntary, foundation (including trust), foundation special schools and PRUs maintained by the LA, whether they are situated in the

area of the Authority or located elsewhere. It does not apply to schools situated in the LA's area which are maintained by another authority. Nor does it apply to academies. A list of schools to whom this scheme applies is published at Annex A to this scheme.

3.4 Publication of the scheme

A copy of the scheme and any subsequent revisions will be accessible to the public and supplied to the head teacher and governing body of each school covered by the scheme via the Dorset Council website by the date that any revisions come into force, together with a statement that the revised scheme comes into force on that date. It will also be available at LA offices if required.

3.5 Revision of the Scheme

Any proposed revisions to the scheme will be the subject of consultation with the governing body and head teacher of every school maintained by the authority before they are 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 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 the scheme after consultation. Such revisions become part of the scheme from the date of the direction.

The Authority undertakes to provide schools with a summary of the responses to consultations on amendments to the Scheme via the Dorset Council website.

3.6 Delegation of powers to the head teacher or subcommittees of the governing body

Governing bodies are required to consider, within statutory limitations, the extent to which they wish to delegate any power granted to them by this Scheme to a subcommittee of governors or to the head teacher. These considerations should be undertaken annually and formally recorded in the minutes of the first formal meeting of the full governing body for that year.

It is recommended that governing bodies give head teachers delegated power to spend within budget headings set by the governing body, and that in turn, the head teacher formally sets out levels of delegation and financial limits for staff with budgetary and procurement responsibilities at local level. Expenditure should not be incurred where there is no budgetary provision, and contracts should not be agreed where Contract Procedure Rules have not been adhered to. The first formal budget plan of each financial year (as submitted to the LA in accordance with para 4.3) must be approved by the full governing body, and termly financial forecasts by the full governing body or a subcommittee thereof.

Provided a governing body has made provision for discharging its statutory duties in any financial year, it may vire funding between budget headings within the delegated budget

share. The governing body may also approve virements to, but not from budgets earmarked by the Authority for specific purposes, and the Head Teacher may be authorised to vire between budget heads up to a maximum value approved by a resolution of the full governing body. Any virements authorised by the Head Teacher must be reported at the next meeting of the governing body.

When the head teacher deals with a matter arising from delegated functions and does so in accordance with this scheme, then they shall be deemed to have taken delegated action on behalf of the Governors. The governing body of a school may delegate any of its financial functions to a subcommittee or individual with the exception of:

- a) setting the budget;
- b) determining the terms of reference for subcommittees or individuals;
- c) planning and conducting its affairs to remain solvent;
- d) establishing proper arrangements for financial management and internal control of budgets;
- e) providing such information as the LEA may reasonably require to enable it to ascertain that the governing body is able to fulfil its financial obligations;
- f) ensuring that funding is used only for the purposes for which it was intended.

The head teacher is responsible to the governing body for the financial management of the school including:

- g) the management of the school's finances at a strategic and operational level;
- h) the management of effective systems of internal control;
- i) preparation of income and expenditure estimates for approval by the governors as required by this Scheme;
- j) ensuring that the governing body is provided with proper training, guidance and advice on financial matters;
- k) ensuring that accounts are prepared in a proper manner as specified by the LA.

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 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.

4. Financial controls

4.1 General procedures

Application of financial controls to schools

In managing their delegated budgets schools must abide by the Authority's requirements on financial controls and monitoring as set out in the scheme and in detailed publications referred to in the scheme but outside and compatible with it. These additional publications include the Dorset Council Contract Procedure Rules.

Where a school has delegated powers concerning payment it is required to comply with all relevant legislation (e.g. tax and national insurance).

Provision of financial information and reports

Schools are required to provide the Authority with details of anticipated and actual expenditure and income, in a form and at times to be determined by the Authority and notified to schools at appropriate times (see section 4.3). Requirements may vary according to the financial system and banking arrangements adopted by the school.

Reports may not be required more often than once every three months except where:

- a) the Authority has notified the school in writing that in its view the schools financial position requires more frequent submission;
- b) the school is in its first year of operation;
- c) returns are for the purpose of tax or banking reconciliation;
- d) schools are part of an on-line accounting system operated by the LA.

Payment of salaries and payment of bills

Schools are required to comply with the administrative procedures for payment of salaries and invoices published separately by the Local Authority. Where payments are not from central systems, schools will need to provide such additional information as is needed for statutory returns and appropriate monitoring.

Control of assets

Schools are required to maintain an inventory of moveable, non-capital assets, excepting goods sold generally as a normal day to day school activity, and must follow the Authority's procedure for the sale or disposal of surplus goods.

Moveable property surplus to the school's requirements must not be disposed of except by sale on the authority of the governors. The sale must normally be by public auction or competitive tender but, where neither is appropriate, the governors must adopt the method which best serves the interests of the school. Where the sale is to a governor or an employee

of the school or the Authority, the written authority of the Chief Executive must first be obtained.

Schools may determine their own arrangements for keeping a register of assets worth less than £1,000. This should include anything that is portable and attractive, such as a camera.

The governing body must ensure that all inventories are reviewed at least once a year and all discrepancies reported to the governing body. A record of all items written off must be maintained.

Each governing body is responsible for the custody and control, and maintaining proper security arrangements for buildings, stock, equipment, cash, personnel and financial records under its control. All moveable property of the school shall as far as practical be marked as school property.

If it appears to the Head Teacher that there are deficiencies of equipment or stores, a report must be made immediately to the governors and the Chief Financial Officer, who may authorise the items to be written off. The Governors must maintain a record of all items written off. Where it is suspected that money or property of the school has been stolen or otherwise misappropriated, or that a financial irregularity has occurred see paragraph 4.17 below.

Accounting policies, including end of year procedures

Schools are required to abide by the Authority's accounting policies and procedures, including end-of-year procedures which will be issued annually to schools.

Writing off debts

Debts owing to schools may be written off in accordance with paragraph 7.6 below.

Retention of Financial Records

Schools must retain all financial records, including accounting records, invoices, payroll records and supporting documentation, for a minimum period of 7 years from the end of the financial year to which they relate.

Records must be maintained in a form that allows them to be made available for audit, inspection, or investigation by the Local Authority or external auditors upon request.

This requirement applies regardless of whether records are held electronically or in paper format

4.2 Basis of accounting and Financial Systems

Schools are required to report to the Authority on a cash basis with year-end accruals being made separately for outstanding debtors and creditors.

Schools are free to operate their own internal system but are required to report to the Authority in the form specified above.

Schools are required to maintain a financial system that integrates with Dorset Council finance systems so that it successfully complies with Making Tax Digital legislation in the Finance (No.2) Act 2017. The local authority maintains a list of supported systems that it encourages schools to use.

Use of alternative financial systems are permitted, however, all costs incurred in building an interface that complies with Making Tax Digital legislation will be borne solely by the school.

Any change to a school's financial system must be notified in writing to the local authority a minimum of 12 months before the scheduled change. Schools are required to run the new financial system alongside previous systems to allow for a period of successful transition.

Chart of Accounts and Financial Reporting Requirements

Schools must maintain their financial records in a format that complies with the chart of accounts, coding structure, and reporting requirements specified by the Local Authority.

The Local Authority's chart of accounts establishes the minimum standard for financial classification and reporting to ensure consistency, transparency, and compliance with statutory returns, including Consistent Financial Reporting (CFR).

Where a school operates its own financial system, it must ensure that:

its chart of accounts is fully aligned to the Local Authority's required coding structure; and financial information can be produced directly in the format specified by the Local Authority without the need for manual reclassification or adjustment outside the system. The Local Authority reserves the right to require changes to a school's chart of accounts or financial system configuration where it reasonably determines that the school is not meeting these requirements.

Any costs associated with ensuring compliance with these requirements, including system configuration or data mapping, will be borne by the school.

4.3 Submission of budget plans and financial forecasts

Each school is required to submit budget plans and financial forecasts in accordance with the timetable below.

<u>Submission Date</u>	<u>Financial Return</u>	<u>Reason Required</u>
1 May, or 28 days after budget data has been made available to schools by the LA, whichever date is the later.	3-year budget plan including income and expenditure for the current financial year with explanatory notes on the assumptions underpinning the budget, plus budget plans for the following two financial years.	To provide a budget in the financial accounts and to show that the Governing Body can meet expenditure requirements within the resources available to them, or their best estimate of the resources available to them.
30 June, 30 November, 28 February	Forecast income and expenditure to the end of the year in comparison with the budget plan, with explanatory notes on the assumptions underpinning those projections.	To show that the budget set at the beginning of the year is being met and to allow the LA to discuss spending with the school where it appears not to be as shown in the budget, or where it looks as if the budget will end up in deficit.

The Local Authority will consider the extent to which 3-year budget plans may be used for more than just confirming schools are undertaking effective financial planning, for example, as evidence to support the LA's assessment of schools' financial value standards or to support the LA's balance control mechanism, and will confirm the intended use to schools annually in the budget setting letter issued in February each year.

The format of financial returns will be compatible with the Consistent Financial Reporting framework and may vary from year to year according to the requirements of the Authority. Detailed requirements are included in the statements sent out annually for completion and issued separately to this scheme.

The governing body must take the following into account when considering their budget proposals:

- a) the progress of spending against budget in the current year;
- b) known and estimated future commitments including inflation, which may be either external or internal in origin;
- c) actual and projected pupil numbers;
- d) likely changes in the allocation formula or the school's budget share;
- e) priorities set out in the School's Development Plan;

- f) the full year impact of any proposals implemented after the start of the financial year;
- g) estimated surpluses/deficits at the previous 31 March;
- h) any agreed repayment schedule.

The budgeted spend for any given year may not exceed the delegated budget for the school for that year plus or minus any accumulated surplus or deficit. This requirement may only be waived in accordance with the provisions of paragraphs 6.9, 6.10 of this Scheme.

The LA will make available to schools such information as it holds on income and expenditure by schools which is necessary for efficient planning by them. This information will be made available in the budget guidance issued each year by the Schools Accountancy Support Team.

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 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 effective management of resources between similar schools, and so it is important for schools to review their current expenditure, compare it to other schools and think about how to make improvements.

4.5 Virement

After discharging its statutory duties, the governing body has the power to vire between budget headings in the expenditure of their budget shares. In so doing the governing body must take into account the long-term effects of those virements.

The head teacher may be authorised to vire between budget headings but such virements must be approved by a resolution of the full governing body and be in accordance with this Scheme.

4.6 Audit: General

All schools covered by this Scheme are subject to the Authority's audit regime, which covers both internal and external audit. The Authority will determine the audit regime on an annual basis and may require different arrangements for those having external bank accounts than those schools having bank accounts that are sub-accounts of the Local Authority.

Schools are required to:

- a) provide access to records, documents and correspondence to both internal and external auditors;

- b) allow access for audit purposes at all reasonable times to any premises or land owned by the Council, or the governing body of an Aided or Foundation school maintained by the LA;
- c) allow the copying and/or removal of prime documents for audit purposes.

4.7 Separate external audits

A governing body may use funds from the school's budget share to fund external audits. Such audits will be separate and in addition to any audit requirements of the Authority and are entirely at the discretion of the governing body. No funds will be delegated specifically for this purpose.

4.8 Audit of voluntary and private funds

Each school must retain valid audit certificates in respect of any voluntary and private funds it holds. Schools should provide the audit certificates to the local authority on request. Such funds include those held by trading organisations controlled by the school. Audit of Community Facilities funding is separately covered in section 15.6.

The document "Voluntary Fund Guidance for Schools & Governors" states that "the voluntary fund should be regarded as public money and accounted and treated as such. It is not a private discretionary fund". The purpose of requesting the audit certificates is to allow the local authority to satisfy itself that public funds are not being misused.

A school refusing to provide audit certificates to the local authority as required by this scheme is in breach of the scheme and the authority can take action on that basis.

4.9 Register of business interests

The governing body of each school must have a register listing the business interests of each member of the governing body and the head teacher. This register must also include:

- the business interests of the immediate family of members of the governing body and the head teacher;
- details of any other educational establishments they govern;
- any relationships between school staff and members of the governing body.

This register must be maintained and updated regularly, be subject to minuted annual review, be available for inspection by governors, staff, parents and the LA, and be published on a publicly accessible website. It must also comply with any more detailed guidance on the maintenance of such a register issued by the authority.

4.10 Purchasing, tendering and contracting requirements

Schools must abide by the Contract Procedure Rules and Financial Regulations within the Constitution of Dorset Council as applied to schools. This duty includes the requirement to

assess in advance, where relevant, the health and safety competence of contractors, taking account of the LA's separately published policies and procedures.

All members of staff authorised to issue official orders must be familiar with the Council's Contract Procedure Rules.

Orders for the supply of goods or services shall be issued only when authority exists to incur that expenditure. They shall be in writing on serially numbered forms except that, in an emergency, orders may be given orally, but the order shall be confirmed in writing on the appropriate order form.

Orders may not be raised on behalf of or for the benefit of private individuals including members of staff, or organisations which are not part of the Council.

The requirement to abide by the Authority's Contract Procedure Rules applies in all cases except where this would require schools to:

- a) do anything incompatible with any provisions of this scheme, or any statutory provision;
- b) seek LA officer countersignature for any contracts for goods or services for a value below £60,000 in any one year;
- c) select suppliers only from an approved list;
- d) seek fewer than three tenders or quotations in respect of any contract with a value exceeding £10,000 in any one year, subject to the specific listed exceptions in section 2 of the Authority's Contract Procedure Rules.

Notwithstanding (a) – (d) above, the type of procurement process, including the minimum number of quotes or tender that should be sought or invited dependent on the total value over the life of the contract, is set out within the Council's Contract Procedure Rules.

The fact that an authority contract has been let in accordance with procurement procedures does not in itself make it possible to bind a school into being part of that contract. For the purposes of the procurement directives schools are viewed as discrete contracting authorities.

Schools may seek advice on a range of compliantly procured deals via [Buying for schools](#).

Any payment from a school's delegated budget to a self-employed person who is engaged specifically to provide an education service e.g. tuition, demonstration or performance must be made through the payroll system and not by cheque or cash. This is to ensure that the requirements of HM Revenue and Customs (HMRC) are adhered to (see 9.2 below).

4.11 Application of contracts to schools

Schools have the right to opt out of Local Authority arranged contracts.

Although governing bodies are empowered under paragraph 3 of Schedule 1 of the Education Act 2002 to enter into contracts, in most cases they do so on behalf of the LA as maintainer of the school and owner of the funds in the budget share. On occasions, the governing body may enter into contracts on its own behalf. In these circumstances the governing body will have clear statutory obligations e.g. the employment of staff in aided or foundation schools.

4.12 Central funds and earmarking

The Authority is authorised to make sums available to schools from central funds in the form of allocations which are additional to and separate from a school's budget share.

Such allocations, for example, sums for SEN or other initiatives funded from the central expenditure of an authority's Schools Budget or other authority budget should be subject to conditions setting out the purpose or purposes for which the funds may be used. These conditions will normally preclude virement and prohibit their inclusion in the school's budget share.

Schools will be required to demonstrate that funds allocated for a specific purpose have been spent appropriately and in accordance with specified conditions and have not been vired into the school budget share.

The Authority may require earmarked funds to be returned to the LA if not spent in the period for which they were intended.

The LA is specifically prohibited from making any deduction in respect of interest costs to the authority, from advances made in respect of earmarked centrally provided funds that have been devolved to schools.

4.13 Spending for the purposes of the school

Section 50(3) of the SSAF Act 1998 allows governing bodies to spend budget shares for the purposes of the school subject to regulations made by the Secretary of State and any provisions of this scheme. 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.

Section 50(3)(b) of the SSAF Act 1998 also provides for the Secretary of State to determine additional purposes for which spending of the budget share may occur. For example, under the School Budget Shares (Prescribed Purposes)(England) Regulations 2002, which have been amended by the School Budget Shares (Prescribed Purposes)(England)(Amendment) Regulations 2010 schools are permitted to spend their budgets on pupils who are on the roll of other maintained schools or academies.

Schools must ensure that all payments to staff are in line with centrally agreed terms and conditions namely, the School Teachers Pay and Conditions Document for teaching staff, and the local authority Green Book (including amendments by the authority) for school

support staff. The governing body has no discretion to make payments to staff outside of these arrangements.

4.14 Capital spending from budget shares

To help meet responsibilities with the School Premises (England) Regulations 2012, the Workplace (Health, Safety and Welfare) Regulations 1992, the Regulatory Reform (Fire Safety) Order 2005, the Equality Act 2010, and the Building Regulations 2010, Governing bodies are permitted to use their budget share to meet the cost of capital expenditure on school premises. This includes expenditure by a governing body of a voluntary aided school on work which is their responsibility under paragraph 3 of Schedule 3 of the SSAF Act 1998. The governing body of a school must notify the Authority of any capital expenditure in excess of £15,000 in any one financial year and is required to take account of any advice from the Director of Children's Services as to the merits of the proposed expenditure. If the premises are owned by the LA or the school has voluntary controlled status, then the governing body must obtain the permission of the LA before commencing any capital work, but such consent can only be withheld on health and safety grounds.

4.15 Notice of Concern

The LA may issue a notice of concern to the governing body of any school it maintains where, in the opinion of the Chief Finance Officer and the Director of Children's Services, 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:

- a) insisting that relevant staff undertake appropriate training to address any identified weaknesses in the financial management of the school;
- b) insisting that an appropriately trained/qualified person chairs the finance committee of the governing body;
- c) placing more stringent restrictions or conditions on the day to day financial management of a school than the scheme requires for all schools – such as the provision of monthly accounts to the local authority;
- d) insisting on regular financial monitoring meetings at the school attended by local authority officers;
- e) requiring a governing body to buy into a local authority's financial management systems;
- f) 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; and
- g) requiring a school to return to using the Dorset Council banking arrangements.

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.

4.16 Schools Financial Value Standard (SFVS)

All local authority maintained schools (including nursery schools and Pupil Referral Units (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 what time in 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.

All maintained schools with a delegated budget must submit the form to the Local Authority before the end of the financial year.

The Chief Financial Officer will sign a declaration each year assuring the Education and Skills Funding Agency that the Local Authority has a system of audit for schools in place which gives adequate assurance over their standards of financial management and the regularity and propriety of their spending, and remedies any shortfalls. If requested, the LA will provide the names of schools not meeting the standard to the ESFA.

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.

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 those controls. This information must also be included in induction for new school staff and governors.

Where it is suspected that money or property of the school has been stolen or otherwise misappropriated, or that a financial irregularity has occurred, the Head Teacher must immediately report the matter to the Chief Financial Officer and the Director for Children's Services.

5. Instalments of the budget share and banking arrangement

5.1 Frequency of instalments

The Authority will make available budget share instalments, on a monthly basis to schools which request it, provided that the request is made by December 31st prior to the start of the relevant financial year.

A non-bank account school may draw on its entire budget share from the start of the financial year.

For schools that opt to take their full budget share in cash, instalments will be made available on a monthly basis and will be paid by the Banks' Automated Credit System (BACS) to schools on or shortly before the 28th day of each month.

For the purposes of this section, budget share includes any place-led funding for special schools or pupil referral units. Top up payments for pupils with high needs will be made on a monthly basis unless alternative arrangements have been agreed with the provider.

5.2 Proportion of budget share payable at each instalment

This applies only to schools that have chosen to receive their funding in cash.

The Authority will make funds available to schools as set out in the table below.

<u>Date</u>	<u>Proportion of total budget share</u>
First banking day of April	1/36
Each month end from April to February	1/12
End March	1/18

Where schools have signed up in Nexus to receive Dorset Council annual support services by 31st March in any year and have been charged a one off fee up front for those services at the beginning of the year, an equivalent amount of cash will be made available on the first banking day of April in addition to the 1/36 proportion of their total budget share, and month end instalments from April to February will be reduced accordingly.

5.3 Interest Clawback

The Education budget set each year may include an estimate of interest to be earned through the temporary investment of unspent cash.

When the budget is distributed each school may receive within its delegated budget an element of interest from the total budget for education.

Where schools receive their budget shares into local accounts on a monthly basis interest is lost by the Council. In order not to disadvantage all schools for this loss of interest the Authority may deduct from each school's budget an amount equal to their share of the estimated loss of interest that could be incurred by the LA as a result of these arrangements. Schools remaining within the Council's banking arrangements can expect to be paid back this top-slice from the LA.

Details of the deduction mechanism will be published prior to its implementation.

5.4 Interest on late budget share payments

The LA may add interest to any late payments of budget share instalments where the reason for late payment is LA error. The interest rate and method of calculation will be the same as that used to clawback interest.

5.5 Budget shares for closing schools

Where approval for discontinuation of a school has been obtained, its budget share may be made available until closure on a monthly basis net of estimated pay costs, irrespective of the method previously used by the Authority.

5.6 Bank and building society accounts

Subject to the conditions set out below, schools may choose to operate their own bank or building society accounts into which their budget share instalments (as determined by other provisions) will be paid. Where schools have such accounts they will be allowed to retain all interest payable on the account unless they choose to have an account within an LA contract which makes other provision. Alternatively, they may choose to operate a subsidiary account within the Local Authority's accounts. The Chief Financial Officer is responsible for making arrangements with the Council's bankers for the operation of subsidiary accounts.

Conditions relating to the operation of bank or building society accounts:

- a) external accounts must always operate in surplus unless a deficit has been authorised in accordance with the provisions of paragraphs 6.9 or 6.10 of this scheme or unless borrowing is expressly authorised by the Secretary of State. The Authority must be formally consulted before any application to borrow is made to the Secretary of State;
- b) subject to © below, schools must give the period of notice specified in paragraph 5.1 of an intention to operate an external bank or building society account;
- c) the Authority must give written confirmation that it has assured itself of the financial standing of any bank or building society selected by a school before an account is opened by the school;
- d) the procedure for the operation of bank accounts must be in accordance with any instructions issued by the Chief Financial Officer.

5.7 Restrictions on accounts

Accounts held by schools for budget share purposes may be held in the name of the school rather than the authority. Funds paid to the school by Dorset LA and held in external accounts remain LA property until spent (s.49(5) of the SSFA 1998) and are subject to the conditions of this scheme. If the school operates an external account for budget share purposes and the account is held in the name of the school, the account mandate must provide that the LA is the owner of the funds in the account; that it is entitled to receive statements, and that it can take control of the account if the school's right to a delegated budget is suspended by the LA.

The Authority may negotiate arrangements with certain banks whereby the accounts are in the name of the Authority but specific to each school, and offer such arrangements to schools.

There are no restrictions on the use of direct debits or standing orders for a bank account operated by a school, except where the account is part of an authority contract.

5.8 Borrowing by Schools

Governing bodies may only borrow money), with the written permission of the Secretary of State. Schools should consult the Authority before making an application to borrow money to the Secretary of State and must inform the Authority of the outcome of such an application. The Secretary of State's general position is that schools will only be granted permission in exceptional circumstances, although they may, from time to time, introduce limited schemes to meet broader policy objectives. Schools may use any such schemes which the Secretary of State has said are available to schools without obtaining specific approval.

Schools are not permitted to use credit cards or overdrafts as these are regarded as borrowing. However, the Authority encourages the use of Government Procurement Cards (P-cards) by schools as these can reduce transaction costs and can enable schools to benefit from significant discounts. They are also a useful means of facilitating electronic purchases. P-cards must be paid off in full each month by direct debit, and include an LA officer as account manager.

This provision does not apply to loan schemes run by the Authority (see section 6.10 below) or to borrowing by Trustees and Foundations, where borrowing, as private bodies, makes no impact on Government accounts. Debts incurred by Trustees and Foundations may not be serviced directly from the delegated budget, but schools may agree charges for services which the Trustees or Foundation are able to provide as direct consequences of their own borrowing provided that acceptance of such charges does not contravene the Authority's Scheme of Financial Management or Contract Procedure Rules. Governing bodies do not act as agents of the authority when repaying loans.

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.

6. The treatment of surplus and deficit balances arising in relation to budget shares

6.1 Right to carry forward surplus balances

Each school is allowed 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 or minus any balance brought forward from the previous year, subject to the following restrictions:

- a) the authority shall calculate by 30 June 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;
- b) if the surplus balance is a sum greater than whichever is the greater of 5% of the previous year's budget share (secondary schools) or 8% (primary and special schools, and pupil referral units), or £30,000 (where that is greater than either percentage threshold) then the Authority may deduct from the current year's budget share an amount equal to the excess.

Funds deriving from sources other than the Authority will be taken into account in this calculation if paid into the budget share account of the school, whether under provisions in this scheme or otherwise.

Funds held in relation to a school's exercise of powers under s.27 of the Education Act 2002 (community facilities) will be taken into account.

The total of any amounts deducted from schools' budget shares by the Authority under this provision are to be applied to the Schools Budget of the Authority.

Each school's surplus balance at 1 April is equal to that at 31 March of the preceding financial year.

Payment on account of 90% of balances at 31 March will be made to schools choosing to open bank accounts with approved external providers into which their budget share will be paid for the first time in April. This balance will be adjusted by 31 July in the subsequent financial year. Any interest due on the outstanding amount will be calculated at the rate currently provided under the Council's banking arrangements from 1 April up to that date.

6.2 Controls on surplus balances

The Authority retains the right to a mechanism to control surplus balances by clawing back excess surpluses in accordance with 6.1 above where there is no agreement with the LA over their proposed use.

Schools are required to comment to the Director of Children's Services, on the proposed use of excess surplus balances as follows:

Primary and special schools, and pupil referral units:

Where balances are in excess of 8% of the total delegated budget or £30,000 (where that is greater), for an individual school for the financial year in question.

Secondary schools:

Where balances are in excess of 5% of the total delegated budget or £30,000 (where that is greater) for an individual school for the financial year in question.

Comments must be subject to a formal minute by the Governing Body, made in writing and be submitted when the final balance for the school is known. Schools will be asked to demonstrate how the planned use of excess surpluses will be linked to the School Development Plan and 3 year budget plans. The Authority will consider these proposals and determine any clawback of excess surplus balances from schools.

For the purposes of determining the percentage threshold for excess surplus the total delegated budget will comprise:

Primary & secondary schools:

all grant funding paid to the school by the LA, excluding funding from the High Needs Block except place and top up funding for pupils in special units.

Special schools:

all grant funding paid to the school by the LA, excluding funding from the High Needs Block except place and top up funding.

Pupil Referral Units:

all grant funding paid to the school by the LA (including any funding recouped from other schools or academies for dual registered or excluded students) and excluding funding from the High Needs Block except place and top up funding.

6.3 Interest on balances

Schools whose bank account is within the Dorset Council banking arrangements may be credited or charged with interest on the difference between their budget to date and spending to date, including any balances carried forward. This will be reviewed annually in the light of interest rates, and the basis of the calculation, detailed in separate guidance issued at the time as appropriate. The LA reserves the right not to pay interest where schools do not meet the timetables for submission of financial returns required by the Local Authority.

6.4 Obligation to carry forward deficit balances

Schools with budget deficits will have these carried forward. These will be a first charge on the delegated budget share of the school for the following financial year.

Any school to which this scheme applies, and which is operating a deficit on 31 March will have that deficit carried forward to 1 April of the following financial year.

The Authority will require all schools with deficit budgets on 31 March to schedule repayments from the following year's budget share.

6.5 Planning for deficit budgets

Schools may not run or plan to run a deficit budget, except where they have a licensed recovery plan in place, and must notify the Local Authority immediately if they become aware of any unplanned deficit, or risk thereof, so that an agreed recovery plan can be put in place where necessary (see section 6.9 below).

6.6 Charging of interest on deficit balances

The LA may charge interest on all deficit balances operated by maintained schools.

Where they are operating within Dorset Council's banking arrangements and the LA is charging interest on deficit balances, schools with budget deficits or loans under the provisions of paragraphs 6.9 and 6.10 will be charged interest at a rate related to the Bank of England base rate. The initial rate and any change in the relationship with base rate will be notified separately to schools, but it will not be more than 1% above base rate. Interest will be calculated on a monthly basis on the average balance relating to each school during that month.

6.7 Writing off deficits

The Authority is not permitted to write off the deficit balance of any school.

However, the LA may give assistance towards the elimination of a deficit balance through the allocation of a cash sum from within the Schools' Budget (from a centrally held budget specified for the purpose of expenditure on special schools and pupil referral units in financial difficulty or, in respect of mainstream maintained schools, from a de-delegated contingency budget where this has been agreed by the Schools Forum).

6.8 Balances of opening, closing and replacement schools

Where a school opens or closes during a financial year, it will have its budget share calculated on a pro-rata basis for the school terms that it operates.

Where a school opens or is replaced it may receive a payment in addition to its delegated budget for the financial year in question in respect of revenue based setting up costs as calculated by the Authority in accordance with the Pupil Growth Policy published separately from this Scheme.

Any balance of a closing school (whether surplus or deficit) reverts to the authority, other than where a school converts to academy status under section 4(1)(a) of the Academies Act 2010.

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

The Authority will work with schools currently in deficit to agree a recovery plan to repay that deficit in line with the procedures of the Authority's Financial Efficiency in Schools Policy (normally within a 3 year period).

In circumstances where a school requires a budget share advance in order not to be overdrawn at their bank, this should be treated as a cash advance and not a loan. This will have no effect on the school's budget and outturn statements.

6.10 Loan Schemes

The Authority may exceptionally operate a loan scheme in agreement with individual schools. However, 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.

Credit union approach

If schools wish to group together to use externally held balances to loan funds through a credit union type of operation the Authority must be satisfied that these externally held balances are sufficient to support such a scheme. The Authority will therefore require audit certification proving that such funds are available and must give written authorisation for such schemes to operate. The Authority will have to take account of the impact on other arrangements for licensed deficits and loans before giving authorisation to such schools.

7. Income

7.1 Income from lettings

Schools are allowed to retain income from the letting of school premises which would otherwise accrue to the LA, subject to any alternative provisions arising from any joint-use or Private Finance Initiative (PFI) agreement.

Income from lettings should not be paid 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.

Schools may 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 advice and guidance issued by the LA as to the use of the school premises, as permitted under the School Standards and Framework Act 1998 for various categories of schools.

7.2 Income from fees and charges

Schools are permitted to retain income from fees and charges except where a service is provided by the LA from centrally retained funds.

In setting their fees and charges schools are required to have regard to any policy statements on charging and remission of charges for school activities produced by the Authority. Income from boarding charges is collected on behalf of the authority and should not exceed that needed to provide board and lodging for the pupils concerned.

All income scales for the purposes of assessing amounts due to, or entitlement to benefits from, the school shall be determined by the governors having regard to LA policy and guidelines.

7.3 Income from fund-raising activities

Schools are permitted to retain all income from fund-raising activities.

7.4 Income from the sale of assets

Schools are permitted to retain the proceeds from the sale of assets except where the asset was purchased from non-delegated funds in which case it is for the Authority to decide whether the school should retain the proceeds. Schools are not allowed to retain income from the sale of land or buildings that form part of the school premises and are owned by Dorset Council. 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.

The retention of proceeds of sale for premises not owned by the local authority will not be a matter for the scheme.

7.5 Collection of income

Schools must have regard to advice or guidance issued by the LA.

The Governors may remit in advance, all or part of any charges made for chargeable activities from its delegated budget. Once a charge has been raised, no debtor shall be excused a payment due, other than with the approval of the governing body or the head teacher where power of approval to write off has been delegated. The school will maintain a record of such write offs, which will be available for inspection by the Local Authority.

7.6 Purposes for which income may be used

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

7.7 Conditional gifts or grants greater than £5,000

The governors must provide the Director for Children's Services and the Chief Financial Officer, with full details of any conditional gift or grant greater than £5,000, before any such gift or grant is accepted.

8. The charging of school budget shares

8.1 General provision

The budget share of a school may be charged by the LA without the consent of the governing body only in the circumstances set out in 8.3 below.

Dorset LA will consult schools on the intention to so charge, the basis of the calculation of such charge and inform schools when such a charge has been made. Whenever possible, prior advice of the charge will be given to the governing body. Such charge shall normally only be made as a last resort as good practice requires that agreement should be sought with schools about the nature of any charge made against the school budget (the authority cannot act unreasonably in the exercise of any power given by the scheme, or it may be the subject of a direction under s.496 of the Education Act 1996).

For the avoidance of doubt, the 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

The authority is required to charge the salaries of school-based staff at actual cost against school budget shares.

8.3 Circumstances in which school budget shares may be charged without the consent of the governing body

1. Where premature retirement costs have been incurred without the prior written agreement of the LA to bear such costs (the amount chargeable being only the excess over any amount agreed by the LA).
2. Other expenditure incurred to secure resignations where there is good reason to charge this to the school (see Annex B).
3. Awards by courts and industrial tribunals against the LA, or out of court settlements arising from action or inaction by the governing body contrary to the LA's advice.
4. Expenditure by the LA in carrying out health and safety work, or capital expenditure for which the LA 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; this includes circumstances in which the LA's expenditure would have been avoided if the governors had undertaken work for which they had delegated responsibility in a timely manner.
5. Expenditure by the LA incurred in making good defects in building work funded by capital spending from budget shares, where the premises are owned by the LA or the school has voluntary controlled status.

6. Expenditure incurred by the LA 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 LA.
7. 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 LA.
8. Recovery of penalties imposed on the LA by HM Revenue and Customs, Teachers' Pensions, the Environment Agency or other regulatory authorities as a result of school negligence.
9. Correction of LA errors in calculating charges to a budget share (eg pension deductions). Before applying any such provision the authority will consider whether it is reasonable to do so. If the error dates back several years it may be questionable whether such charging is reasonable.
10. Additional transport costs incurred by the LA arising from decisions by the governing body on the length of the school day or opening times (including term dates), or failure to notify the LA of non-pupil days resulting in unnecessary transport costs.
11. Legal costs which are incurred by the LA because the governing body did not accept the advice of the LA.
12. Costs of necessary health and safety training for staff employed by the LA, where funding for training had been delegated but the necessary training not carried out.
13. 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.
14. Cost of work done in respect of teacher pension remittance and records for schools using non-LA payroll contractors, the charge being the minimum needed to meet the cost of the Authority's compliance with its statutory obligations.
15. Costs incurred by the LA in securing provision specified in an Education, Health and Care Plan (EHCP) as a result of the governing body of a school failing to secure such provision despite the delegation of funds in respect of low cost, high incidence SEND and/or specific funding for a pupil with high needs.
16. Costs incurred by the LA due to submission by the school of incorrect data.
17. Recovery of amounts spent from specific grants on ineligible purposes.
18. Costs incurred by the LA as a result of a governing body being in breach of the terms of a contract.
19. Costs incurred by the LA or schools in ending or withdrawing from a partnership arrangement with other schools, for example, where redundancy costs are incurred in respect of staff providing services across the partnership.

20. 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.
21. Budget share adjustments relating to pupils excluded from the school.
22. Adjustment to reflect actual cost where this is part of the formula.
23. Expenditure incurred by the LA as a result of a school defaulting on a payment.
24. Charges incurred by the governors as a result of signing a Service Level Agreement with the LA. These may be deducted from a school's budget share before this is paid to the school. The phasing of these deductions is subject to agreement between each school and the LA.
25. Ad hoc charges for support services provided by the LA following a request from the school for the service.
26. Costs incurred by the LA arising from the school's failure to comply with the Council's Contract Procedure Rules or LA Scheme of Financial Management²⁷. 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).

9. Taxation

9.1 Value Added Tax (VAT)

Dorset Council will reclaim Value Added Tax (VAT) on expenditure relating to non-business activity. HM Revenue & Customs have agreed that VAT incurred by schools when spending any funding made available by the LA will be treated as being incurred by the LA and qualifies for reclaim by the LA. This does not include expenditure by the governors of a voluntary aided school when carrying out their statutory responsibilities to maintain the external fabric of their buildings, nor capital works at foundation schools funded directly by the DfE.

Schools will not require a refund for VAT paid on local transactions if they use an accounting system supported by Dorset Council (ESS), because VAT will be accounted for centrally. Dorset Council will continue to refund VAT monthly to schools using other accounting systems (e

Further guidance may be obtained by contacting the Authority's Corporate Accountant (VAT).

9.2 Construction Industry Scheme (CIS)

Schools are required to abide by the procedures issued by the Authority in connection with the Construction Industry Scheme and payments to self-employed individuals. Such guidance will be published separately from the Scheme. This clause also applies to schools when exercising the community facilities power.

10. The provision of services and facilities by the local authority

10.1 Provision of services from centrally retained budgets

Dorset LA will determine on what basis services from centrally retained funds will be provided to schools. Such services include existing premature retirement costs (PRC) and redundancy payments.

The authority will not discriminate between categories of school in its provision of services to schools except in cases where this would be allowable under the school and early years finance regulations or the dedicated schools grant (DSG) conditions of grant.

10.2 Provision of services bought back from the authority using delegated budgets

Any arrangements, with the exception of centrally funded premises costs and liability insurance, by which schools buy back services from the Authority shall be limited to a maximum of three years from the date of the agreement between the school and the Authority.

Any subsequent agreement to buy the same services from the Authority will be limited to a maximum length of five years.

However, schemes for contracts for supply of catering services may be limited to a maximum of 5 years, with a maximum agreement of 7 years if the contract is extended.

When a service is provided for which expenditure is not retainable centrally by the authority under the Regulations made under section 45A of the act, it should be offered at prices which are intended to generate income which is no less than the cost of providing those services. The total cost of the service should be met by the total income, even if schools are charged differentially.

It is recognised that absolute break-even or profit is not always achievable over fixed financial years; it is for the authority to show during audit tests that the charging policy can reasonably be expected to avoid central subsidy of services.

10.3 Packaging services for buyback

Any service which the authority is providing on a buyback basis will be offered in a way that does not unreasonably restrict schools' freedom of choice among the services available, and where practicable, will allow for schools to buy back on a service-by-service basis as well as in packages of services.

10.4 Service level agreements

The terms relating to any services or facilities provided by the authority under a service level agreement, whether free or on a buyback basis, will be reviewed at least every three years.

Where services are provided by the authority they will be made available on a basis which is not related to an extended agreement wherever reasonable as well as on the basis of such an agreement. Where services are provided on an ad hoc basis it is permissible for the authority to charge for these services at a different rate than if provided on the basis of an extended agreement.

To be effective for the following financial year, service level agreements with schools for the provision of services must be in place by 28 February in the preceding financial year. Schools must have at least one month to consider the terms of such service level agreements. In exceptional circumstances the dates may be varied by mutual agreement.

Centrally arranged premises and liability insurance are excluded from the above requirements for service supply, as the limitations envisaged may be impracticable for insurance purposes.

10.5 Teachers' Pensions

In order to ensure that the performance of the duty on the authority to supply Teachers' Pensions with information under the Teachers' Pension Scheme Regulations 2014, the following conditions are imposed on the authority and governing bodies of all maintained schools covered by this Scheme in relation to their budget shares.

The conditions only apply to governing bodies of maintained schools that have not entered into an arrangement with the 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 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 authority which the authority requires to submit its monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

The authority will advise schools each year of the timing, format and specification of the information required. The governing body shall also ensure that any such arrangement or agreement is varied to require that Additional Voluntary Contributions (AVCs) are passed to the 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 authority which the authority requires to submit its monthly return of salary and service to Teachers' Pensions and to produce its audited contributions certificate.

The authority will advise schools each year of the timing, format and specification of the information required from each school. The governing body shall also ensure that Additional Voluntary Contributions (AVCs) are passed to the authority within the time limit specified in the AVC scheme. The governing body shall meet any consequential costs from the school's budget share.

11. Private Finance Initiatives (PFI) and public private partnerships (PPP)

Schools may only enter into a Private Finance Initiative/Public-Private Partnership with the prior written approval of the authority.

The authority may charge to a school's budget share amounts calculated under a PFI/PPP arrangement entered into by the authority and the governing body of that school. Sums charged will reflect the extent to which funding delegated to the school relates to services covered by the PFI/PPP contract fee and will be subject to indexation in accordance with the agreement between the authority and the governing body.

12. Insurance and risk management

Where funds for insurance are delegated to any school, the LA will require the school to demonstrate that cover relevant to the LA's insurable interests under a policy arranged by the governing body, is at least as good as the relevant minimum cover arranged by the authority if the authority makes such arrangements, either paid from central funds or from schools' delegated budgets.

The evidence required to demonstrate the parity of cover should be reasonable, not place an undue burden upon the school, nor act as a barrier to the school exercising their choice of supplier.

Such insurance is to be in the joint names of the school and the Council. In fixing this minimum level of cover the LA must have regard to the actual risks which might reasonably be expected to arise in the school in question in operating such a requirement, rather than applying an arbitrary minimum level of cover for all schools.

Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA. Schools may do this individually when any insurance contract of which they are part expires. Where primary and /or secondary maintained schools are concerned they may opt to join the RPA collectively by agreeing through the Schools' Forum to de-delegate funding.

Head teachers must notify the Local Authority of:

- a) any alteration in risks which may affect existing insurances;
- b) any indemnity which may be requested of the Authority;
- c) any accident, fire or other event which may involve the school or the Council in liability or a claim for loss.

Head teachers and governing bodies must ensure that all reasonable action is taken to minimise risks.

The Chief Financial Officer has overall responsibility for insurance and risk management and schools must adhere to the insurance and risk management requirements published by the authority.

13. Miscellaneous

13.1 LA right of access to information

Governing bodies are required to supply to the Authority all financial information and other information which might reasonably be required to enable the Authority to satisfy itself as to the school's management of its delegated budget share, or the use made of any central expenditure by the Authority (e.g. earmarked funding) on the school. This includes providing such information about programmes of development, including capital requirements, as the Authority considers necessary to facilitate discussions with the governors about school policies and the degree of development appropriate to the school.

Governing bodies shall provide information in a form and at times which shall be determined by the Authority.

13.2 Liability of governors

The governing body of each school is a corporate body. Under the terms of section 50(7) of the School Standards and Framework Act 1998, governors of maintained schools will not incur personal liability in the exercise of their power to spend the delegated budget share provided they act in good faith.

Note: An example of behaviour which is not in good faith is the carrying out of fraudulent acts.

13.3 Governors' expenses

The Authority may delegate to the governing body of a school yet to receive a delegated budget share, such funds as it shall determine appropriate to meet governors' expenses.

Under section 50(5) of the School Standards and Framework Act 1998, only allowances in respect of purposes specified in regulations made under section 19 of the Education Act 2002 may be paid to governors from a school's delegated budget share. Schools are prohibited from paying any other allowances to governors and from duplicating payment of expenses by the Secretary of State to additional governors appointed by them to schools under special measures.

For schools with delegated budgets, authorities may publish separately from the scheme, a guide to what it considers to be reasonable expenses.

13.4 Responsibility for legal costs

The costs of legal actions incurred by the governing body are the responsibility of the LA as part of the cost of maintaining the school, (unless they relate to the statutory responsibility of voluntary aided school governors for buildings). These may be charged to the school's budget share unless the Governing Body acts in accordance with the advice of the Authority. This includes any costs awarded against an LA, but not the cost of any legal advice provided.

It may very occasionally be the case that there is a conflict of interest between a governing body and the LA where the governing body would wish to obtain separate legal advice and in such a situation the solicitors to the Authority would be available to advise the governing body as to practitioners with the necessary expertise.

A school cannot expect to be reimbursed with the cost of legal action against the authority itself (although there is nothing to stop the authority making such reimbursement if it believes this to be desirable or necessary in the circumstances).

13.5 Health and safety

In expending the school's budget share, governing bodies are required to have due regard to the duties placed on the Authority in relation to health and safety, and the Authority's policy on health and safety matters published separately from this Scheme. Section 39(3) of the School Standards and Framework Act provides that the LA may issue directions to the governing body and head teacher of a voluntary controlled, community, foundation, foundation special or community special school on health and safety matters. These directions are enforceable via Section 497 of the Education Act 1996 if not complied with.

13.6 LA right of attendance at governing body meetings

Governing bodies are required to permit the Chief Finance Officer of the Authority, or any officer of the Authority nominated by the Chief Finance Officer, to attend and speak, but not to vote, at meetings of the governing body at which any agenda items are relevant to the exercise of his or her responsibilities.

The Chief Finance Officer's attendance should normally be limited to items which relate to issues of probity or overall financial management; such attendance should not be regarded as routine. The authority should give prior notice of such attendance unless this is impracticable.

13.7 Special educational needs

Governing bodies must use their best endeavours in spending their delegated budget share to secure appropriate provision for children assessed as having special educational need. In doing so they must give due regard to advice and guidance published by the Authority. The LA reserves the right to suspend delegation where a situation is serious enough to warrant it (this would not normally relate to an individual pupil).

Where funding is delegated governing bodies must ensure that all the provision specified in the Education, Health and Care Plan of special educational need for a child is made from the delegated budget in accordance with those duties under Section 66 of Part 3 of the Children and Families Act 2014.

13.8 Whistleblowing

Schools are required to follow the Authority's scheme published separately for dealing with staff or governors who wish to complain about financial management or financial propriety at the school.

13.9 Child Protection

Schools are required to release staff to attend child protection case conferences and other related events. Funding for the cost of attendance is deemed to be part of the delegated school budget share.

13.10 Redundancy and early retirement costs

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

A de-delegated contingency for schools in financial difficulty can be provided, if Schools' Forum agrees, 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.

The Authority's policy on funding for premature retirement and redundancy is determined in discussion with the Schools Forum and published separately on the Council's website for schools.

Costs are normally funded as set out in the 2002 Education Act as summarised at Annex B. The policy in Dorset as agreed with the Schools' Forum is published separately from this scheme.

13.11 Data Protection

Head teachers are responsible for ensuring compliance with data protection legislation and controlling access to all data covered by such legislation.

13.12 Appointment and dismissal of staff

The arrangements for the appointment and dismissal of staff of the School shall be in accordance with the provisions of Schedules 13 and 14 of the Education Act 1996 or subsequent legislation but, subject to the provisions of the Act, the following regulations shall apply to the appointment of School staff.

Every vacant post shall be advertised, except where the Governors decide otherwise. In discharging this responsibility Governors must give regard to local and national requirements.

Applicants for posts, other than existing members of staff, shall be required to submit the names and addresses of two people to whom reference should be made. One of these must be from their current, or most recent employer, and must be in writing and should ask specifically about a candidate's suitability to work with children, as well as their suitability for the post, and should be obtained prior to interview.

Canvassing any Governor of the School for any appointment shall disqualify a candidate for appointment. This regulation shall be made known in all particulars issued for a vacant post.

A Governor shall not solicit for any person an appointment with the School.

Governors are empowered to approve:

- a) the selection and appointment of permanent and temporary staff in all schools; working of paid overtime; additional increments for holders of existing posts; incentive allowances within any limits imposed by legislation;
- b) the giving of lectures by staff during working hours and the retention of any fees received by the member of staff concerned;
- c) provision of protective clothing;
- d) payment of fees, financial assistance and attendance for non-teaching staff post entry training;
- e) subject to the provisions contained in the relevant enactments, dismissal or termination of a contract of employment; the undertaking of disciplinary or grievance procedures; special leave without pay.

13.13 LA right to institute legal proceedings and public enquiries

The Local Authority shall be empowered to institute legal proceedings for the recovery of sums due to the Council and for the possession of Council property, to lay information, to make complaints, to institute, defend or settle proceedings, to take legal action to enforce rights or obligations, to appear at public enquiries where it is considered by the LA to be in the Council's interest, and to engage counsel.

13.14 Arrangements for the assets and liabilities of school partnerships

Where a pair or group of schools/academies enter into partnership arrangements (including informal arrangements), all partners must agree in writing, in advance of entering into the partnership, a statement providing for the sharing of costs incurred during the partnership period, and how the assets and liabilities will be distributed upon dissolution of the partnership. This must include the arrangements to be made for sharing out employment costs if staff are engaged (including redundancy payments), or for any other financial arrangements that have been entered into. In the event of disagreements, this statement will be followed where possible, or the LA will charge schools in accordance with paragraph 8.3 (19) of this Scheme as it sees fit.

14. Responsibility for repairs and maintenance

All revenue funding for repairs and maintenance is now delegated, therefore the governing body is responsible for costs of all revenue funded repairs and maintenance.

The LA will retain capital funding for programmed strategic repairs and maintenance items. This definition includes works costing more than the amount published on the Dorset Council website financial pages as the limit of strategic repairs and maintenance.

For voluntary aided schools. The liability of the Authority for repairs and maintenance (albeit met by delegation of funds through the budget share) is the same as for other maintained schools, and no separate list of responsibilities is necessary for such schools. However, eligibility for capital grant from the Secretary of State for capital works at voluntary aided schools depends on the *de minimis* limit applied by the DfE to categorise such work, not the *de minimis* limit used by the Authority.

The Authority may operate a mutual insurance scheme on behalf of schools to cover the cost of delegated repairs and maintenance items. If such a scheme is organised on behalf of schools by the authority it will be subject to such terms and conditions published separately from this Scheme.

15. Community facilities

15.1 Introduction

Under section 27 (1) of the Education Act 2002, the governing body of a maintained school shall have power to provide any facilities or services whose provision furthers any charitable purpose for the benefit of:

- a) pupils at the school or their families, or
- b) people who live or work in the locality in which the school is situated.

Under section 27 of the Education Act 2002 at least once in every school year the governing body of a maintained school in England shall consider whether, and if so how, they should exercise the power under subsection (1).

Schools which choose to exercise the power conferred by section 27 (1) of the Education Act 2002 to provide community facilities will be subject to a range of controls. Regulations made under section 28 (2), if made, can specify activities which may not be undertaken at all under the main enabling power.

Section 88 of the Children and Families Act 2014, has removed the requirements in section 28(4) and section 28(5) of the Education Act 2002 for maintained schools in England. Under section 28(4) a school was obliged to consult its authority and under section 28(5) a school must have regard to advice or guidance from the Secretary of State or their local authority when offering this type of provision.

Under section 28 (1) the main limitations and restrictions on the power will be:

- a) those contained in schools' own instruments of government, if any; and
- b) any contained in this scheme for financing schools (as made under section 48 of the School Standards and Framework Act 1998, as amended by paragraph 2 of Schedule 3 to the Education Act 2002 which extends the coverage of schemes to include the exercise of powers of governing bodies to provide community facilities.

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

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

15.2 Consultation with the authority: financial aspects

Whilst there is no requirement for a school to consult or obtain advice from the local authority on decisions regarding establishing community facilities, as public bodies, they are expected to act reasonably, and this includes consulting those affected by the decisions that they make.

If it is found that there has been mismanagement of the community facilities funds, the LA may suspend the right for the school to receive a delegated budget.

15.3 Funding agreements – Local Authority powers

Where a third party is involved with supplying funding and/or taking part in the provision, an agreement in writing must be made between the school and the third party(s). The proposed agreement must be provided to the LA and will be considered along with the plan. The LA will have up to one month to consider and provide advice regarding the agreement. The LA may not veto the agreement or acquire a right to countersign an agreement. Note: If the third party requires authority consent to the agreement for it to proceed, such a requirement and the method by which authority consent is to be signified is a matter for that third party, not for the scheme.

However, if the LA considers that an agreement is against the wishes of the LA, has been concluded without the complete knowledge of the LA, or is in the view of the LA, seriously prejudicial to the interests of the school or the authority, this may constitute grounds for suspension of the right to a delegated budget.

15.4 Other prohibitions, restrictions and limitations

If the LA considers that risks associated with the project in question require the protection of the authority's financial interests, the governing body shall follow the advice of the LA to obtain indemnity insurance, or carry out the activity through the vehicle of a limited company, as specified by the authority.

If Governing Bodies choose or are advised to carry out the activity through the vehicle of a limited company, they must follow any advice published separately by the LA in setting up of companies.

The Governing Body may not do anything which they are unable to do by virtue of any prohibition, restriction or limitation on their powers which is contained in the school's instrument of government.

15.5 Supply of financial information

The governing body of a school exercising the community facilities power may be required, at the request of the Authority taking into account the risk and financial liabilities of the facility, to provide a statement of income and expenditure to the authority for the previous six months, and an estimate for the following six months. The format of the statement will vary depending upon the type of facility provided.

If the school believes that the income will be insufficient to meet expenditure without moving into deficit, the school must inform the LA of this in writing to the Director of Children's Services immediately.

If the LA believes that the financial management or general management of the facility is causing concern, it may give notice to the governing body whereupon financial statements may be required every three months. In such circumstances, a recovery plan will be required to be produced in consultation with the Authority.

If it is found that there has been mismanagement of the community facilities funds, the LA may suspend the right for the school to receive a delegated budget.

The governing body should note that schools (including companies set up by schools) may not borrow money without the written consent of the Secretary of State, (unless lent to the school by Dorset Council under the licensed deficit or loan scheme).

15.6 Audit

In managing a community facility, schools must abide by the Authority's requirements on financial controls and monitoring as set out in the scheme and in detailed publications referred to in the scheme but outside and compatible with it, including the Authority's Contract Procedure Rules and budget and expenditure reporting requirements.

Where a school has powers concerning payment it is required to comply with all relevant legislation (e.g. tax and national insurance).

All schools covered by this scheme, and exercising the community facilities power are subject to the Authority's audit regime, which covers both internal and external audit. The Authority will determine the audit regime on an annual basis and may require different arrangements for those having external bank accounts than those schools having bank accounts that are sub-accounts of the Local Authority.

Schools are required to:

- i) provide access to records, documents and correspondence to both internal and external auditors;
- ii) allow access for audit purposes at all reasonable times to any premises or land owned by the Council, or the governing body of an Aided or Foundation school maintained by the LA;
- iii) allow the copying and/or removal of prime documents for audit purposes.

Paragraphs 4.1, 4.2, and 4.10 of this scheme also apply to community facilities accounts. School resource management principles should also be applied.

Virement may take place between the community facilities budget and the schools delegated budget or any other budgets specifically to be used for the purposes of the school where the approval of the Governing Body has been gained.

Where schools conclude funding agreements with other persons pursuant to the exercise of the community facilities power, they must ensure that such agreements contain adequate provision for access by the 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 Authority to satisfy itself as to the propriety of expenditure on the facilities in question.

15.7 Treatment of Income or surpluses

Net income derived from the community facilities may be retained by the school, except where otherwise agreed with a funding provider (whether that be the LA or some other person).

Such retained net income may be carried over from one financial year to another as a separate community facilities surplus, or subject to the agreement of the Authority be transferred all or in part to the budget share balance of the school.

If the Authority ceases to maintain a community or community special school, any accumulated retained income obtained from the exercise of the community facilities power reverts to the Authority unless otherwise agreed with a funding provider or subject to the Academies Act 2010.

15.8 Health and safety

Section 13.5 of this scheme also applies to any community facility arrangements.

Governing Bodies must ensure that Disclosure Barring Service clearance has been obtained for all adults involved in community activities taking place during the school day. The costs of such clearance are the responsibility of the Governing body, unless passed on to a funding partner as part of an agreement with that partner.

15.9 Insurance

It is the responsibility of the Governing body to ensure that adequate arrangements are made for insurance against risks arising from the exercise of the community facilities power, taking professional advice as necessary. The arrangements must be agreed with the Authority before finalisation of the insurance arrangement for community facilities.

The LA may make an assessment of the insurance arrangements, and if it judges those arrangements to be inadequate, may make arrangements itself and charge the resultant cost to the school in order to protect itself against possible third party claims.

Instead of taking out insurance, a school may join the Secretary of State's Risk Protection Arrangement (RPA) for risks that are covered by the RPA.

15.10 Taxation

Schools must seek the advice of the LA on any matters relating to VAT, taxation, income tax (PAYE) and National Insurance. Schools should be aware that they may need to register with HM Revenue & Customs as an employer and follow all regulations in force relating to the employment and payment of staff.

15.11 Banking

Schools may choose to operate their own bank or building society accounts for the purpose of the community facility subject to the conditions set out below. Alternatively, they may choose to operate separate accounts of the Local Authority's accounts. Any interest paid on the account will be retained by the school community facilities account.

Conditions relating to the operation of bank or building society accounts:

- a) external accounts must always operate in surplus, unless a deficit has been authorised by the Chief Finance Officer, or unless borrowing is expressly authorised by the Secretary of State. The Authority must be formally consulted before any application to borrow is made to the Secretary of State;
- b) subject to (c) below, schools must give the period of notice specified in paragraph 5.1 of an intention to operate an external bank or building society account;
- c) the Authority must give written confirmation that it has assured itself of the financial standing of any bank or building society selected by a school before an account is opened by the school.

Funds paid to the school by Dorset LA and held in external accounts remain LA property until spent and are subject to the conditions of this scheme and the Authority's associated Scheme of Financial Management. If the school operates an external account for community facility purposes, the account mandate should not imply that the LA is the owner of the funds in the account except insofar as those funds have been provided by the LA itself. However, the mandate must make clear that if following proper process, the LA has suspended the school's right to a delegated budget, the LA make take control of the account.

15.12 Payments in respect of redundancy and dismissal

Section 37.7 of the Education Act 2002 states that:

"Where a local education authority incurs costs-

- (a) in respect of any premature retirement of any member of 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 agree with the governing body in writing (whether before or after the retirement, dismissal or resignation occurs) that they shall not be so recoverable."

And section 37.7(A) states that:

"Any amount payable by virtue of subsection (7) by the governing body of a maintained school in England to the local 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.

Section 37.7(B) states that:

“The condition is that the governing body are 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.”

And section 37.9:

“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 two purposes; and the preceding provisions of this section shall apply separately to each part in the payment of costs.”

And Section 37.10:

“Regulations may make provision with respect to the recovery from governing bodies of amounts payable by virtue of subsection (7).”

Annex A: List of schools to whom this scheme applies

Primary Phase

Bincombe Valley Primary School and Community Nursery
Broadmayne First School
Broadwindsor CE VC Primary School
Cerne Abbas CE VC First School
Cheselbourne Village School
Conifers Primary School
Downlands Community Primary School
Greenford CE Primary School
Hazelbury Bryan Community Primary School
Holy Trinity CE VC Primary School and Nursery Unit
Parrett & Axe CE VA Primary School
Powerstock CE VA Primary School
Radipole Primary School
Rushcombe First School
Salway Ash CE VA Primary School
Sandford St Martin's CE VA Primary School
Southill Primary School
St George's Primary School, Portland
Stalbridge CE Primary School
Sticklands CE Primary School
Stower Provost Community School
Sturminster Marshall First School
Symondsburry CE Primary School
The Abbey CE VA Primary School
The Prince of Wales School
Thorner's C of E School, Litton Cheney
William Barnes Primary School
Winterbourne Valley CE (Aided) First School
Wyke Regis CE Junior School
Wyke Regis Infant School and Nursery

Middle Schools

Cranborne Middle School
West Moors Middle School

Secondary Schools

Beaminster Technology College
Ferndown Upper School
Lytchett Minster School
Sturminster Newton High School
The Blandford School
The Woodroffe School

Special Schools

Beaucroft Foundation School, Colehill
Mountjoy School, Beaminster
Westfield Technology College, Weymouth

Yewstock School, Sturminster Newton

Learning Centres

The Compass Centre

Dorchester Learning Centre

The Forum Centre

Annex B: Responsibility for redundancy and 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.

The local authority can retain a central budget within the schools budget to fund the costs of new early retirements or redundancies by a deduction from maintained school budgets (excluding nursery schools) only, where the relevant maintained school members of the schools forum agree.

It is important that the local authority discusses its policy with the 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 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 agree 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 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 7(B) is met.

(7B) The condition is that the governing body are 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.

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Dorset Schools' Forum

Date of Meeting:	25 September 2026
Report Title:	ALLOCATION OF THE FALLING ROLLS FUND
Executive Director:	Paul Dempsey, Executive Director for People - Children
Corporate Director:	Jen Furnell, Director for Education and Learning
Presenting Officer:	Vanessa Eddey Team Manager – Schools, Finance & Support
Report Status:	Public
Reason for Submission to Schools' Forum:	For APPROVAL & CONSULTATION as detailed in the report Under Forum power/responsibilities: Centrally retained schools block budget requiring schools forum approval
Recommendation(s):	That the Schools' Forum: 1. That Schools Forum members consider the proposed distribution method for the falling rolls fund of £300k.
Reason for Recommendation(s):	
DECLARATIONS OF INTEREST	Schools' Forum members are reminded of their responsibility to make a declaration of interest in any agenda item in which they have an interest, to the Chair or the Clerk, preferably in advance of the meeting.

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1. Executive Summary

1.1 DfE allocate funding based on falling rolls within local authorities' schools block Dedicated Schools Grant (DGS) allocations, alongside growth funding. The Schools block covers the age range 4 to 16.

1.2 In 2025-26, £300k of falling rolls funding was allocated and agreed at the January 2025 Schools' Forum meeting, as part of the process for agreeing the Schools Block budget for 2026-26. The funding was not spent in 2025-26 and carried forward to 2026-27 and no new allocation was made from 2026-27 funding. Falling rolls funding is targeted at pupil number reductions in the year groups Reception to Year 11.

1.3 The distribution method for falling rolls funding should be based on the reduction in pupil numbers that local authorities experience for each year. It is based on the observed differences between the primary and secondary numbers on roll in each local authority between the October school censuses. Schools' Forum should agree the criteria for allocation.

1.4 The criteria for allocating falling rolls funding should contain clear objective thresholds for qualification and a clear formula for calculating allocations. Differences in allocation methodology are permitted between phases.

1.5 The proposed distribution method in Dorset takes in to account the reduction in pupil numbers (in the age range from Reception to Year 11) over the two-year period between October 2023 and October 2025. Two years have been used as funding relates to 2025-26 and 2026-27 and demonstrates a consistent falling roll.

1.6 A two step process is proposed. Step 1 determines if a school qualifies and step 2 calculates the funding due to the qualifying schools.

1.7 In order to qualify for funding, schools must meet the following criteria, which is different for primary and secondary schools:

- Primary – an average drop of total pupil numbers of over 10% over the two-year period.

For example, a primary school with pupil numbers of 225 in October 2023, 203 in October 2024 and 174 in October 2025 has an average reduction of 12.03% over the two years. The table below illustrates this:

	Total Pupil Numbers (Reception to Yr6)	Reduction	% Reduction	2-year average
Oct-23	225			12.03%
Oct-24	203	22	9.78%	
Oct-25	174	29	14.29%	

- Secondary – a reduction in pupil numbers in the year of entry compared with the Published Admission Number (PAN) of at least 30% over the two-year period.

The table below shows the comparison of the entry year to PAN for the two secondary schools that qualify:

	PAN 2024	Actual Year 7 Oct 24	Diff	% Diff	PAN 2025	Actual Year 7 Oct 25	Diff	% Diff	Combined % reduction over 2 years
All Saints' Co E Academy	180	108	72	40.0%	120	87	33	27.5%	33.75%
The Woodroffe School	174	113	61	35.1%	174	115	59	33.9%	34.48%

1.8 Different qualifying criteria are proposed for primary and secondary to target the funding towards schools with the greatest need. As secondary schools are working with larger numbers of pupils, the percentage method does not recognise a significant reduction in pupils.

1.9 The rate of funding is based on the 2026-27 amount of basic entitlement included school funding. For primary schools it is £4,033.32 and secondary schools £5,930.49 (which is a combination of 3/5ths of the KS3 rate and 2/5ths of the KS4 rate). There is not enough funding to pay all qualifying schools at the full basic entitlement rate. Allocation rates are scaled back by 89.696% to be able to pay all qualifying schools.

1.10 The scaled back primary rate is £415.605 per pupil and the scaled back secondary rate is £610.939 per pupil. The rate of funding is multiplied by the combined reduction in pupil numbers over the two-year period.

1.11 A full list of proposed allocations is shown in Appendix A. This includes 12 primary schools and 2 secondary schools.

2. Financial Implications

3. Well-being and Health implications

Not applicable

4. Climate Implications

Not applicable

5. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:

Current Risk: LOW

Residual Risk: LOW

6. Equalities Impact Assessment (EqIA)

7. Not applicable

8. Appendices

Appendix A: Proposed distribution of falling rolls funding.

9. Background Papers

[Growth and falling rolls fund guidance: 2026 to 2027 - GOV.UK](#)

[Pre-16 schools funding: local authority guidance for 2026 to 2027 - GOV.UK](#)

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Appendix A – Proposed Distribution of Falling Rolls Funding

	Oct 25 Reduction of Pupils	Oct 25 Reduction %	Oct 24 Reduction of Pupils	Oct 24 Reduction %	Combined Reduction	Combined 2 year Reduction %	Primary Rate	Secondary Rate	Falling Rolls Funding
All Saints C of E	-105	-15.00%	-55	-7.28%	-160	-11.14%		£610.939	-£97,750
Downlands Community	-29	-14.29%	-22	-9.78%	-51	-12.03%	£415.605		-£21,196
Piddle Valley CE First	-2	-5.56%	-8	-18.18%	-10	-11.87%	£415.605		-£4,156
Portesham CE Primary	-13	-23.21%	-3	-5.08%	-16	-14.15%	£415.605		-£6,650
Powerstock CE VA Primary	-4	-10.26%	-19	-32.76%	-23	-21.51%	£415.605		-£9,559
Sixpenny Handley First	-7	-10.94%	-7	-9.86%	-14	-10.40%	£415.605		-£5,818
St Gregory's C of E Primary	-10	-16.67%	-7	-10.45%	-17	-13.56%	£415.605		-£7,065
St Marks CE VA Primary	-26	-21.67%	-20	-14.29%	-46	-17.98%	£415.605		-£19,118
St Mary and St Joseph's Catholic Primary	-38	-31.67%	-20	-14.29%	-58	-22.98%	£415.605		-£24,105
St Michael's CE Primary	-14	-19.44%	-15	-17.24%	-29	-18.34%	£415.605		-£12,053
Sturminster Marshall First	-15	-22.06%	-15	-18.07%	-30	-20.07%	£415.605		-£12,468
The Woodroffe School	-48	-6.10%	-64	-7.52%	-112	-6.81%		£610.939	-£68,425
Thorncombe St Mary's	-6	-20.69%	-4	-12.12%	-10	-16.41%	£415.605		-£4,156
Three Legged Cross First	-8	-9.52%	-10	-10.64%	-18	-10.08%	£415.605		-£7,481
	-325		-269		-594				-£300,000

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	PAN 2024	Actual Year 7 Oct 24	Diff	% Diff
All Saints' Co E Academy	180	108	72	40.00%
The Woodroffe School	174	113	61	35.06%

Proposed allocation of falling rolls funding

	Oct 25 Reduction of Pupils	Oct 25 Reduction %	Oct 24 Reduction of Pupils	Oct 24 Reduction %
All Saints C of E	-105	-15.00%	-55	-7.28%
Downlands Community	-29	-14.29%	-22	-9.78%
Piddle Valley CE First	-2	-5.56%	-8	-18.18%
Portesham CE Primary	-13	-23.21%	-3	-5.08%
Powerstock CE VA Primary	-4	-10.26%	-19	-32.76%
Sixpenny Handley First	-7	-10.94%	-7	-9.86%
St Gregory's C of E Primary	-10	-16.67%	-7	-10.45%
St Marks CE VA Primary	-26	-21.67%	-20	-14.29%
St Mary and St Joseph's Catholic Primary	-38	-31.67%	-20	-14.29%
St Michael's CE Primary	-14	-19.44%	-15	-17.24%
Sturminster Marshall First	-15	-22.06%	-15	-18.07%
The Woodroffe School	-48	-6.10%	-64	-7.52%
Thorncombe St Mary's	-6	-20.69%	-4	-12.12%
Three Legged Cross First	-8	-9.52%	-10	-10.64%
	-325		-269	

PAN 2025	Actual Year 7 Oct 25	Diff	% Diff
120	87	33	27.50%
174	115	59	33.91%

1	1.47
£4,033.32	£5,930.49

Combined Reduction	Combined 2 year Reduction %	Primary Rate	Secondary Rate	Falling Rolls Funding
-160	-11.14%		£610.939	-£97,750
-51	-12.03%	£415.605		-£21,196
-10	-11.87%	£415.605		-£4,156
-16	-14.15%	£415.605		-£6,650
-23	-21.51%	£415.605		-£9,559
-14	-10.40%	£415.605		-£5,818
-17	-13.56%	£415.605		-£7,065
-46	-17.98%	£415.605		-£19,118
-58	-22.98%	£415.605		-£24,105
-29	-18.34%	£415.605		-£12,053
-30	-20.07%	£415.605		-£12,468
-112	-6.81%		£610.939	-£68,425
-10	-16.41%	£415.605		-£4,156
-18	-10.08%	£415.605		-£7,481
-594				-£300,000

0.103043 89.6957%

Dorset Schools' Forum

Date of Meeting:	25 September 2026
Report Title:	Update to the Financial Efficiency Policy
Executive Director:	Paul Dempsey, Executive Director for People - Children
Corporate Director:	Alice Deacon, Corporate Director for Commissioning and Partnerships
Report Author: Title: Tel: Email:	Vanessa Eddey Team Manager Schools, Finance & Support 01305 225918 vanessa.eddey@dorsetcouncil.gov.uk
Presenting Officer:	Vanessa Eddey, Team Manager, Schools, Finance & Support Officer Schools, Finance & Support
Report Status:	Public
Reason for Submission to Schools' Forum:	For APPROVAL Under Forum power/responsibility: 1(e) Changes to the Scheme for Financing Schools
Recommendation(s):	That the maintained members of the Schools' Forum approve the updates to the Financial Efficiency Policy.
Reason for Recommendation(s):	To ensure the Council is compliant with latest statutory guidance and that the Dorset Scheme remains in line with Government best practice.
DECLARATIONS OF INTEREST	Schools' Forum members are reminded of their responsibility to make a declaration of interest in any agenda item in which they have an interest, to the Chair or the Clerk, preferably in advance of the meeting.

1. Executive Summary

- 1.1 The Financial Efficiency is a sub-policy of the Scheme for Financing Schools and gives more detail for clarification purposes. It was last updated in September 2022. Proposed amendments are shown in yellow on the draft Version 10 of the policy, in Appendix A.
- 1.2 Section 1.4 (a) has been added following a South West Audit Partnership audit of five maintained schools. It gives details of monthly processes and good financial practice that should be followed.
- 1.3 Section 1.4 (b) has been added to ensure maintained schools are using the LAs chart of accounts, with agreed cost centres and ledger codes.
- 1.4 Section 1.4 (i) has been amended to clarify that any revenue balances used for capital projects should not be detrimental to future financial sustainability or affect educational delivery.
- 1.5 Section 2.2.2 has been amended to clarify that the budget setting workbook containing, Integrated Curriculum Financial Planning (ICFP) data, should be shared and discussed with governors when setting the budget.
- 1.6 Section 2.3.3 has been amended in respect of ICFP being used when drafting a deficit recovery plan.
- 1.7 Section 3.4 has been amended to clarify that schools may be visited if they have an excess surplus.
- 1.8 Section 4.3 has been added in respect of mandatory attendance at some training set up the LA.

2. Financial Implications

n/a

3. Climate Implications

n/a

4. Other implications

n/a

5. Risk Assessment

Having considered the risks associated with this decision, the level of risk has been identified as:
Current Risk: low
Residual Risk: low

6. Equalities Impact Assessment (EqIA)

n/a

7. Appendices

Appendix A: Financial Efficiency Policy version 10

8. Background Papers

n/a

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.



Policy Document
Children's Services' Education Services' Team

School Financial Efficiency Policy and Procedure: Version 10

September 2026

For further information contact:

Vanessa Eddey, Team Manager, Schools' Finance and Support

by email to vanessa.eddey@dorsetcouncil.gov.uk or by ringing 01305 225918

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Changes from the September 2022 version of this policy

The updated policy continues to promote good financial practice. The following updates have been made:

- 1.4 Operational requirements for key transactional processes are updated.
- 1.4 Updated wording on the use of capital for revenue purposes not being to the detriment of future financial sustainability or affect educational delivery
- 2.2.2 the requirement that the budget setting workbook containing Integrated Curriculum Financial Planning (ICFP) data is shared with governors when setting the budget.
- 3.4 updating wording to “may”
- 4.3 - the requirement to attend LA mandatory finance training has been added.

1. Application

- 1.1 All maintained schools in Dorset are covered by this policy, however it is recognised that Voluntary Aided schools are subject to different rules regarding capital funding. These variances are taken account of in the procedures.
- 1.2 This policy expands on the *Dorset Scheme for Financing Schools*. This version will be released in October 2026 following consultation with the Schools' Forum.
- 1.3 This policy promotes effective financial management in schools and offers guidance for schools on deficit and surplus management.
- 1.4 In order to plan the effective use of resources, schools should take account of the following principles:
 - a) Keep the local finance system up-to-date and complete month-end processes promptly according to the timetable provided by the Local Authority. Orders should be placed in advance, recorded on the finance system and reconciled to invoices. All bank accounts should be reconciled, auto reconciliation files processed and VAT returns submitted on a monthly basis. Reconciliations should be checked and signed off by the Headteacher or nominated representative. The monthly newsletter provided by the Schools' Accountancy Support Team and SAFSO Team updated guidance should be reviewed and acted on every month.
 - b) The chart of accounts provided by the LA should be used in the local finance system.
 - c) Have a school development plan that is underpinned by sound resource planning and identifies priorities and targets for: ensuring that pupils achieve high standards and make progress; increasing teachers' effectiveness and securing school improvement.
 - d) Have a financial planning system that can accurately forecast salaries over a minimum period of 3 years, as well as allowing other income and expenditure to be forecast.

- e) Link the multi-year budget (minimum of 3 years including the current year) to the school development plan to ensure resources are available to meet priorities and targets.
- f) Ensure the multi-year budget takes into account predicted and realistic changes in pupil numbers, and forecasts likely changes in income and expenditure.
- g) Set an annual budget that is approved by the Full Governing Body/Management Committee and submitted to the Local Authority (to the School Finance and Support Team) by the 1st May each year.
- h) Not set a deficit budget.
- i) Ensure balances (both revenue and capital) are at a reasonable level and have a clear plan for using the balances held at year end. If a revenue balance is to be used for capital purposes, this should not be to the detriment of future financial sustainability or affect educational delivery.
- j) Monitor the budget at least six times a year.
- k) Establish sound internal financial controls. Ensure there are adequate arrangements in place to guard against fraud and manage conflicts of interest and any related party transactions.
- l) Annually review the School Financial Value Standard (SFVS) checklist and dashboard with Governors and refer to the SFVS checklist guidance for further detail on good practice.
- m) Ensure that the SFVS checklist and dashboard is completed and returned to the LA by 31st March each year. A list of Related Party Transactions (RPTs) should be appended which link to the answer to question 26 in the SFVS checklist.
- n) Complete the Integrated Curriculum Financial Planning (ICFP) workbook as part of the budget setting process, which should be discussed by governors and returned to the LA.
- o) Regularly review the [School resource management web page](#) provided by the DfE for the latest information, tools, training and guidance available to help with financial planning and resource management.

2. Actions - Deficit Budgets

2.1 3-year budgets

- 2.1.1 The 3-year budget and completed budget setting workbook must be agreed by the full governing body/management committee and submitted to the School Finance and Support by 31st March as good practice and 1st May at the latest.
- 2.1.2 The budget must be set for a minimum of three years and should show a surplus in year one. Any budget submitted to the School Finance and Support showing a predicted year end deficit in the first year will be rejected and returned to the school unless it is

accompanied by a licensed deficit application and deficit recovery plan which fully repays the deficit. The school is expected to do everything possible to avoid setting a deficit budget in the first year.

- 2.1.3 If a year-end deficit is shown in the second or third years, schools will be expected to develop a strategy for deficit avoidance. Updates must be provided when forecast of outturn reports are submitted during the year to show how the school will avoid deficit in future years.
- 2.1.4 All budgets will be subject to further discussion and amendment until accepted. Schools must not upload the budget to the local finance system until a formal acceptance has been received from the School Finance and Support Team.

2.2 Integrated Curriculum Financial Planning (ICFP)

- 2.2.1 Integrated curriculum and financial planning (ICFP) is a management process that helps schools plan the best curriculum for their pupils with the funding they have available. It can be used at any phase or type of school. ICFP involves measuring your current curriculum, staffing structure and finances, and using the data to create a 3 to 5-year plan.
- 2.2.2 The budget setting workbook contains ICFP data which should be fully completed and discussed with governors at the time of setting the budget. Governors should analyse the benchmarks and discuss the effective use of resources in respect of teacher deployment, use of support staff, non-staffing costs and the balance of income and costs.
- 2.2.3 The analysis will indicate the staffing levels that are affordable, based on estimated cost pressures, income and pupil roll numbers, and the number of teachers needed to deliver the curriculum.
- 2.2.4 If a school is in deficit or heading towards deficit, the ICFP analysis should be used in the process of forming a strategy to avoid or recover from deficit.

2.3 Process to agree a deficit recovery plan

- 2.3.1 The School Finance and Support Team will work with those schools with potential/actual deficits to agree a strategy to achieve sustainable balanced financial position over an agreed period of time. Deficit recovery should generally be achieved in three years, but this will be agreed on an individual basis. A licensed deficit application and recovery plan should be submitted that is realistic and time constrained.
- 2.3.2 Both local and national benchmarking comparisons will be made during this process. Historic budget allocations should not just be rolled forward each year; opportunities for working in more efficient ways should be considered for each budget heading. The deficit recovery plan should also take into consideration the expected outcomes of pupils in the school, to ensure that these are not compromised unduly.
- 2.3.3 As part of the process to draft a deficit recovery plan, Governors should consider all aspects of the financial plan and constructively challenge assumptions to ensure best value is achieved, including using the School resource management webpage provided by the DfE referred to in paragraph 1.4 (m) above. This provides the latest information, tools, training and guidance to help with financial planning and resource management. The ICFP data

should also be used as part of this process. Minutes of the meeting should be submitted to the LA with the licensed deficit application.

2.3.4 The licensed deficit application and recovery plan must be discussed and adopted by the Full Governing Body/Management Committee. Relevant Governors minutes should be submitted to the LA in addition to the application and recovery plan.

2.3.5 The application will be checked and signed off by the Corporate Director for Education & Learning if the plan is deemed to be realistic and time constrained.

2.4 Notice of Financial Concern

2.4.1 Schools with a new deficit, or an existing deficit that is not licensed, may, at the Local Authority's discretion, be issued with a Notice of Financial Concern. There will be no right of appeal against the issue of a Notice of Financial Concern. The notice will show required actions and timescales. Restrictions on expenditure may be included in the Notice.

2.5 Ongoing monitoring arrangements

2.5.1 The School Finance and Support Team will continue to work with schools that hold licensed deficits and existing deficit recovery plans to ensure that they are adhered to and reduce the deficit as planned.

2.5.2 Once the licensed recovery plan is agreed, any changes of circumstance can be discussed, but the expectation is that expenditure will be cut if the recovery is not being met. Early repayment of the deficit is expected if it can be achieved without compromise to standards.

2.5.3 The school must have robust internal budget monitoring arrangements in place to ensure that performance against the budget and recovery plan is sufficiently monitored and tracked on a regular basis (See Section 5).

2.6 Deficit Management

2.6.1 Where a school has a deficit, enhanced challenge and support will be set in place. The school leaders and governors will work with the School Finance and Support Team and other LA officers as required (from Early Years, Dorset Education Advisory Service, HR, Governor Services and Accountancy), to agree the methods by which the school will be able to balance its budget. A number of specific options will be considered according to the circumstances of the school:

- a) If a school is cash funded, the LA will consider removing cash funded status;
- b) A new deficit recovery plan, exceptionally with longer time periods for repayment of the deficit;
- c) Inclusion of the school on the Local Authority's Schools Causing Concern Register for financial reasons;
- d) Strengthening the governing body, management committee or Interim Executive Board by appointing one or more Local Authority Governors. Their role would be to support the headteacher and the governing body, management committee or Interim Executive Board in managing the recovery process as the authority is well aware of the very difficult decisions that will need to be made;
- e) Recommend appropriate training for school staff and Governors to address any identified weaknesses in the financial management of the school;

- f) Recommend Access Education Budgets for producing accurate 5-year financial plans;
- g) Issue a Notice of Financial Concern stating the reasons for issuing the notice and detailing specific actions to be completed in an agreed timescale. Restrictions on expenditure may be included in the Notice;
- h) In severe cases where the Notice of Financial Concern does not prompt the required action it could be necessary to remove financial delegation. In this case, Local Authority representatives will be nominated to manage the school's budget. The Headteacher and Chair of Governors will be kept fully informed during this process. This would mean the authority taking full control of the budget, including all decisions relating to staffing.

2.6.2 Examples of situations when a Notice of Financial Concern would be issued:

- a) If a maintained school is at risk of becoming a sponsored academy.
- b) A deficit in the current financial year is not licensed.
- c) The school is in breach of the Scheme for Financing Schools, e.g. does not submit an acceptable budget.
- d) A school that requires improvement has not demonstrated commitment to making better use of resources or achieving value for money.
- e) There is some evidence of financial mismanagement.
- f) Financial returns such as the VAT return, CFR report, forecast of outturn report or SFVS are submitted late.
- g) The school will not set a three-year budget.

2.6.3 Examples of situations when delegation would be removed:

- a) The school is persistently in breach of the Scheme for Financing Schools.
- b) The school will not set a balanced budget.
- c) The school will not engage in the licensed deficit process.
- d) The deficit is worsening and no action is being taken by the school.
- e) There is evidence of financial mismanagement by the school and a Notice of Financial Concern does not give the LA sufficient assurance.
- f) A school deemed to be a school causing concern has not demonstrated commitment to making better use of resources or achieving value for money.
- g) Actions included in a Notice of Financial Concern have not been met in the specified timescale.
- h) A school in deficit has been judged inadequate by Ofsted.
- i) A school that is eligible for intervention by the LA under Section 60 of the Education & Inspections Act 2006.

3. Actions - Surplus Budgets

- 3.1 Current allowable surplus levels are 5% for secondary and middle schools and 8% for primary and special schools and learning centres. These allowable levels should be viewed as maximum levels, not prudent levels and schools should plan to spend the budget they receive on the pupils in school in that year. Where schools are predicting a year-end excess surplus the budget may be rejected and the School Finance and Support will work with the school to agree a balanced budget.
- 3.2 The Dorset Scheme for Financing Schools allows the Local Authority to remove funds in excess of the allowable levels. Where schools are carrying a current excess surplus from

the previous financial year this will be investigated on an individual level. Monitoring year end balances enables the LA to ensure that today's money is being spent on today's pupils.

3.3 The following challenge and support process will be used to ascertain if expenditure plans for surplus balances are deemed to be appropriate:

- a) During the financial year, schools prepare three forecast of outturn reports (June, November and February) that are submitted to the School Finance and Support Team. If a school is predicting an excess surplus, there is space available to include information on the planned use of the excess surplus on each occasion.
- b) During the budget setting process for the following year, schools can include information on planned projects using the excess surplus.
- c) Once final year end balances are available, schools with an excess surplus will receive a letter asking if they wish to submit any additional information or evidence to the LA.
- d) A group of LA Officers review all the information received from schools before the end of the summer term and decide if the expenditure plans for the use of excess surplus balances are appropriate. The following criteria are used when deciding to approve an excess surplus:
 - (i) A specific scheme of repair or refurbishment which cannot be financed from one year's budget share. For schools where land and building assets are owned by the Local Authority, the Local Authority property team must be informed of any planned refurbishment scheme.
 - (ii) A specific scheme of building work, furnishing or equipping which cannot be financed from one year's budget share. In this case the school must have spent or committed all Capital funding before using revenue to fund these schemes. For schools where land and building assets are owned by the Local Authority, the Local Authority property team must be informed of any planned building work.
 - (iii) Monies held on behalf of other schools or organisations (including nurseries) that will be distributed or spent in the following financial year.
 - (iv) Funds set aside for use in year 1 to manage change related to awkward class sizes, school reorganisation, falling pupil numbers or staff secondments. For example, a school/PRU may wish to retain 4 classes even though reception intake shows that only 3 classes are needed however, the following year the pupil number intake rises, and 4 classes are required.
 - (v) Purpose of unspent donations. (These should exclude balances held in trust funds or other private or non-public accounts).
 - (vi) ICT replacement or development programme.
 - (vii) Exceptional circumstances which will be scrutinised. These could include VA schools seeking LCVAP from the Diocese saving their contribution towards a capital project.
 - (viii) Unspent grants issued for an academic year (for example, Pupil Premium, Year 7 Catch Up Grant, funds held for UIFSM adjustments by the DfE), which will be spent in the summer term.
 - (ix) Evidenced known future expenditure on redundancies or ill-health retirements.

- (x) To offset a deficit in year 1 of the 3-year school budget plan.

- 3.4 Schools with an excess surplus in each of the last three financial years will may be visited by an Officer from the School Finance and Support team or their Education Challenge Lead to discuss progress of excess surplus projects and whether the holding back of funds is impacting on the education of the children and young people on roll.
- 3.5 In cases where the financial circumstances of a school are of significant concern, the school will be included on the authority's Schools Causing Concern Register for financial reasons.
- 3.6 Where a School Causing Concern is not adhering to an agreed plan to reduce the excess surplus, a financial Notice of Concern will be issued. The notice will give targets for the reduction of the excess surplus, on agreed projects, within an agreed timescale.
- 3.7 In severe cases where the Notice of Concern does not prompt the required action it will be necessary to remove delegation; in this case Local Authority representatives will be nominated to join the Chair of Governors and Headteacher in managing the school's budget. This would initially mean the authority taking full control of the budget but much of the day to day budgeting might be returned to the school very quickly.

4. Support to Schools - Headteacher and Governor Training

- 4.1 Where a school is in deficit or excess surplus recovery, the School Finance and Support Team will arrange a support visit to the school and/or one or more governors' finance meetings to ensure that the governors are equipped with all the necessary information and skills to fulfil their role in rectifying the situation.
- 4.2 Headteacher and governor training will be made available as appropriate.
- 4.3 The school Finance Officer/School Business Manager should attend any mandatory finance training set up by the Local Authority.

5. Monitoring of School Budgets and Levels of Support

- 5.1 Schools should provide budget monitoring reports to governors, from the local finance system, at least six times a year. All schools are required to provide estimated forecast of outturn statements to the School Finance and Support Team on a termly basis.
- 5.2 Schools that are a major concern i.e. those that have an increasing deficit or are unable to adhere to a recovery plan, will be supported by the Deficit Management process detailed in Section 2.5 and 2.6 of this policy.
- 5.3 Schools conforming to recovery plans and with reducing levels of deficit or excess surplus continue to be monitored by the School Finance and Support Team and supported by LA Advisers if necessary. The projected forecast of outturn position should be reported to the Governing Body/ Management Committee / Interim Executive Board at least half termly. (NB there does not necessarily need to be a meeting of the Governing Body/Management Committee/Interim Executive Board each half term, but a monitoring report should be communicated to them for their review).

6. Support to Schools – De-delegated fund to support redundancy costs for schools in financial difficulty

- 6.1 If school phases choose to de-delegate a fund towards redundancy costs, this will be available to support schools in that phase in financial difficulty undertaking a redundancy/restructure process in order to set up a financially sustainable staff structure.
- 6.2 The necessity of the redundancy to avoid deficit must be verified by a member of the School Finance and Support Team before it can be agreed that the school can access the fund.
- 6.3 The de-delegated fund will not be available for:
- (a) Headteacher redundancies if schools choose to federate, amalgamate or become a Multi-Academy Trust.
 - (b) Staffing reductions which the LA does not believe are necessary to either set a balanced budget or meet the conditions of a licensed deficit.
 - (c) Situations when 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.
- 6.4 If a school becomes an academy during the financial year, access to the fund can still be agreed if the school has paid into the de-delegated fund.

7. Schools' Funding

- 7.1 Funding for schools must respond to changing circumstances but also offer stability and predictability.
- 7.2 Work to gather, collate and interpret technical data to inform the transition to the National Funding Formula and will be discussed with the Dorset Schools' Forum at regular intervals. All schools will be consulted if necessary.

8. Financial Transparency

- 8.1 Following the 2019 government consultation on financial transparency and accountability arrangements, all maintained schools must:
- 8.1.1 Append a list of Related Party Transactions (RPTs) to the SFVS Checklist when this is returned to the LA. The RPT list should link to question 26 in the SFVS Checklist.
- The following information should be included in the RPT list appended to the SFVS:
- the person at the school whose interest makes this a related party transaction;
 - the value of the contract;
 - how the procurement (or appointment) was handled in order to avoid any impropriety either in practice or in appearance.
- 8.1.2 From 1 January 2021 publish annually on their website the number of individuals (if any) earning over £100k in £10k bandings, excluding employer on costs. The FTE salary for part-time members of staff does not need to be stated.
- 8.1.3 From 1 January 2021 publish a link from the school website to [the schools financial benchmarking website on gov.uk](#), so stakeholders can make comparisons across schools and get additional information explaining and contextualising income and expenditure data.

9. Use of Public Funds

- 9.1 The guiding principle is that schools should use funds for the purpose they were given i.e. Education. What may seem small value to a school, could quickly become material if applied across the whole of the local authority.
- 9.1.1 Gifts - As Dorset Council (and the schools included within this) are funded with public money it is not appropriate to purchase gifts of any description for staff (this includes but is not limited to flowers, bottles, books, jewellery, vouchers). If a school wishes to offer a gift as a thank you, goodbye, celebration, condolences then a staff collection would be the most appropriate method. However, no collection should go through the delegated bank account or school procurement card – it must be dealt with completely separately to the school finances. The purchase of gifts for volunteers follows the same rule as for staff and is not an appropriate use of public funds. However, if the headteacher can demonstrate that the purchase of the gift is far outweighed by the volunteering then it could be seen that value for money is being secured e.g. if to employ someone to provide the function of the volunteer would be significantly more expensive than the gift being purchased. Under no circumstances should alcohol be purchased.
- 9.1.2 Refreshments - For the same reason as above, it is not acceptable to pay for refreshments for the staff-room, for meetings, leaving presentations or Christmas lunches, staff are expected to pay for their own. There are however a small number of exceptions where refreshments can be provided:
- Work collaboration meetings where external colleagues are present
 - INSET days
 - Twilight training
- Under no circumstances should alcohol be purchased
- 9.1.3 Staff Wellbeing - Funds can be spent on one off / infrequent staff wellbeing events. Under no circumstances should alcohol be purchased

10. Review of impact of policy

- 9.1 Information about progress is taken annually to the Dorset Schools' Forum but also Headteacher and Chair of Governor briefings.
- 9.2 The impact of this policy is reviewed annually at the Dorset Schools' Forum.

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Dorset LEADS

Leaders in Education Across Dorset - Working in partnership



School Improvement – Impact Report 2025-2026

Lead Officer

Lisa Gray – Head of Service, Best Education for All Submitted 11 th September 2026
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Purpose

This report is written to present to Schools' Forum members to evidence and evaluate the impact of the School Improvement service in raising educational standards and providing a range of support to maintained schools.

The report will provide detail and evidence of impact pertaining to the key areas of leadership, governance, belonging and inclusion, curriculum and finance as set out in the Best Education for All plan. In addition, it will outline specialist projects and other work led by the School Improvement team. The offer has been delivered by the Education Challenge Leads (ECLs) and Schools Finance team with additional support to include Governor Services.
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Ofsted preparation and Inspection support

Education Challenge Leads (ECLs) provide support to Headteachers and wider school leadership teams in the lead up to, and during, Ofsted inspections.

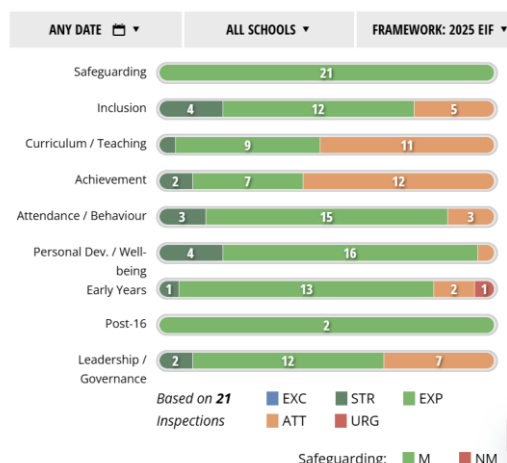
Context

- Supporting school leaders to develop a clear understanding of the revised 2025 Ofsted framework and subsequent updates, enabling them to effectively prepare for and respond to inspection requirements.
- Providing ongoing training and development for governing bodies to strengthen their understanding of the revised framework, inspection expectations and their role in demonstrating effective governance during inspection.
- Working closely with school leaders before, during and after inspection to provide appropriate support and challenge, including facilitating reflection on outcomes and supporting the development of post-Ofsted action plans where required.
- Collaborating with Regional Improvement for Standards and Excellence (RISE) colleagues to coordinate support for schools identified as 'Needs Attention' or below, ensuring that improvement activity is aligned, timely and responsive to individual school contexts.
- Ensuring school leaders remain informed of key national and local developments through a range of communication and engagement channels, including the Education Bulletin, LEADS Touchdown meetings and LEADS in-person events.

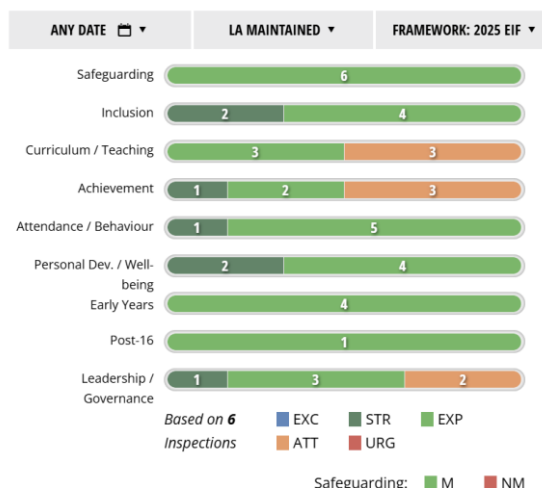
Supporting Information

All Dorset Schools – 21 Inspections

OFSTED



LA Maintained Schools



Impact

- Education Challenge Leads (ECL's) provide additional capacity to school leadership teams and governing boards, offering strategic support and challenge. They also contribute to the inspection process through discussions with Ofsted inspectors, providing valuable evidence and an informed external perspective on a school's improvement journey.
- Through the targeted support and challenge provided by the ECL, one maintained secondary school and one middle school have, to date, achieved a strong standard judgement. This represents one of the highest outcomes currently awarded through the inspection framework and reflects the significant progress made by these schools.
- Governors report increased confidence in undertaking their roles during inspection, citing the high-quality training and support provided by ECLs as instrumental in strengthening their understanding of accountability, school improvement and inspection expectations.
- Partnership working between ECLs, schools and RISE advisers (where involved) has been positive and constructive. Schools have benefited from a collaborative approach which combines local



knowledge with external expertise, while ensuring appropriate consideration is given to the Dorset context.

Curriculum - Maths and English

ECLs provide specialist curriculum support across a range of subject areas, drawing on national research, evidence-informed practice, curriculum auditing tools and robust review processes to support schools in evaluating provision, identifying priorities for development and securing sustained improvement.

Context

Curriculum reviews are undertaken with schools in line with identified School Development Plan (SDP) priorities. These reviews often involve ECLs working directly with subject leaders and link governors to strengthen their understanding of curriculum implementation, evaluate impact, identify areas for development, and agree clear next steps to support ongoing school improvement.

Examples of work

- The lead ECL facilitated a programme of English professional development for Dorset schools, delivered by Hampshire colleagues and funded by the Local Authority, supporting schools to strengthen curriculum leadership and improve outcomes in English.
- The Dorset STA Assessment Lead coordinated the statutory moderation of Key Stage 2 writing, the Phonics Screening Check and Key Stage 2 SATs administration visits, ensuring that the Local Authority met its statutory assessment and moderation responsibilities.
- Subject networks for both English and mathematics have been established, providing opportunities for school leaders to collaborate, share effective practice and engage with national and local developments.
- ECL representation on the Ramsbury English Hub Strategic Board provides governance, strategic challenge and oversight of the Hub's work. In addition, engagement with the Cornerstones English Hub has secured bespoke support for Dorset schools and helped maximise uptake of the full programme of support available.
- A strong relationship has been established with the Jurassic Maths Hub Strategic Board, enabling Dorset schools to benefit from additional challenge, support and opportunities for professional development, whilst ensuring that local priorities are reflected within wider strategic discussions.

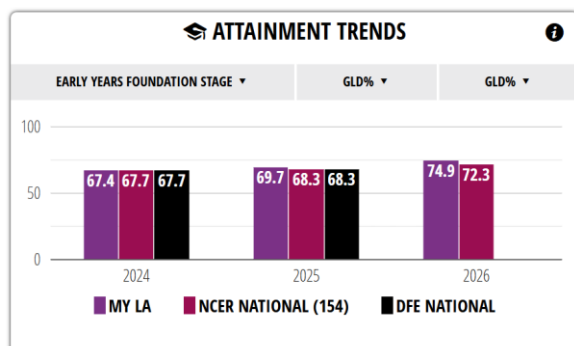
Impact

- A comprehensive programme of English professional development was delivered to 20 Dorset schools, with Key Stage 1 and Key Stage 2 teachers participating in a series of focused training sessions to strengthen classroom practice and improve pupil outcomes.
- Phonics outcomes have increased from 79.4% in the previous year to 84.2% in 2026, representing an improvement of more than five percentage points and placing Dorset above national averages.
- English Subject Leader network meetings engaged 30 leaders, providing opportunities to share effective practice, strengthen subject leadership and respond to local and national priorities.
- Dorset has seen a sustained improvement in Key Stage 2 English outcomes over the past three years. Reading outcomes have increased from 73.2% to 75.0%, writing from 68% to 72%, and grammar, punctuation and spelling from 68.1% to 72.0% (these results are provisional), reflecting the impact of continued investment in curriculum development and professional learning.
- Mathematics Subject Leader network meetings were attended by 14 leaders, strengthening collaboration and supporting the sharing of effective practice across schools. This work has coincided with an upward trend in Key Stage 2 mathematics outcomes, rising from 67.5% in 2024 to 73% in 2026.

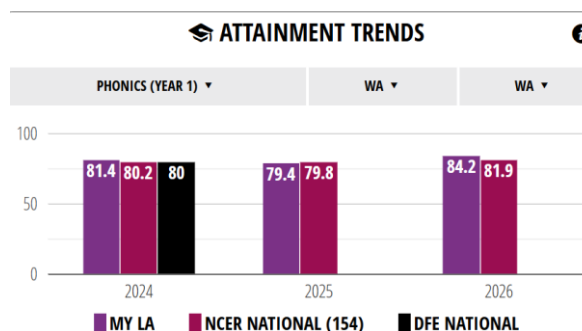


- Reading, Writing and Maths (RWM) outcomes improved this year by 3 percentage points to 60%. We are still 3% below national, but closing the gap.
- Targeted professional development programmes, including Strong Foundations in Key Stage 1 (20 participants), On Track for Year 6 (12 participants) and Writing Standardisation training (14 participants), have supported teachers to improve classroom practice and assessment accuracy.
- EYFS Profile training attracted 29 practitioners and has supported continued improvements in outcomes. Good Level of Development (GLD) outcomes have increased from 67.4% to 74.9% over the last three years.
- All Dorset secondary schools now have access to the enhanced support available through the English Hub programme. This provides additional opportunities to strengthen literacy provision and aligns with preparation for forthcoming national developments, including the introduction of the Year 8 reading assessment.
- Within the secondary phase, English and mathematics middle leaders have continued to collaborate through network opportunities to share best practice, discuss strategies for supporting all learners and prepare for anticipated curriculum and assessment reforms.
- Provisional GCSE outcomes indicate further improvements in attainment, with English Grade 4+ increasing by two percentage points to 73% and mathematics Grade 4+ increasing by two percentage points to 70%. National comparison data is not yet available at the time of writing, but we expect to remain just below National.
- Partnership working with the Jurassic Maths Hub has strengthened the identification of schools requiring support, ensuring that available resources and programmes are targeted effectively and informed by local intelligence and need.

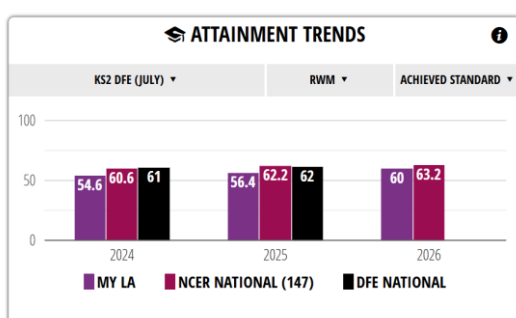
GLD – 3 year upward trend



Phonics – upward trend



KS2 Combined – upward trend



Inclusion & Belonging

The key areas of focus have been attendance, persistent absence, behaviour, SEND, and personal development.

Context



ECLs work collaboratively with schools, locality teams, Educational Psychologists (EPs), Specialist Teachers, Inclusion Leads and the Virtual School to support the delivery of Dorset's SEND, Belonging and Attendance Strategy. Through this partnership approach, schools are supported to strengthen inclusive practice, remove barriers to learning and participation, and ensure that all children and young people feel valued, included and able to thrive within their school community.

Examples of work

- Embedding of VSEND including development of the reporting tool
- Development of Attendance Strategy with the Virtual School
- Signposting to the Attendance and Behaviour Hubs for secondaries.
- Attendance and Behaviour subject network meetings have been established across the secondary maintained collaboration.
- Peer Mentor training to several secondary schools as part of supporting transition from Year 6 into Year 7.
- Providing curriculum support for inclusion hubs (specialist resource provisions) in schools. Some of these are informal, as well as our formal LA funded hubs.

Impact

- Valuing SEND (VSEND) will be a key enabler for Dorset's SEND Reform implementation, providing a consistent picture of children and young people's needs alongside the readiness of settings to meet them. Building on strong engagement in 2025/26, with 282 users across 230 schools and settings and 580 CYP profiles created, VSEND will support earlier identification, targeted deployment of the Universal and Expertise Offers, stronger school moves and more evidence-informed commissioning. Its data will also contribute to the Integrated SEND Dashboard, helping the Local Authority identify variation, target resources and demonstrate the impact of reform on inclusion, early intervention and reduced escalation to statutory provision.
- At a secondary level Attendance and Behaviour Leads have the opportunity to share best practice and discuss how they support all students within their settings, as well as working together to address ongoing concerns and priorities.
- Peer mentoring in schools has supported identified students in Year 7 throughout the academic year. Specific work has focussed around securing and improving attendance and adapting to the demands of secondary school life.
- Ofsted have reported positively on all the inclusion hubs that we have supported, so far: e.g 'The specialist resource hub is a particular strength. It provides an individualised and nurturing curriculum for pupils with complex needs. Staff use detailed knowledge of pupils' sensory needs to shape routines and learning activities, helping them feel secure and re-engage positively with learning. Pupils thrive in this provision, developing their communication, confidence and independence.' Maintained Primary School.

Headteacher and Senior Leadership Recruitment

ECLs work with school leadership teams and governing bodies to provide support during recruitment windows.

Context

ECLs have played a key role in supporting the recruitment of new Headteachers, working alongside governing bodies and Diocesan representatives where appropriate. This has included providing guidance on recruitment processes, advising on selection activities and interview questions, and supporting governors throughout the appointment process.

Ongoing support to Chairs of Governors and governing boards has helped ensure that recruitment processes are robust, compliant with statutory requirements and informed by best practice, enabling governors to make well-evidenced leadership appointments with confidence.



Examples of work

- 7 Primary schools had recruitment supported by ECLs
- 2 Special Schools had Headteacher and Assistant Headteacher support provided by an ECL

Impact

- The majority of schools have substantive headteachers in place for September. Where substantive appointments have not been possible, appropriate interim leadership arrangements have been secured to ensure continuity, stability and effective leadership aligned to the needs of the school.
- Succession planning and leadership development have enabled several strong middle leaders to progress into senior leadership positions within their current schools, strengthening leadership capacity and supporting workforce sustainability.
- Governors have been equipped with the knowledge, skills and resources required to undertake headteacher recruitment processes effectively, enabling them to make informed decisions and fulfil their statutory responsibilities with confidence.

Leadership

ECLs work closely with our maintained headteachers and wider school leadership teams.

Context

ECLs have provided tailored support to school leaders through informal coaching, peer-to-peer networking opportunities and facilitated visits to other schools. Drawing on national research, local intelligence and evidence-informed practice, ECLs have supported leaders to develop and implement effective strategies to improve outcomes for specific groups of pupils, including those eligible for Free School Meals (FSM), pupils receiving SEN Support and those with SEND.

This has been complemented by the design and delivery of bespoke professional development and the sharing of best practice across the Dorset school system.

Examples of work

- LEADS Touchdown meetings and termly in-person LEADS events provide a well-established forum for communication, collaboration and professional dialogue, enabling school leaders to engage with key local and national developments and contribute to strategic discussions.
- The LEADS in-person programme has continued to evolve, ensuring meetings are purposeful, strategically focused and aligned to the priorities of Dorset schools and the wider education system.
- The weekly Digital Education Bulletin provides school leaders with timely updates, key information and guidance, supporting effective communication across the maintained sector.
- Additional induction and mentoring support has been provided to headteachers undertaking their first headship or joining the Dorset maintained sector, helping to strengthen leadership confidence, accelerate local knowledge and support successful transition into role.
- The Dorset Secondary LA Collaboration has continued to strengthen and mature throughout 2025/26. A significant development has been the enhancement of the peer review model across the secondary phase, providing robust professional challenge, high-quality collaborative dialogue and strengthened quality assurance processes.
- A peer review model has now been agreed across all four maintained special schools for implementation in 2026/27, creating additional opportunities for sector-led improvement, specialist collaboration and bespoke quality assurance.



- Secondary leaders have engaged in external best practice opportunities, including visits to schools demonstrating exemplary practice under the revised Ofsted framework, enabling leaders to reflect on and strengthen provision within their own settings.
- The Dorset Post-16 Collaboration work continues, bringing together the majority of post-16 leaders across the county. This work, undertaken in partnership with a Multi-Academy Trust CEO and colleagues from ALPS, is supporting greater collaboration, shared learning and strategic development across the Post-16 sector.
- One ECL acts as the Local Authority link officer to Dorset SACRE, providing support and professional input to ensure the effective delivery of the group's responsibilities and priorities throughout the academic year.
- Locality-based school partnerships and collaborations have been actively supported, enabling schools to work collectively to address shared priorities, improve practice and drive better outcomes for children and young people.
- English and mathematics subject leaders have accessed bespoke professional development opportunities designed to strengthen subject leadership, build capacity and support improvements in teaching, learning and pupil outcomes.

Impact

- Peer reviews have been completed in four secondary schools during 2025/26. Feedback from both host schools and peer reviewers has consistently highlighted the value of this collaborative approach to school improvement. Schools receive detailed, evidence-informed feedback against an agreed area of focus, recognising strengths whilst identifying clear priorities for further development. Beyond supporting improvement within individual schools, the process facilitates the sharing of effective practice, strengthens professional networks and promotes collective responsibility for school improvement across the Dorset secondary maintained sector.
- Leaders have developed a stronger understanding of the characteristics and expectations associated with an Exemplary judgement under the revised Ofsted framework. This has increased both capacity and ambition across the Dorset system, supporting schools to aspire to the highest standards of educational quality and effectiveness.
- Post-16 leaders benefit from regular opportunities to collaborate, engage in high-quality professional development and deepen their understanding of how ALPS data can be used strategically to inform leadership decisions, curriculum planning and improvement priorities. This contributes to more informed decision-making and improved outcomes for students.
- The SACRE RE Conference for school leaders is now an established annual event within the Spring Term. In February 2026, 56 RE leaders from first, primary, middle and secondary schools participated, providing a significant opportunity for professional development, networking and the sharing of effective practice.

Headteacher Appraisal

This was a new offer introduced in September 2024 in response to the need to further improve our services and to meet demand. The demand for this service has grown in our second year offering it.

Context

ECLs now provide Headteacher Appraisal services for Local Authority maintained schools. This service was previously commissioned externally and incurred additional costs for schools. By delivering appraisals in-house, Dorset Council is able to provide high-quality, locally informed appraisal support that strengthens governance, ensures consistency in the appraisal process and offers a cost-effective solution for maintained schools.



Supporting Information

- Headteacher appraisals have been conducted across all locality areas, ensuring maintained schools have access to high-quality, appraisal support. Mid-year reviews were also offered and completed during the Spring Term where requested, providing an additional opportunity to review progress, support professional development and consider emerging priorities.
- Training has been delivered to governors involved in Headteacher Appraisal Panels, strengthening their understanding of the appraisal process and equipping them with the skills and confidence required to fulfil their responsibilities effectively.

Impact

- ECLs conducted 26 Headteacher Appraisals during Autumn 2025, representing an increase of 11 appraisals compared with the previous year and demonstrating growing demand for the Local Authority's in-house appraisal service.
- In response to increasing demand, a centrally coordinated appraisal programme has been established at County Hall over a two-week period in October 2026. At the time of writing, more than 33 appraisals have already been booked, reflecting the confidence schools and governing bodies have in the service.
- Governing bodies have responded positively to the support provided by ECLs throughout the appraisal process. One appraisal panel highlighted the value of the 'advice, guidance and support' received, recognising its contribution to a robust and effective appraisal process.
- Twenty-six governors attended Headteacher Appraisal training during 2025/26. Feedback from participants has been overwhelmingly positive, with one governor commenting on the 'excellent training provided by the Local Authority to support governing bodies'. The training has helped strengthen governors' understanding of their responsibilities and increased confidence in undertaking the appraisal process.

Finance

The finance team provide support to schools and governors covering a range of services. Involvement of Dorset Council's School's finance team has been essential in bringing people together to source support for schools.

Context

Officers from the team work closely with school business managers and office support staff, alongside headteachers, to ensure that our schools are in the best possible financial position.

This year the Finance team have continued to work closely with the ECL team to ensure that our work is aligned and to provide a streamlined approach for our maintained schools.

Examples of work

- Dorset Council has successfully secured four School Resource Management Advisor (SRMA) reviews during 2025-26. These in-depth specialist reviews provide schools with clear action plans and efficiencies for improving the use of resources at no cost to the school or LA.
- The School Finance & Support team continues to hold schools to account for their spending, which has contributed to a fall in schools' total deficit balances from -£806k to -£349k at the end of 2025-26.
- The Schools' Finance team have issued one Notice of Finance Concern during the year and continue to work closely challenging and supporting schools to reach a financially sustainable position.
- Members of the school finance team attend Team Around the School (TAS) meetings for four schools currently to ensure financial objectives are balanced with maintaining quality of education. They work in partnership with ECLs to provide support and challenge to schools.
- The Finance team provide detailed guidance at budgeting and forecasting time to support schools in effective planning.



- The finance team have provided training for schools and created bespoke training to deliver an induction for three new Dorset maintained headteachers.

Impact

- 29 school finance courses were run by the School Finance & Support team during 2024-25 with a total of 234 delegates attending. Ensuring schools are equipped to manage their school budgets effectively.
- ICFP for governors March 2026 - *"This was a very clear presentation of budget considerations for governors - will allow the GB to understand and question the presentation of resource allocations. Thank you."*

Education Conference 2026

Context

- The Dorset Education Conference 2026 was held on 29th June 2026 and focused on the theme of "Leading Inclusive Schools".
- The event was fully subscribed, with more than 130 delegates attending and over 70 schools represented.
- The programme included two keynote presentations and nine workshop sessions, from which delegates selected two to attend.
- Keynote speakers included Dr Alex Blower (Boys' Impact) and Martin Russell (UNICEF), alongside a range of workshops and information stands delivered by Dorset Council colleagues and external partners.
- The conference also promoted opportunities available to Dorset schools, including fully funded participation in the UNICEF Rights Respecting Schools Award programme.



Impact

- The conference provided a significant opportunity for school leaders, partners and professionals to come together to explore inclusive leadership and practice, supporting the delivery of Dorset's wider educational priorities.
- Delegate feedback was overwhelmingly positive, with attendees valuing the quality of the keynote presentations, workshop content and opportunities for networking and professional discussion.
- The event fostered collaboration across the Dorset education system, creating opportunities to share knowledge, expertise and effective practice between schools and partners.
- Feedback gathered from delegates has identified opportunities to further strengthen future conferences, particularly through increasing the level of interactivity within workshop sessions. This will inform planning for future events and support continuous improvement of the conference offer.



Governance

In collaboration with Dorset Governor Services, the Education Challenge Leads work with governing bodies to support them in meeting their statutory duties.

Context

The Governor Services team provides advice and support to clerks, chairs and governing bodies. This includes guidance on statutory and legal procedures, governance responsibilities, and the effective management of roles and relationships within governing boards.

ECLs contribute to the governor training programme, delivering sessions including New to Governance, Understanding SEND, and Strategic versus Operational Leadership, to support governors in their role. Training events and face-to-face meetings for clerks and chairs are delivered throughout the year, covering a range of relevant topics identified through local and national developments and feedback from participants.

Examples of work

- Improved communication with clerks and chairs due to the creation of a weekly newsletter. This notifies them of training, key updates and other pertinent information.
- Training and meetings provided:
- New governor induction training termly
- Chairs' Briefings
- Clerks' Briefings
- Training for new clerks
- Suite of five finance courses termly
- Bespoke ECL training for governors
- Short course on the Nolan Principles and Good Governance
- Supporting new Chairs of Governors in their role throughout the academic year

Impact

- Bespoke training has been offered to schools across all locality areas and has given governors the opportunity to work together and access additional training beyond the National Governance Association (NGA) resources.

Next steps: 2026 – 2027 Priorities

- Support schools to prepare for and implement any changes arising from national SEND reform proposals.
- Continue to strengthen and expand peer collaboration models across phases, promoting effective practice sharing, professional challenge and system-led improvement. Embed and evaluate the peer review model within the special school sector, supporting collaborative improvement and specialist quality assurance.
- Further embed the use of TEP programme findings to inform school improvement planning, identify priority areas for support and target resources effectively. Monitor programme usage, participation and feedback to evaluate effectiveness, measure impact and ensure value for money.
- Introduce a peer coaching programme (launching on 24th September at The Blandford School) for aspiring headteachers and serving headteachers to strengthen leadership capacity, support succession planning and enhance professional development opportunities.



- Continue to develop and expand secondary subject leader networks, enabling greater collaboration, curriculum development and leadership support across schools.
- Implement a tiered school support model to ensure intervention, challenge and support are proportionate to need and impact.
- Increase participation in the mathematics and English professional development offer, with a particular focus on targeted support for schools where outcomes indicate the greatest need.
- Plan and deliver the Dorset Education Conference 2027, providing opportunities for professional learning, collaboration and engagement with local and national priorities.
- Further develop the Dorset Post-16 Collaboration through six planned annual meetings, with a specific focus on improving A/A* attainment and sharing effective practice in response to 2026 outcomes.
- Work in partnership with Finance Services to strengthen support for schools facing financial challenges, including those operating with or at risk of deficit budgets, ensuring timely intervention, robust financial planning and sustainable recovery strategies.
- Provide funded access to the FFT Reading Programme for all maintained schools, supporting improvements in reading attainment and the development of a positive reading culture. Monitor usage and gather feedback from schools to evaluate impact, inform future delivery and ensure the programme provides value for money.
- Work in partnership with the Governor Services Team to further strengthen the governor development offer, including the launch of a new suite of training programmes.
- Continue the Key Stage 2 Steering Group in partnership with the Department for Education and Multi-Academy Trust leaders, maintaining a focus on improving attainment, sharing effective practice and addressing identified areas of need.



Dorset SACRE – LA Report 2026-27

Lead Officers

Richard Howes – Education Challenge Lead
David Rees (DR) – LA RE Adviser

Purpose

This report provides Schools Forum members with an update on the work of Dorset SACRE, including the development of the Professional Adviser role and the support being provided to schools and academies across Dorset to strengthen religious education (RE) and collective worship.

LA Update

Impact of the Professional Adviser Role

Since September 2025, the Professional Adviser has:

- supported over 85 schools through conference attendance and professional development activity;
- established regular RE networks across primary, middle and secondary phases;
- provided bespoke support and school visits;
- strengthened communication between schools and Dorset SACRE;
- identified common curriculum, assessment and workforce development issues to inform future SACRE priorities.

This work supports schools in implementing the Dorset Locally Agreed Syllabus and contributes to improving the quality and consistency of RE provision across Dorset.

Context

The RE Professional Adviser was appointed on a three-year commissioned basis from 1st September 2025 to 31st July 2028. The arrangement includes regular monitoring by Dorset SACRE and Dorset Council, with the role to be re-commissioned in line with Council procurement requirements to ensure continued value for money and alignment with strategic priorities.

To support implementation of the revised Locally Agreed Syllabus, Dorset SACRE delivered a county-wide launch conference in February 2025 attended by representatives from 85 schools. Feedback from attendees was highly positive and identified a continued demand for networking opportunities, curriculum support, and professional development. As a result, the conference has become an annual event.

The RE Adviser now has more of a direct role supporting collaborations across the maintained sector, providing group and individual support to RE leads.



Dorset SACRE's Professional Adviser has the following responsibilities:

- Advising the LA and Dorset SACRE on the provision of training for teachers in RE. Offering strategic advice and national updates.
- Supporting the LA named adviser and chair of Dorset SACRE in managing aspects of Dorset Council's SACRE work programme.
- Supporting Dorset schools and academies with advice such as curriculum planning, assessment for learning, implementing the agreed syllabus, ensuring progression and rigour in RE and collective worship, and policy writing.
- Leading an annual Dorset RE conference and answering schools' questions on ways of teaching RE according to the Locally Agreed Syllabus, including the choice of teaching materials.
- Supporting the monitoring of standards and achievement in RE and collective worship through school visits and analysis of appropriate data including external examination results.
- Giving advice on ways of teaching RE and World Views according to the Locally Agreed Syllabus, including the choice of teaching materials.
- Considering complaints about the provision and delivery of religious education and collective worship referred to the adviser by Dorset LA.
- Being a point of contact for RE/Collective Worship support for schools/academies within Dorset.

RE Advisor Update

SACRE RE Advisor support for maintained schools

From April 2026

Groups	Meeting date 1	Meeting date 2
Chesil collaboration	20 th January 2026	TBD
North Collaboration	29 th January 2026	TBD
West Collaboration	11 th February 2026	TBD
Learning First alliance (Dorchester)	17 th November 2026	TBD
Secondary group	21 st January 2026	17 th June 2026

2026/2027 dates to be established with each collaboration.

Issues raised from Primary sessions

Issue	DR comments	Action (with SACRE approval)
Variety of resources being used	It's useful for us to be aware of all the different resources currently being produced – we could then be in a position to advise (in reference to fitting with the syllabus).	
Mixed age classes	We could offer some advice on how this could be done – we know many schools are doing this in more rural areas. Jigsaw RE offers	



	guidance on this too – could be a conference workshop for those who need it.	
Need guidance re assessment	Everyone needs this in RE – there is no real clear definitive answer. We will keep an eye on the different methods but stress the need to assess what has been taught and use assessment to guide on how to develop.	
Would like to share good practice	Through networks or at the conference – this would go down well – we could start to ask for suggestions	
Aware of the need to keep an eye on new developments – how?	DR is involved with national forums and organisations – information to be rolled out in January.	Could use some of my time for Strictly RE – allow SACRE meeting time for dissemination and actions going forward.
Case studies and lived experience – more needed	Still a major need – nationally.	Can SACRE ask religion and worldview members to reach out to their communities?
Need access to quality speakers – visits to Places of worship – locals needed		
Help needed as no RE specialism in school	Recruitment and retention of RE specialists remains a challenge nationally, with many schools relying on non-specialist staff to deliver RE.	Are schools actively seeking RE specialism? It is unlikely and difficult to know what we can do
Would appreciate training (conference?) for other worldviews like Sanatana Dharma (Hindu Dharma)	We could ask schools what they want in the new academic year and can act on the responses either via networks or conference or both.	Conference should be able to provide sessions on this – we have access to trainers.
RE Hubs – difficulty accessing it	The hub is not monitored daily – the hub leader only has a small amount of time allocated.	DR can talk to the Hub leader.
Interpretation of texts – need help – linking to diversity within tradition	Another national issue – there has been a push to include more texts and consider how believers interpret the meanings in a modern context. Diversity within tradition is part of this.	Conference could provide a session – but some prep needed as to which worldviews to include.
Understanding Christianity – not working	Some teachers said it was unwieldy, and a new approach was needed.	Can ask the diocese if there are plans to refresh or offer refresher training courses as some staff will have changed since the launch.

Middle schools (in-person visits)



1. Cranborne Middle School – DR visited the school on 29th June 2026 pm – spent time with RE lead – reviewed the curriculum and discussed resourcing, monitoring RE and ensuring the locally agreed syllabus is embedded. Very useful session – to follow up.

2. West Moors Middle School – DR visited the school on 22nd June 2026 pm – spent time with the RE lead looking at the curriculum – RE has been given more status in the school but some staff are reluctant to engage. Follow up meeting will be arranged for the Autumn term. DR to deliver a session for the staff on the importance of RE and how to teach it.

Issues raised from secondary sessions

Issue	DR comments	Action (with SACRE approval)
Fighting for curriculum time	This is a common issue due to timetabling pressures– until there is accountability for not teaching RE this will continue	SACRE can try to find out what is happening and apply pressure, but this is hard to do, and we'd rather be a supportive group as this will lead to better communication
Non-specialists teaching RE	Schools report that RE is frequently taught by non-specialist staff, creating challenges for subject expertise and curriculum development.	Without help at a national level, it is hard to influence how schools are staffing RE.
Status of the subject	The status is often low due to the subject not being seen as important by some. Continued advocacy and support are required to ensure that RE maintains an appropriate profile within the curriculum.	SACRE could try to find out how RE is approached in the secondaries – this is not easy though.
Speakers needed for worldviews like Judaism	There is a lack of speakers available for schools – the lived experience voice is more important than ever.	SACRE can reach out to religion and worldview groups to attempt to find speakers – SACRE members can and do offer themselves as speakers where possible.
Introducing Humanism – struggling with it	This is often down to a lack of experience – most people are aware that non-religious worldviews need to be incorporated but maybe do not know where to go for information.	There are excellent resources available online. We also have Humanist connections on SACRE. RE conference can run sessions on humanism – networks could cover it too.



AQA exam board – is there an overhaul coming?	National curriculum and assessment reforms are currently under consideration by government. SACRE will continue to monitor developments and communicate any implications for schools.	Monitor the situation
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Key priorities for 2026/27:

1. Continue to monitor national developments in RE and disseminate guidance to Dorset schools.
2. Develop and deliver the Dorset RE Conference 2027 in response to identified training needs.
3. Strengthen collaboration networks to enable schools to share effective practice and address common challenges.
4. Enhance the Dorset SACRE website as a hub for guidance, resources, professional development opportunities and national updates.
5. Support schools in monitoring the implementation of the Locally Agreed Syllabus and identifying areas for further development.



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Dorset Schools' Forum

Date of Meeting:	26 September 2026
Report Title:	Dedicated Schools' Grant (DSG) Monitoring 2026-27 (Q1)
Executive Director:	Paul Dempsey, Executive Director for People - Children
Corporate Director:	Alice Deacon, Corporate Director for Commissioning and Partnerships
Report Author: Title: Tel: Email:	Lee House Service Manager - Finance 01305 225032 Lee.house@dorsetcouncil.gov.uk
Presenting Officer:	As above
Report Status:	Public
Reason for Submission to Schools' Forum:	For APPROVAL / CONSULTATION / INFORMATION Under Forum power/responsibility: ____ 4 (a) (i) acting as the conduit for information relating to Children's Services budgets, and particularly schools' and early years' funding, for relevant colleagues in schools and early years settings, to ensure the work of the Schools' Forum becomes a central part of the local education context.
Recommendation(s):	To note the DSG Q1 2026-27 position
Reason for Recommendation(s):	To inform School's Forum of the latest DSG position and the reasons for the position.
DECLARATIONS OF INTEREST	Schools' Forum members are reminded of their responsibility to make a declaration of interest in any agenda item in which they have an

	interest, to the Chair or the Clerk, preferably in advance of the meeting.
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1. Executive Summary

2. This report covers:

1. The Dedicated Schools Grant context, including the statutory override
2. The financial position of Dorset's DSG at July 2026
3. Individual Schools Budget (ISB)
4. Early Years and Central School Services blocks

3. Context

4. The Dedicated School Grant (DSG) is a ring-fenced grant of which the majority is used to fund individual school budgets in local authority maintained schools and academies in Dorset, early years nursery entitlement and provision for pupils with high needs, including those with Education Health & Care Plans (EHCPs) in special schools, special provision and mainstream schools in Dorset and out of county. Part of the DSG, the Central Services Schools Block (CSSB) provides funding for Dorset Council to carry out central functions on behalf of pupils in state-funded maintained schools and academies in England.
5. There are four blocks within the DSG: Schools Block (SB – including Individual Schools Budgets), Early Years Block (EYB), High Needs Block (HNB) and Central Services Schools Block (CSSB).
6. As of 31 March 2026, cumulative DSG deficit is £148.7m. Any deficit associated with the DSG is kept off council's balance sheets because of the statutory override set out in The Local Authorities Capital Finance and Accounting (England) Regulations. This was extended from March 2026 to March 2028 in June 2025.
7. Whilst the deficit is therefore held separately from the General Fund, there is a cashflow pressure resulting from carrying a £148.7m deficit meaning that the Council has access to £148.7m less cash than it would otherwise.
8. As a result, interest foregone on the deficit equates to £4.9m of pressure met by the General Fund. This is £4.9m which could otherwise be spent on local service delivery.
9. Dorset submitted their Local SEND Reform Plans in June 2026 with outcomes expected to be announced in the Autumn 2026.
10. The historical DSG deficit experienced by most upper tier local authorities is a long and well-documented risk stemming from a change in government legislation in 2014.
11. Any reforms will take time to implement and materials from the DfE so far suggest staged implementation of the changes.
12. Continued High Needs Block overspends could mean that despite a 90% write off the deficit could reach around £150 million by March 2028. Government support would significantly reduce the current historic deficit (at 31 March 2026), however there is no guarantee that future deficits will receive the same level of support, with Government stating that assistance in

2026/27 and 2027/28 will be provided only on an “appropriate and proportionate” basis and “will not be unlimited”.

13. DSG Quarter 1 position

14. To align with the first published Dorset Council financial position, the first forecast position is July 2026.

15. At the 31 July 2026, the forecast outturn is a £73.737m overspend for 2026/27 (Appendix A). Adding the historic cumulative deficit position, a revised cumulative deficit would be £221.87m.

16. The outturn position for 2025-26 was a £54.45m overspend.

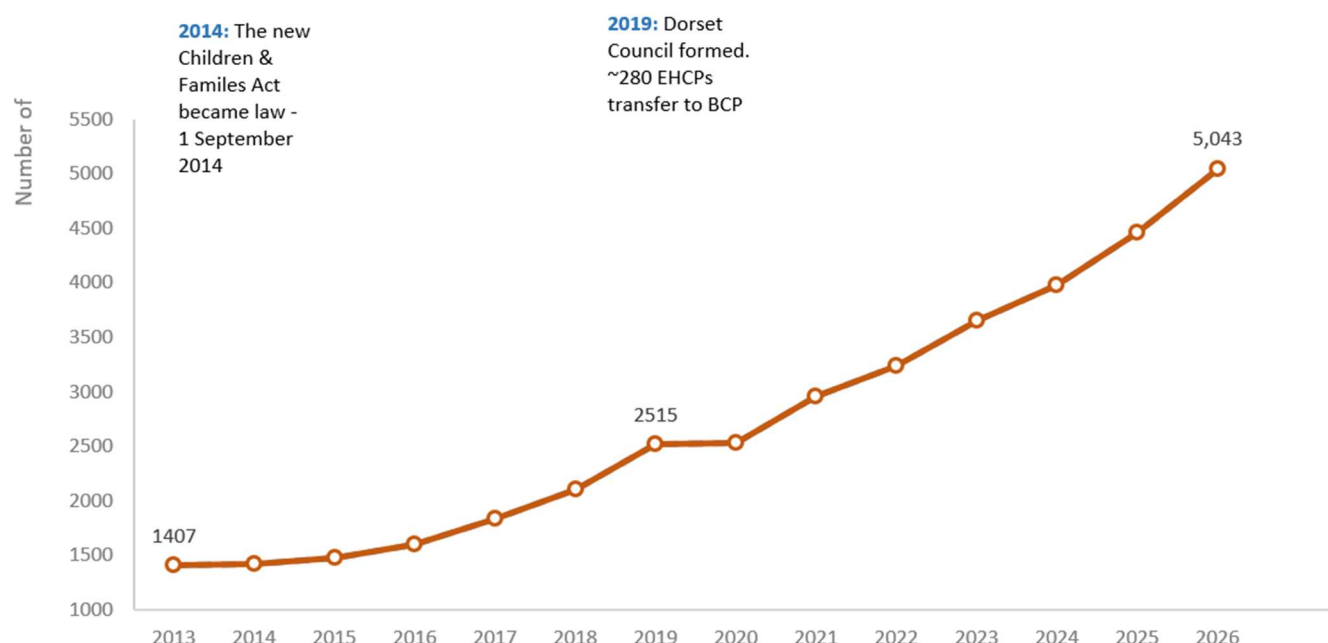
17. The forecast overspend is currently within the High Needs Block 2627

18. Appendix A provides a summary of the forecast variance position and Appendix B provides an end of year position.

19. High Needs Block

20. A significant driver for the historic deficit is the continued rise in the number of children and young people who require an Education, Health, and Care Plan (EHCP). Chart 1 demonstrates this growth since the introduction of the SEND reforms introduced in 2014.

Number of Statements / EHCPs over time



21. CHART 1: Number of pupils with an EHCP since 2013

22. The DSG budget for financial year 26/27 was set with a starting in-year deficit of £73.328m. The majority of the movement from this starting deficit to the current overspend position of £73.737m is a reduction in funding, an adjustment by the DFE for import/export of £0.582m.

23. A new EHCP database, Synergy Case Management, was implemented on 7th May 2025. Due to ongoing delays with reporting and data cleansing, EHCP data as at the end of July is currently unavailable.

24. Individual Schools Budget (ISB) Outturn Forecast

25. Final 2025-26 outturn balances for maintained schools were reported in July 2026. High level budget setting information for 2026-27 is shown below. Overall surplus levels are predicted to reduce. Deficit levels have also reduced although the number of schools in deficit has increased by one.

	Surplus		Deficit	
2025-26 final	39 schools	£10,558,840	6 schools	-£349,265
2026-27 budget	38 schools	£6,130,463	7 schools	-£532,948

26. Historically, school surplus predictions are conservative at budget setting and increased levels would be expected at year end.

27. Work continues with schools in deficit to ensure deficit reduction plans are in place and remain on track. Meetings often involve the relevant Education Challenge Lead to ensure deficit reduction is not at the expense of school improvement.

28. There will be a focus on the use of excess surplus balances in the autumn term. Schools report plans for the use of excess surplus balances when setting the budget and updates are provided with the termly forecast of outturn reports. Individual schools have been contacted in the summer term for additional information on actions taken to ensure surplus reduction plans remain on track.

29. Early Years Block

30. There are no reported issues within the Early Years Block. The Early Years Block entitlements are:

- The 15 hours entitlement for eligible working parents of children from 9 months up to 2 years old (was extended to 30 hours from 1 September 2025)
- the 15 hours entitlement for eligible working parents of 2-year-old children (due to be extended to 30 hours from 1 September 2025)
- the 15 hours entitlement for families of 2-year-olds receiving additional support (formerly known as the 2-year-old disadvantaged entitlement)
- the universal 15 hours entitlement for all 3 and 4-year-olds
- the additional 15 hours entitlement for working parents of 3 and 4-year-olds

31. The Early Years Block has significantly increased in funding because of new entitlements and changes. Risks within the sector include deliverability of the new entitlements and (including financially) understanding and predicting the demand for the new or extended entitlements. Extending the entitlements for working families has also made it more challenging for the families of early learning 2-year-olds to secure their 15 hour a week places. This has been highlighted in the response to the DfE's Early Education funding consultation, included in paper 8.

32. Central Schools Services Block

33. Part of the Central School Services Block funding allocation is based on historic commitments. The DfE remove part of this commitment for authorities to apply for this to be returned. Dorset Council have been successful in this application, resulting in a return of £76k, amending the historic commitment funding to £384k. This is due to premature retirement costs continuing to be greater than the historic commitment funding received.

1. Well-being and Health implications

Provision for children with SEND is a statutory duty and includes provision for their wellbeing and health implications.

Effective school provision is part of the wider provision for supporting the health and wellbeing of children and young people.

2. Climate Implications

None

3. Other implications

None

4. Risk Assessment

Having considered the risks associated with this decision, the level of risk posed by the DSG overspend has been identified as:

Current Risk: High

Residual Risk: Medium

This is dependent on effective management of the DSG HNB and EYB.

5. Equalities Impact Assessment (EqIA)

The provision of education for children and young people is an essential part of tackling equalities issues. The council has a strategic role in promoting equality through its work for children with SEND.

6. Appendices

Appendix A: Total Dorset DSG forecast variance

Appendix B: Dorset's Cumulative DSG Position

Appendix F: Forecast DSG spend 2026-27

7. Background Papers

[Dorset SV agreement \(publishing.service.gov.uk\)](https://publishing.service.gov.uk)

[Explanatory note on the government's approach Dedicated Schools Grant deficits - GOV.UK](#)

Footnote:

Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Total Dorset DSG forecast variance - July 2026

	Schools Block £	Central School Services Block (CSSB) £	High Needs Block £	Early Years Block £	TOTAL FORECAST VARIANCE £
Individual Schools budgets	0				0
Growth fund	0				0
De-delegated budgets	0				0
School Admissions		0			0
Schools Forum		0			0
Miscellaneous (not more than 1% of Schools Budget)		0			0
Licences		0			0
ITC ongoing		0			0
Dorset SACRE		0			0
Central services to all schools		0			0
HNB - overspend identified at budget setting			-73,328,955		-73,328,955
HNB - Places			0		0
HNB - Placements and Direct Payments			408,710		408,710
HNB - top up payments			-587,834		-587,834
HNB - Bespoke packages			-225,149		-225,149
HNB - NHS support			-7,939		-7,939
HNB - Contracts and development			0		0
HNB - hearing and vision support service			0		0
HNB - specialist teaching			0		0
HNB - physical and medical service			0		0

HNB - portage	4,318		4,318
HNB - complex communications	0		0
HNB - other	0		0
HNB - Grant	0		0
Early Years - centrally retained services		0	0
Early Years - provider budgets 3&4 year olds		0	0
Early Years - provider budgets 2 year olds (FRAS)		0	0
Early Years - provider budgets 2 year olds (working Families)		0	0
Early Years - provider budgets under 2's (working families)		0	0
Early Years - Pupil Premium		0	0
Early Years - Disability Access Fund		0	0
Early Years - Early SEND support		0	0
Early Years - Exceptional circumstances		0	0
Early Years - Contingency		0	0
	0	0	-73,736,849
			-73,736,849

Footnotes

Dorset's Cumulative DSG Position - July 2026

Table 1: Dorset's revised DSG Position

	£	£	£
Opening DSG Cumulative Deficit (1 April 2023)	35,918,172		
Add: All years 'Safety Valve' DfE funding received	23,750,000		
2023-24 DSG In-year overspend	23,655,314		
2024-25 DSG In-year overspend	37,288,452		
2025-26 DSG In-year overspend	55,169,545		
2026-27 DSG In-year overspend	73,736,849		
DSG Cumulative Deficit (31 March 2025)		249,518,332	
Dorset Council 2023-24 contribution	-		
Dorset Council 2024-25 contribution	-		
Dorset Council 2025-26 contribution			
Schools Block transfer 2024-25	- 1,231,990		
Schools Block transfer 2025-26	- 1,313,318		
Schools Block transfer 2026-27	- 1,348,041		
Revised DSG Deficit (for 'Safety Valve' monitoring reporting)		245,624,983	
DfE 'Safety Valve' 2021-22 contribution	- 17,500,000		
DfE 'Safety Valve' 2022-23 contribution	- 6,250,000		
DfE 'Safety Valve' 2023-24 contribution	-		
DfE 'Safety Valve' 2024-25 contribution	-		
DfE 'Safety Valve' 2025-26 contribution	-		
DfE HNB Stability Grant 26-27	-		
Forecast closing DSG cumulative deficit (31 March 2027)			221,874,983

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Total Dorset DSG forecast spend - July 2026

	Schools Block £	Central School Services Block (CSSB) £	High Needs Block £	Early Years Block £	TOTAL FORECAST £
Individual Schools budgets	76,804,075				76,804,075
Growth fund	188,195				188,195
De-delegated budgets	210,133				210,133
School Admissions		475,000			475,000
Schools Forum		53,200			53,200
Miscellaneous (not more than 1% of Schools Budget)		51,600			51,600
Licences		359,000			359,000
PPC ongoing		525,400			525,400
Dorset SACRE		6,000			6,000
Central services to all schools		698,904			698,904
HNB - Places			20,378,764		20,378,764
HNB - Placements and Direct Payments			35,893,407		35,893,407
HNB - top up payments			54,514,475		54,514,475
HNB - Bespoke packages			12,182,441		12,182,441
HNB - NHS support			159,184		159,184
HNB - Contracts and development			1,729,547		1,729,547
HNB - hearing and vision support service			931,622		931,622
HNB - specialist teaching			931,090		931,090
HNB - physical and medical service			101,640		101,640
HNB - portage			625,702		625,702

HNB - complex communications	0					0
HNB - other	0					0
HNB - Grant	5,261,496					5,261,496
Early Years - centrally retained services				1,211,845		1,211,845
Early Years - provider budgets 3&4 year olds				19,310,374		19,310,374
Early Years - provider budgets 2 year olds (FRAS)				1,907,837		1,907,837
Early Years - provider budgets 2 year olds (working Families)				11,983,895		11,983,895
Early Years - provider budgets under 2's (working families)				14,745,910		14,745,910
Early Years - Pupil Premium				431,484		431,484
Early Years - Disability Access Fund				250,575		250,575
Early Years - Early SEND support				300,000		300,000
Early Years - Exceptional circumstances				80,000		80,000
Early Years - Contingency				333,990		333,990
	77,202,403	2,169,104	132,709,368	50,555,910		262,636,785
			-73,736,849			

Footnotes

A
B
C
D



Dorset Schools' Forum

Date of Meeting:	25th September 2026
Report Title:	CAPITAL FUNDING FOR MAINTAINED SCHOOLS – PROJECTS SUPPORTED IN 2025-26
Executive Director:	Paul Dempsey, Executive Director – Children's Services
Corporate Director:	Jen Furnell, Corporate Director for Education and Learning
Report Author: Title: Tel: Email:	Paul Scothern Service Manager – Property & Capital Commissioning, Children's Services 01305 221968 paul.scothern@dorsetcouncil.gov.uk
Presenting Officer:	Paul Scothern
Report Status:	Public
Reason for Submission to Schools' Forum:	For APPROVAL/ INFORMATION /CONSULTATION* Under Forum power/responsibility: <u>4a</u>
Recommendation(s):	That the Forum note the level of expenditure invested in schools in 2025/26 and the continued level of investment in the school estate by the LA.
Reason for Recommendation(s):	N/A
DECLARATIONS OF INTEREST	Schools' Forum members are reminded of their responsibility to make a declaration of interest in any agenda item in which they have an interest, to the Chair or the Clerk, preferably in advance of the meeting.

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1. Executive Summary

- 1.1 From 2016 the priority for capital funding in schools was focused on meeting the 'Basic Need' requirements across the Council area due to the limited amount of funding available and a demand for new places at the time. This decision was also taken in the context of the provision of Devolved Formula Capital (DFC) funding which was directly available to schools to help them plan their own priorities for capital funding to meet suitability and improvement projects. However, it should be noted that since then the level of DFC funding has reduced dramatically, which has meant schools have not been able to bring forward larger projects themselves as expected when the focus of the programme changed. We are also now experiencing a reduction in the need for places, certainly in the primary phase, so whilst there are a few 'Basic Need' projects being pursued where provision of places is under pressure, the focus of the programme is now shifting to support alternative use of spaces and addressing suitability issues.
- 1.2 Capital funding to meet 'Basic Need' continues to be held in the Modernising School Programme (MSP) budget (previously known as the SOCA budget). The Executive Director for Children's Services is able to exercise their delegated authority, in consultation with others, to allocate funding from this budget up to £500,000, and that authority continues to be exercised as and when necessary. Projects over that value, which are not already in the Programme, now require Cabinet approval in line with the Council's Constitution.
- 1.3 The School Condition Allocation (SCA) capital maintenance grant the LA receives from the DfE to maintain school accommodation is used to support the MSP budget, together with any Basic Need funding which is allocated to Dorset.
- 1.4 The other sources of capital funding available to support Community, Foundation and VC schools are the Schools Access Initiative (SAI) budget and an element of the Minor Capital Works (MCW) budget. These were both LA funded budgets with an identified funding allocation given to support SAI works in schools through to 2026/27 and the MCW budget until 27/28. New capital bids will be submitted at the appropriate time to continue those budget allocations beyond the current allocated periods.
- 1.5 Projects to be considered under the SAI programme relate to the provision of physical adaptations to the supported school premises for pupils with a disability and are usually supported by a report from a Health or HVSS professional.
- 1.6 The strategic maintenance programme, which mainly covers maintenance items over £15,000 is managed by the Property Maintenance Team in Assets and Property. It is prioritised utilising condition data held on each school and planned in consultation with the individual schools as projects reach the programme. As the SCA Capital maintenance funding from the DfE continues to be directed to the MSP budget, the Strategic R&M budget utilises funding from the LA. Appendix A shows which schools were included in the Strategic maintenance programme for 2025/26. Unfortunately, expenditure is below the funding level received from the DfE due to a number of factors

including capacity in the team who manage the programme and changes in the LA's contractor framework arrangements.

- 1.7 SCA capital funding for VA schools is managed by their respective Diocese, and for MAT's and Academies SCA funding is either given as a direct allocation, dependant on the size of the MAT, or it should be bid for through the Condition Improvement Fund (CIF) administered directly by the DfE.
- 1.8 Dorset Council has also committed to invest £40m in SEND provision, which is now also supplemented by the High Needs Provision Capital Allocation (HNPCA) funding Local Authorities receive from the DfE. This funding has and continues to be used to expand capacity at Special Schools and well as the provision of the Inclusion Hubs in mainstream schools. We are currently looking at the provision of a further 6 Inclusion hubs as indicated on Appendix D, with a further 12 to follow.
- 1.9 Since 2021/22 the council has received over £34m of HNPCA funding, including a specific allocation of £10.4m for a number of specifically named projects which formed a separate funding bid to the DfE in 2024/25. As indicated previously this funding has been added to the capital funding allocated by the LA to support the SEND Capital programme. SEND projects completed, in development or paused are shown at Appendix D.
- 1.10 The table below shows the level of capital expenditure or commitments in LA maintained schools for 25/26, excluding MSP and SEND capital funded projects.

Programme	2025/26
Strategic Maintenance	£466,219
SAI	£98,600
MCW	£66,500
Total	£631,319

- 1.11 The DfE capital allocations received by the LA for 25/26 were as follows -

Budget	Allocation
Basic Need	£1,311,087
School Condition Allocation	£2,735,438
High Needs Provision Capital Allocation	£5,023,392
Total	£9,069,917

- 1.12 The specific projects in question are detailed on the attached appendices. Appendix A is a list of projects undertaken at schools as strategic maintenance in 2025/26, Appendix B shows SAI projects undertaken or committed to in 2025/26, Appendix C shows the current MSP funded (Basic Need) projects and those which have been completed in the recent past and Appendix D shows those projects currently in the SEND programme.
- 1.13 All these programmes demonstrate a continued commitment to invest in school premises by the LA.

2. Financial Implications 2.1 As more schools convert to Academy Status the levels of capital and revenue funding available to the LA through both DfE grant funding and the LA's own resources are likely to decrease.
3. Well-being and Health implications 3.1 There are no specific health and wellbeing implications of this report.
4. Climate Implications 4.1 There are no climate related implications of this report. However, it should be noted that when undertaking any property related work climate change implications are always considered.
5. Other implications Not applicable
6. Risk Assessment 6.1 Having considered the risks associated with this decision the level of risk has been identified as: Current Risk: Low Residual Risk: Low
7. Equalities Impact Assessment (EqIA) 7.1 There are no equalities implications arising from this report.
8. Appendices Appendix A: School Strategic Maintenance spend – 25/26 Appendix B: Schools Access Initiative and Minor Capital works commitments– 25/26 Appendix C: Basic Need (MSP) commitments (as at 1st September 2026) Appendix D: SEND capital programme (Mainstream) (Special & AP Provision)
9. Background Papers None
Footnote: Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Strategic Maintenance spend - 2025/26

Site Name	Project Title
Lytchett Minster School	Replace decking
Prince of Wales First School	External repairs to boundary gates, Pillars, fencing and upgrade of bollard lighting due to age and condition
Bincombe Valley Primary School	Roofing repairs
Holy Trinity CE VC Primary School	Lift Upgrade
Cheselbourne Village School	Redecoration of bargeboards, cast iron downpipes and other painted surfaces, underground drainage repair works and replacement of defective fencing
Downlands School	Installation of replacement platform lift
West Moors Middle School	Replacement of roof covering - Block 1
Dorchester Learning Centre	Drainage works
Ferndown Upper School	Boiler replacement
Cranborne Middle School	Remedial works following Electrical Test
Cranborne Middle School	Temporary heating following Central Heating pipe failure
Beaminster School	Upgrade of Science block boiler room controls
Cerne Abbas CE VC First School	Cobb wall repairs
Wyke Regis Infant School and Nursery	Upgrade pumps and control panels
Broadmayne First School	Replace windows to SCOLA building
The Blandford School	Overlay of defective roof covering - Block 1
Hazelbury Bryan Primary School	Electrical remedial works
Gillingham School	Electrical remedial works
Gillingham School	Recladding works (Mobile classroom)

Total Strategic Maintenance spend 2025/26 = £466,219

Reduced spend due to capacity issues in Assets & Property and expiry of previous framework arrangements for contractor appointments.

DfE SCA allocation to Dorset 2025/26 = £2,735,438

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School Access Initiative works (SAI) - 2025/26 commitments

School	Project
Beaucroft School	External access Improvements
Prince of Wales First school	Replacement hoist motor and hoist repairs (Hydro therapy Pool)
Prince of Wales First School	Acoustics works
Westfield Arts College	External access improvements - The Lighthouse building
Stower Provost Primary	Ramps and handrails
West Moors Middle School	External works to support child's needs

2025/26 SAI commitments - £98,600

Minor Capital Works (MCW) - 2025/26 commitments

School	Project
Broadmayne First School	Support for Safeguarding measures
Cranborne Middle School	Additional IT works following removal of Modular accommodation
Yewstock School	Safeguarding works

2025/26 MCW commitments - £66,500

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MSP budget Commitments - Jan 2024 to date

School	Project	Budget commitment	Date of commitment	Comment
Ferndown Upper School	Replacement 6th form provision	£6,300,000	Jun-24	Commitment to project due to condition of existing accommodation. Links with expansion to 10 FE project.
Beaminster School	Demolition of redundant swimming pool	£110,000	Jul-24	Completed
Ferndown Upper School	Expansion to 10 FE	£192,000	Jul-24	Project achieve through re-modelling and re-purposing of existing space and provision of mobile IT provision. Completed.
The Compass Centre	Expansion and refurbishment works	£2,300,000	Sep-24	Design works underway
Beaucroft College	Development of adjacent school field site (Vocational training Café and car park works)	£2,200,000	Sep-24	Design works underway
Cerne Abbas First School	New modular LRC building	£1,075,000	Sep-24	Completion of project to improve quality of accommodation at this school.
Corfe Castle Primary (Coastal Learning)	Re-location of Pre-School to school site	£35,000	Oct-24	Re-imbusement of costs to bring Pre-School into school accommodation for child care sufficiency purposes.
Greenford Primary School	Suitability works	£100,000	Apr-25	Remodelling works to allow school to operate mixed classes due to reduced numbers. Completed
The Woodroffe School	Viability Study	£30,000	Jun-25	Study to look at future suitability and sufficiency of accommodation to to age an condition of buildings.
Ferndown Upper School	Feasibility Study for provision of 3G pitch on redgra area.	40,000	Jul-26	Feasibility study for provision of 3G pitch on redgra area, with CIL funding allocated to support project.

Total commitments from Jan 2024 to date - £12,382,000

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SEND Capital Programme (Special & AP provision)

COMPLETED PROJECTS			
Establishment	Locality	Provision	Capacity
Beaucroft Special School	EAST	NEW SEN Complex Needs & Post 16 Satellite School	70
Yewstock Special School	NORTH	Nurture Base	0
Westfield Special School	CHESIL	Remodelling & Improvement Works	20
Harbour School	EAST	NEW Special School (DfE Free School)	113
Coombe House	NORTH	NEW Special School (DC Independant School)	152
Dorchester Learning Centre	DORCHESTER	Expansion Works (Phase One)	22
Dorchester Learning Centre	DORCHESTER	Expansion works (Phase two)	20
W@W (Westfield at County Hall)	DORCHESTER	NEW Post 16 Satellite	16
Westfield Arts College	CHESIL	New Therapy Base	0
The Forum Centre	PUBECK	NEW AP Satellite Base (temp provision until Woodlands completed)	40
Wyvern Special School	CHESIL	Remodelling & Improvement Works	3
			215

PROJECTS IN DEVELOPMENT		
Establishment	Locality	Provision
Mountjoy Special School	WEST	Expansion Works (New Build)
The Forum Centre (Woodlands)	EAST	NEW AP Satellite School
The Compass	CHESIL	Remodelling & Improvement Works
Beaucroft College	EAST	Remodelling & Improvement Works
Osprey Quay	CHESIL	DfE Free school project (Project recommissioned by DfE)

PROJECTS CURRENTLY PAUSED		
Establishment	Locality	Provision
Coombe House	NORTH	Phase 3 Works

SEND Capital Programme (Mainstream)

COMPLETED PROJECTS			
Establishment	Locality	Provision	Capacity
Bridport St Mary's Primary School	WEST	Inclusion Hub	14
Bincombe Valley Primary School	CHESIL	Inclusion Hub	14
Gillingham School	NORTH	Inclusion hub	14
Ferndown Upper School	EAST	Inclusion Hub	10
Wyke Regis Federation School	CHESIL	SEMH Base	12
Beaminster School	WEST	Inclusion Hub (Hybrid)	10
The Woodroffe School (Lyme Regis)	WEST	Inclusion hub (Hybrid)	6
Sandford St Martin's Primary School	PURBECK	Inclusion Hub	14
The Purbeck School (Wareham)	PURBECK	Inclusion Hub	14
Coastland College (Weymouth Campus)	CHESIL	Inclusion Hub (to support pupils transferring from AP provision)	tbc
			108

PROJECTS IN DEVELOPMENT		
Establishment	Locality	Provision
The Sir John Colfox Academy	West	Inclusion Hub (C&L)
Bridport Primary School	West	Inclusion Hub (SEMH)
Shaftesbury CE Primary School	North	Inclusion Hub (SEMH)
Manor Park CE First School	Dorchester	Inclusion Hub (C&L)
Dorchester Middle School	Dorchester	Inclusion Hub (C&L)
Budmouth Academy	Chesil	Inclusion Hub (C&L) redesignation of existing hub facility
Broadwindsor CE VC Primary School	West	Provision of SEND base

A further phase of Inclusion Hubs are planned at a further 12 Schools, which have yet to be identified.

PROJECTS CURRENTLY PAUSED		
Establishment	Locality	Provision
Atlantic Academy	CHESIL	Inclusion Hub
QE Upper School	EAST	Inclusion Hub
The Wey Valley Academy	CHESIL	Inclusion Hub
Coastland College (KMC Campus)	Dorchester	Inclusion Hub (to support pupils transferring from AP provision)

Capacity
TBC
40
TBC
12
75
127

Capacity
16
14
14
16
16
16
0
92

Dorset Schools' Forum

Date of Meeting:	25 September 2026
Report Title:	Distribution of the Inclusive Early Years Fund / DfE Early Years Funding consultation
Executive Director:	Paul Dempsey, Executive Director for People - Children
Corporate Director:	Jen Furnell, Corporate Director for Education and Learning
Report Author: Title: Tel: Email:	Vanessa Eddey Team Manager Schools, Finance & Support 01305 225918 vanessa.eddey@dorsetcouncil.gov.uk
Presenting Officer:	Vanessa Eddey, Team Manager, Schools, Finance & Support Officer Schools, Finance & Support
Report Status:	Public
Reason for Submission to Schools' Forum:	For APPROVAL Under Forum power/responsibility: 1(e) Changes to the Scheme for Financing Schools
Recommendation(s):	
Reason for Recommendation(s):	
DECLARATIONS OF INTEREST	Schools' Forum members are reminded of their responsibility to make a declaration of interest in any agenda item in which they have an interest, to the Chair or the Clerk, preferably in advance of the meeting.

1. Executive Summary – Distribution of the Inclusive Early Years Fund

1.1 The inclusive early years fund was announced in February 2026 and nationally will provide £47 million of additional early years funding in 2026 to 2027 to support the early years sector to become more inclusive of children with special educational needs and disabilities (SEND). Dorset received £203,606. The allocation was calculated using Spring 2026 census part-time equivalent (PTE) data for 3- and 4-year-old universal hours multiplied by the rate for Dorset of £57.35.

1.2 The funding intended to:

- help providers adopt setting-wide inclusive practices
- reduce reliance on individual child-based funding applications
- enable early intervention for children with SEND

1.3 In 2026 to 2027, the inclusive early years fund complements existing funding such as special educational needs inclusion fund (SENIF), disability access funding (DAF), and high needs funding. It is likely to continue to be a stand alone grant in 2027-28, but the DfE early education funding consultation indicates it could be combined with other funding in future years.

1.4 The DfE asked LAs to determine a distribution method and set the following conditions:

- Allocations should be upfront, not require a panel or application process and not be tied to individual children.
- A clear and transparent manner, so that providers understand how allocations have been determined locally, especially when they differ from the DfE's suggested route.
- The DfE recommend implementing a de minimis in the region of £1,000 when allocating funding, to ensure that providers receiving an allocation receive an amount that is substantial enough to effect meaningful change.

The DfE acknowledged that the funding provided is not enough to pay something to every setting.

1.5 After careful consideration, Dorset used the following approach:

- Use spring 2026 PTE data for all funded entitlements (under 2s, 2-year-old and 3- and 4-year-olds)
- Payments were on a sliding scale, with the 50 settings with the highest PTE receiving £1,500, the next 50 received £1,250 and the remaining funding was allocated at £1,000 to settings and £500 to childminders until the fund was fully used.

Using this approach, 176 settings received funding and 98 settings did not.

Type of Setting	Total Number of Settings	£1,500 Grant	£1,250 Grant	£1,000 Grant	£606 Grant	£500 Grant	No Grant	Total number of settings receiving Grant	% receiving Grant	Total Grant
Childminder	105					19	86	19	18%	£9,500
Voluntary	56	9	22	24			1	55	98%	£65,000
Governor Managed	42	1	14	17			10	32	76%	£36,000
Private	58	34	13	9	1		1	57	98%	£76,856
Independent	12	5	1	6			0	12	100%	£14,750
LA	1	1					0	1	100%	£1,500
Total	274	50	50	56	1	19	98	176	64%	£203,606

1.6 Settings are encouraged to use this funding in ways that have a sustainable impact on inclusive practice and that align with Dorset's key Early Years SEND priorities. This may include:

- Enhancing the quality of your universal provision and inclusive environment.
- Developing staff knowledge, confidence and skills in supporting children with SEND through training, coaching and professional development.
- Implementing approaches that promote communication and language development, social and emotional wellbeing, and early identification of additional needs.
- Purchasing resources that support inclusive practice and participation for all children.
- Strengthening graduated response approaches, ensuring children receive the right support at the right time.
- Supporting the development of effective partnerships with families and multi-agency professionals.

1.7 The **Best Start in Life Advisors (BSILA)** will play an important role in supporting settings to consider how this funding can best be used to meet the needs of their provision. The BSILAs will help settings reflect on their current inclusive practice, identify priorities for development, and ensure that spending decisions contribute to long-term improvements that benefit all children, particularly those with emerging SEND.

2. Executive Summary – Dorset Council response to the DfE Early Years funding consultation

2.1 The DfE Early Years Funding Consultation was published on 6 July and remained open until 14 September. The proposals in the consultation were aimed at:

- Improving access to childcare for families on low incomes
- Improving support for children with SEND in the early years
- Driving greater efficiency and simplicity in the way funding is allocated

2.2 The timing of the consultation made it difficult to engage with early years providers. A meeting was held with one member of the Early Years Reference Group in August to inform the response.

2.3 The response submitted on 10 September 2026 can be seen in Appendix A.

2.4 Strong feedback was given that the Inclusive Early Years Fund should be made available to all settings in future years.

2.5 A meeting will be held with the Early Years Reference group in the autumn term to inform the consultation on the Dorset Early Years funding process for 2027-28.

3. Financial Implications	n/a
4. Climate Implications	n/a
5. Other implications	n/a
6. Risk Assessment	Having considered the risks associated with this decision, the level of risk has been identified as: Current Risk: low Residual Risk: low
7. Equalities Impact Assessment (EqIA)	n/a
8. Appendices	Appendix A: Dorset Council response to the DfE Early Years funding consultation, submitted on 10 September 2026.
9. Background Papers	Inclusive early years fund for 2026 to 2027: conditions of grant and operational guidance for local authorities - GOV.UK
Footnote:	Issues relating to financial, legal, environmental, economic and equalities implications have been considered and any information relevant to the decision is included within the report.

Submitted to Early years funding: proposed changes to the entitlements funding system
Submitted on 2026-09-10 12:49:21

About you

1 What is your name?

Name:
Alice Deacon

2 What is your email address?

Email address:
alice.deacon@dorsetcouncil.gov.uk

3 Are you responding as an individual or on behalf of an organisation?

Organisation

If you have selected "organisation", please provide the organisation name:
Dorset Council

4 What local authority area are you based in?

Please select:
Dorset

If you have selected "other", please specify:

5 Would you like us to keep your responses confidential?

No

Reason for confidentiality:

Our vision for Early Years funding

Meeting additional need in Early Years - Removing barriers to access for low-income families

6 Do you agree that local authorities should pass on more of the EL2 funding rate to providers to support disadvantaged children and their families?

Don't know

Additional comments - Please limit your answer to 1500 characters or less:

We have answered "Don't know" because we support a higher funding rate for Early Learning for 2-year-olds (EL2), but not if this reduces local authorities' ability to fund services currently supported through central retention. The DfE should increase EL2 funding rather than expecting local authorities to absorb these costs. The costs of administering the Early Years Block, Dedicated Schools Grant and SEND support remain, and increasing funding complexity creates additional administrative burdens.

An enhanced EL2 rate could help local authorities meet their sufficiency duty. Families accessing EL2 often seek places at short notice, unlike working families who are more likely to plan ahead.

Dorset's central retention rate is 2.43% in 2026-27, below the 3% maximum, which may provide scope to pass additional funding to providers. However, the impact would be limited, equating to around 20p per hour or £3 per week per child.

Providing free school meals to all eligible children accessing funded entitlements would have a greater impact on disadvantaged families.

Children eligible for both EL2 and the additional working 15 hours should be recorded against both funding streams. Recording all hours as working entitlement creates unnecessary burdens and reduces visibility of EL2 support.

7 Do you agree with the Department setting out more clearly how the deprivation supplement should be used, setting a minimum level and clearer purpose to this funding so it more directly supports disadvantaged children?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

We believe disadvantaged families do face all the challenges listed in the consultation and need more practical help. It also would be helpful for families that qualify for free school meals to be able to access this in all settings rather than just school settings. Clear guidance on the use of the deprivation supplement would support our Best Start in Life Advisers in their support and challenge role when visiting settings. The guidance can also be added to

our Local Provider Agreement and used when holding settings to account.

8 How might this funding be best used to support disadvantaged children to access early education and childcare?

Please limit your answer to 1500 characters or less:

We also believe disadvantaged children need additional support with learning and development and will be working with our settings on this. The communication about expectations of the use of the deprivation supplement would need to be clear. Settings can apply voluntary charges for food and other resources or activities not covered by early education funding. Clear communications will be needed for families to understand what's included in early education funded places and what would be a voluntary charge. If all qualifying children could access free school meals, it would mean this funding could be specifically targeted where needed, rather than taken up by the need for good quality food.

Meeting additional need in Early Years - Expectations for delivering the Best Start in Life

9 How can providers best be involved and play an active role in the development and delivery of the local Best Start Local plan and Best Start Family Hub network?

Please limit your answer to 3000 characters or less:

In Dorset, we want early years providers to play an active and ongoing role in the development, delivery and review of the Best Start Local Plan and Best Start Family Hub network. Providers have regular contact with children and families and are uniquely placed to understand local needs, identify emerging issues and support access to services. Their expertise will be central to shaping priorities, developing solutions and evaluating impact.

Dorset Council recently held an Early Years Conference to share the Best Start Local Plan with providers and raise awareness of the Best Start agenda. We recognise that providers were not directly involved alongside other partners in developing the initial Plan and see significant opportunities to strengthen their involvement in its ongoing development, delivery and review.

We will engage providers through a range of established and accessible mechanisms. Our termly Team Around the Setting network meetings will provide opportunities to discuss priorities, explore emerging issues, test new ideas and gather feedback on local challenges and opportunities. We will also use newsletters, surveys and consultation activities to ensure providers can contribute regardless of their capacity to attend meetings.

Providers will play an important role in informing workforce development activity and sharing intelligence about the needs of children and families, including barriers to accessing support and services. We want providers to contribute to identifying priorities, developing solutions and evaluating impact, moving towards a genuinely co-productive approach rather than one based solely on consultation.

To strengthen links with the Best Start Family Hub network, we will encourage Family Hubs to offer networking opportunities, information sessions and joint training for practitioners. This will help providers better understand available services, referral pathways and local resources, while supporting a more joined-up approach for families.

We are committed to ensuring providers have opportunities to influence decision-making through representation on relevant working groups and involvement in future reviews of the Best Start Local Plan. We will regularly share progress and demonstrate how provider feedback has informed developments, creating clear feedback loops that encourage continued engagement.

We also want to strengthen peer learning across the sector by creating opportunities for providers to share effective practice and contribute to local solutions that improve child development, school readiness and family wellbeing. Building strong relationships between providers, Family Hubs, health partners and local authority services will be essential to creating a joined-up system that delivers the best possible outcomes for children and families.

10 What challenges do you think providers and local partners will need to overcome to ensure high quality and consistent advice to families about what they can do to support their child's development at home? How can the DfE and local authorities support providers in delivering this?

Please limit your answer to 3000 characters or less:

One of the key challenges will be ensuring that families receive consistent, evidence-based advice regardless of which professional, service or setting they access. Families can currently receive different messages from practitioners and organisations, creating confusion and reducing confidence in available support. Consistency requires a shared understanding of child development, school readiness, inclusion, early identification and support.

Workforce knowledge, confidence and capacity are also important considerations. Staff turnover and changing service structures can make it difficult to maintain consistent practice, particularly where families are supported by multiple agencies. Professionals need to understand both their own role and the contribution of wider partners so families receive coordinated support, clear messages and pathways into additional help when needed.

We are strengthening our Best Start workforce to support this ambition. Best Start in Life Advisors provide information, advice and guidance to early years providers and families of children with SEND, including support within homes and settings. Best Start Family Navigators provide advice and signposting for families with children and young people aged 0-19. From October 2026, Best Start Inclusion Practitioners will provide advice and guidance to families of children under five with SEND through Family Hubs and community venues. Best Start Parenting and Activity Practitioners support families through evidence-based parenting programmes and developmental activities that strengthen parent-child interaction and learning at home.

A further challenge is engaging families who may be less likely to access support owing to disadvantage, rurality, language barriers, digital exclusion or previous experiences of services. Professionals need access to resources and approaches that are accessible, inclusive and built around trusted

relationships with families.

To support consistency, Dorset is bringing together the Best Start workforce, voluntary and community sector partners, libraries, Family Hub leads and health colleagues through workforce development events that strengthen understanding of roles, build local relationships and promote a shared approach to supporting children's development at home. We are also using the EasyPeasy app to provide families with accessible, evidence-based activities and information.

The DfE can support this work through nationally consistent evidence-based resources, key developmental messages, quality-assured information and professional guidance that can be adapted locally. Local authorities can support delivery through multi-agency training, shared resources, workforce development, peer learning opportunities, digital information platforms and clear referral pathways. Combining national consistency with strong local partnerships will help ensure families receive timely, reliable and effective advice to support their child's development at home.

Meeting additional need in Early Years - Early Years SEND funding - Overview

Meeting additional need in Early Years - Early Years SEND funding - Funding the universal offer

11 When distributing upfront inclusion funding (currently IEYF), should local authorities ensure that all providers receive funding? How should providers use this funding where sums of money are small?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

We strongly believe all settings should receive IEYF funding. We expect all settings to be inclusive and want to support all settings to achieve this aim.

It would be helpful to have clear guidance from the DfE detailing how much each setting should receive and how it should be used. This funding could then be passported to settings by the LA. Even if amounts are small, the funding provided to settings should be proportionate to their size, have a meaningful minimum amount and clear conditions of use.

All settings should be treated fairly and receive pro-rata funding according to the number of children accessing early education funding.

12 Should local authorities distribute this funding through a mandatory inclusion supplement?

No

Additional comments - Please limit your answer to 1500 characters or less:

Our preference would be to have fewer supplements and offer a higher base rate to all settings.

All settings need to be inclusive and should have the funding available through the base rate to do this. Every child is entitled to this, no matter which setting they attend.

A higher base rate would support all settings to deliver inclusive practice and meet emerging needs at an earlier stage, reducing the need for more reactive forms of support.

13 How could local authorities distribute upfront inclusion funding in a way that targets local SEND need effectively?

Please limit your answer to 1500 characters or less:

Dorset believes upfront inclusion funding should be distributed using a combination of provider size, patterns of identified need and local intelligence. Funding arrangements should support early intervention and inclusive practice rather than relying on diagnosis or statutory processes. Local authorities should retain sufficient flexibility to target areas of emerging need and support providers to meet children's needs at the earliest opportunity.

Meeting additional need in Early Years - Early Years SEND funding - Changes to targeted funding from 2028 to 2029

14 Do you agree we should replace SENIF and DAF with a new targeted funding stream for providers to access?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

We do agree that SENIF and DAF should be replaced with a new targeted funding stream for providers to access. This would give greater funding for early intervention and provide support without diagnosis. Clear guidance would also help to ensure there is fair and consistent access for all children.

15 Do you agree that the new targeted funding stream should be distributed to local authorities using a national formula? If so, what indicators or data could we use to allocate this?

Yes

Indicators that could be used and/or any other additional comments - Please limit your response to 1500 characters or less:

A nationally prescribed model would provide greater transparency, consistency and equity for children and young people regardless of where they live or attend school. However, local authorities should retain sufficient flexibility to respond to local patterns of need and local sufficiency challenges, particularly in rural areas.

16 Do you have any views on what a national framework for how this funding should be administered could include? Are there any existing local authority practices for administering SENIF you think work particularly well or not well?

Please limit your answer to 3000 characters or less:

Dorset welcomes the ambition to introduce National Inclusion Standards and would expect these to provide clear and consistent expectations for inclusive practice across early years settings and schools. The standards should support early identification and intervention, enable access to support based on need rather than diagnosis, strengthen workforce development, promote inclusive mainstream provision, and help reduce variation in support across different areas.

Dorset's current Early SEND Support arrangements already reflect many of these principles. Early SEND Support funding is targeted at children not yet attending school who have emerging and additional needs and is intended to promote inclusion within mainstream early years provision. The funding provides timely support at the earliest stage, before statutory processes need to be considered, helping settings to respond quickly to children's needs and, where appropriate, reducing the need for an Education, Health and Care Plan (EHCP).

Support is based on identified need rather than requiring a formal diagnosis. Applications are considered through monthly locality panels and require settings to identify the child's needs and demonstrate how funding will be used to support inclusion, including resources, specialist training, environmental adaptations, staff time for meetings and adult support where appropriate. The process also encourages providers to draw on specialist advice and develop their capacity to meet a wider range of needs through training, resources and inclusive practice.

Dorset would support a national framework that builds on these principles through transparent and sustainable funding arrangements that enable children and families to access support at the earliest opportunity. Any future framework should ensure that settings have access to the resources, workforce development and specialist support required to meet children's needs effectively within inclusive mainstream provision.

Meeting additional need in Early Years - Early Years SEND funding - Plan for transitioning to full implementation

17 Do you agree that, as an interim measure, we should recommend a minimum spend of 0.75% of each local authority's early years block on SENIF?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

It would be helpful to have a minimum spend to ensure consistent support is provided by LAs. Dorset currently spends 0.6% on SENIF and an increased budget would allow us to increase our SENIF funding rates. This would help with early identification of SEND needs and enable us to provide support without diagnosis.

Meeting additional need in Early Years - Early Years SEND funding - Accountability

18 What accountability arrangements should be in place to ensure inclusion and SEND funding is improving inclusive practice in settings?

Please limit your answer to 3000 characters or less:

Ofsted inspections and subsequent reports include a focus on inclusion and this provides the consistent national accountability mechanism. In addition to this, in Dorset we are strengthening our approach to monitoring impact by working alongside providers to understand how SEND and inclusion funding improves outcomes for children. This includes [e.g. sampling children's progress, reviewing whether support has improved inclusion and participation, and understanding whether needs are being identified and addressed earlier]. Accountability arrangements should focus on outcomes for children, improved provider confidence and evidence of inclusive practice rather than solely financial compliance.

Increasing the overall effectiveness of the Early Years entitlements budget - National Changes - Overview

Increasing the overall effectiveness of the Early Years entitlements budget - National Changes - Plan for incorporating IDACI in 3-and-4-year-old rates

19 Do you agree that IDACI should be introduced as a proxy for deprivation, alongside free school meals, in the 3 and 4 year old formula, using this 'basket of measures' approach to capture both household and area-based dimensions of deprivation?

Yes

Additional comments:

Dorset supports the use of a basket of measures where this provides a more accurate picture of disadvantage than any single indicator. Using both household-level and area-level measures is likely to provide a fuller understanding of need.

Increasing the overall effectiveness of the Early Years entitlements budget - National Changes - Plan for funding rates in 2027 to 2028

20 For 2027 to 2028, do you agree we should implement transitional protections for local authorities, softening the level of year-on-year reduction a local authority can see?

Yes

21 How best do you think we could smooth local authorities' transition to formula driven rates, in a way that protects operational delivery, but ensures that authorities are funded in line with the latest available data?

How to smooth transition:

Response to question 20 - Early education providers are struggling to remain financially viable. A drop in funding rates could lead to settings not being financially viable and potentially closing, which would create a sufficiency problem for LAs. We receive consistent feedback that the 3- and 4-year-old rate is too low.

Response to question 21 - Transitional arrangements should balance stability and responsiveness. Local authorities should move gradually towards formula-driven rates to avoid sudden changes that could destabilise local childcare markets and affect sufficiency. Any approach should provide sufficient notice to providers and local authorities to support financial planning.

22 Do you think there would be value in having a minimum funding floor (MFF) for the 2-year-old and under-2 funding rates?

Yes

Additional comments:

A minimum funding floor would provide greater certainty for providers and local authorities and help support market stability, particularly in rural areas where childcare sufficiency can be more fragile.

Increasing the overall effectiveness of the Early Years entitlements budget - National Changes - Plan for ongoing improvement and future changes to the EYNFF

23 Are there any improvements you would suggest to how the national funding formulae reflects different levels of additional need and cost variation, and are there any other changes you would like to see?

Improvements and changes to EYNFF:

The funding formula should take account of rurality, market sustainability and the additional costs associated with delivering inclusive provision in areas where providers may be more dispersed. Consideration should also be given to factors that support early identification and inclusion, recognising that investment at an early stage can reduce later demand for specialist support.

Increasing the overall effectiveness of the Early Years entitlements budget - Local Changes - Overview

Increasing the overall effectiveness of the Early Years entitlements budget - Local Changes - Plan for redistributing unused contingency funding

24 Do you agree with the proposal to make it possible for local authorities to distribute emerging early years contingency funding underspends to providers during the year?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

It would be helpful to be able to distribute contingency underspends in-year, but this is not something we could do until spring census numbers are known and we have made the necessary accrual calculations in mid-March. It would be better to be able to carry forward unused contingency to the following financial year and use it to increase the funding rate.

Increasing the overall effectiveness of the Early Years entitlements budget - Local Changes - Plan for updating local supplements

25 Do you agree that the permissible categories for supplements should be reduced from five to three from financial year 2028 to 2029?

No

26 Do you agree that Deprivation, Site Specific, and Inclusion are the right categories to have from financial year 2028 to 2029?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

Dorset broadly agrees that Deprivation, Site Specific and Inclusion represent the most appropriate supplement categories. However, our preference remains for the majority of funding to be distributed through the base rate wherever possible.

27 Do you think that there are any delivery issues to consider with the proposed new supplements in 2028 to 2029?

Please limit your answer to 1500 characters or less:

Clear national guidance and transition arrangements will be essential. Local authorities and providers will require sufficient time to adapt local funding systems, consult with stakeholders and communicate changes effectively. Simplicity and transparency should be key design principles.

Increasing the overall effectiveness of the Early Years entitlements budget - Local Changes - Plan for funding local authority central services separately from entitlements funding

28 Do you agree on the principle of funding central services separately from provider funding through a standalone grant?

Yes

Additional comments - Please limit your answer to 1500 characters or less:

A central services grant would ensure funding discussions are not distracted and can focus on how to best use funding for all families.

29 Should the government prescribe how the early years central services grant is used? If so, to what extent?

No

Extent of prescription - Please limit your answer to 1500 characters or less:

Guidance rather than prescription would be helpful.

30 What type of early years central activities should be funded through this grant?

Please limit your answer to 1500 characters or less:

The grant should support activities that are most effectively delivered at local authority level, including quality improvement, sufficiency planning, workforce development, inclusion and SEND support, safeguarding, data management, finance administration and strategic planning.

31 What central services are currently provided by your local authority using this funding?

Please limit your answer to 1500 characters or less:

In Dorset the central retention is mainly used to fund staffing costs. We have a locality system and 16 Best Start in Life advisers and 3 Birth to Settled Adulthood advisers, which each have a number of early years providers to support. They visit at least termly and monitor good practice and the progress of individual children. Travel costs are also covered. The central retention funds LA managers and senior managers, both in localities and centrally based, responsible for early years strategy and support. The central retention covers the cost of the LA finance system and appropriate training, together with websites, web designers and online information. The early years funding team is also covered, which includes budgeting, planning, payments, oversight, accountancy, audit work and fraud prevention. Costs for early years SEND oversight are also included.

Changes to funding Ofsted Early Years Register Fees

32 Would you support some of Ofsted's Early Years Register costs being funded through a top-slice of early years entitlement funding, in order to reduce or remove individual provider Early Years Register annual fees?

No

Additional comments - Please limit your answer to 1500 characters or less:

We do not agree with early years entitlement funding being top-sliced to pay Ofsted fees for early years providers. Early years providers have to run their businesses and will be paying a number of bills for different services. It is their responsibility to pay this bill promptly and the current system is open and transparent. If fees need to go up, appropriate funding should be given to providers to pay Ofsted fees.

Equality impact assessment

33 Do you have any comments about the potential impact, both positive and negative, of our proposals on individuals on the basis of their protected characteristics? Where any negative impacts have been identified, do you know how these might be mitigated?

Please limit your answer to 1500 characters or less:

The proposals have the potential to positively impact children and families with protected characteristics through improved access to early education and earlier support. Particular attention should be paid to ensuring that children with SEND, children from disadvantaged backgrounds and families living in rural areas can benefit equitably from the proposed reforms.

Any Further comments

34 Are there any other comments that you would like to make about our proposals set out in this consultation?

Please limit your answer to 1500 characters or less:

Dorset welcomes the direction of travel set out in the consultation. The proposals broadly align with Dorset's ambitions to strengthen early identification, support inclusive practice and ensure children receive support at the earliest opportunity. Dorset would encourage the Department to retain sufficient local flexibility to allow local authorities to respond to local patterns of need and rural challenges while maintaining greater national consistency and transparency.

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