

**CHAPTER 15****Earmarked Funds****Chapter:** 15.0  
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**Date:** August 202115.0 **EARMARKED FUNDS**15.1 **Introduction**

This chapter covers the funding arrangements for a number of earmarked funds:

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Early Years Funding	15.2
Pupil Premium	15.3
Universal Infant Free School Meals	15.4
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## 15.2 Early Years Funding

### **PART 1: The Early Years National Funding Formula**

#### 15.2.1 Introduction

All Early Years childcare providers in North Yorkshire are funded through a local single funding formula for the early years' funded entitlement known as EYNFF. The EYNFF has been developed in consultation with providers in North Yorkshire and operates within the constraints of the Statutory Guidance for Local Authorities on the Delivery of Free Early Education for three and four year olds and the school funding regulations.

The single funding formula supports the delivery of pre-school education provision via a diverse sector of providers. It is based on the number of hours attended by eligible two, three and four year old children.

For a provider to receive early years funding they must be registered with Ofsted and be on the early Years Register.

This guidance relates to the funding of provision at the local authority's maintained schools for children on the school roll.

#### 15.2.2 Two year olds - funded entitlement

A child will be entitled to the funded hours from the term after both of the following conditions are satisfied: (1) the child has attained the age of two; and, (2) the child or parent meets the eligibility criteria. For further information on eligibility and how to apply please follow link <https://www.northyorks.gov.uk/early-years-funding-two-year-olds>. A child's entitlement is for 15 hours for up to 38 weeks of the year, a total of 570 hours. These hours are taken at times to best support the child's learning and the needs of the parents.

#### 15.2.3 Three and four year olds - universal funded entitlement

A child will be eligible for up to 15 weekly the funded hours from the term after their third birthday until the child reaches compulsory school age (the beginning of the term following their fifth birthday). A child's entitlement is for 15 hours per week for up to 38 weeks of the year, a total of 570 hours. These hours are taken at times to best support the child's learning and the needs of the parents.

Information on eligibility and dates of birth can be found on the NYCC website, <https://www.northyorks.gov.uk/early-years-funding-3-and-4-year-olds>

#### 15.2.4 Three and four year olds - extended funded entitlement

A child will be eligible to an additional 15 weekly funded hours from the term after both of the following conditions are satisfied: (1) the child has attained the age of three; (2) the child's parent has a current positive determination of eligibility from HMRC i.e. a valid 30 hours free childcare eligibility code. Schools must check the validity of the code prior to offering the extended entitlement - This may increase the funded entitlement to 1140 hours per year

All funded entitlement is subject to:

- no session to be longer than 10 hours
- no minimum session length
- not before 6.00am or after 8.00pm
- sessions can take place on any day of the week, including Saturday and Sunday
- a maximum of two sites in a single day
- meet the quality requirements as set out in regulations and in the statutory guidance
- no artificial breaks

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Stretched Entitlement - on the Childcare Choices website some parents may have noticed a reference to the following wording; ‘Some providers will allow you to ‘stretch’ the hours over 52 weeks, using fewer hours per week’. This means that if a child is only taking their funded entitlement of either 15 hours or 30 hours they may be able to stretch their funded entitlement over the school holidays by taking fewer hours each week, over more weeks of the year. It is the provider’s choice whether they wish to stretch funded hours. Parents must advise the school if they have chosen to stretch their child’s funded hours at another setting, as this may have an impact on the total funded hours claimed.

15.2.5 Eligibility for Funding

The funded hours that can be claimed for each eligible child are the hours they attend during headcount/ census week. To be eligible to claim for funding, a child must be registered with the school on headcount week.

Funding is not adjusted for children who leave the school after the headcount date. Funding may be claimed for children who arrive after headcount date, but have never been funded before in North Yorkshire. For further details, contact the Early Years Funding Team.

Where a child is not accessing their full entitlement of 15 (30 hours for eligible three and four year olds) hours, schools/providers cannot claim for those hours not taken up within the term.

Parents are required to complete a Parental Agreement. This determines which school/provider is to receive the funding for the universal funded entitlement, and which school/provider is to receive the funding for the extended funded entitlement if eligible.

Schools must ensure that documentation regarding proof of eligibility; i.e. a Birth Certificate has been seen and every effort must be made to avoid duplicate claims being submitted. Where duplicate claims are discovered during or after the process of allocating funding, discussions will need to take place between the providers concerned and the parents/guardians involved in order to clarify where the funding for the particular child is to be allocated.

Prior to each headcount, the Early Years Funding Team will write to nurseries and schools to provide the guidance necessary for them to complete that term’s headcount.

The eligible children in nursery schools, nursery classes and pre reception classes are taken from the census. The information is checked against headcount returns from other schools/providers. The funded hours and total hours should agree with what the children attended on census week. It is important to ensure that the hours a parent is paying for are *not* recorded as funded hours. The child details and funded hours submitted on the Census return must be the same as the claim made on the Synergy Provider Portal.

15.2.6 The Early Years National Funding Formula (EYNFF)

The funding formula currently includes the following elements:

- i. Funded Hours – calculated at the beginning of each financial year, this is based on the number of funded hours (universal and extended) in the previous three terms; it is updated during the year following each term’s headcount to reflect the actual number of funded hours.
- ii. Hourly Rate – this varies depending on the age of the children, with two year olds attracting a higher level of funding than three and four year olds.
- iii. Deprivation Funding (only applicable to three and four year old funding) – this is based on the Index of Multiple Deprivation score. This is calculated by identifying the postcode of each child attending the setting on the headcount and the IMD score attributable to that postcode.

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- iv. Early Years Pupil Premium - some three and four year olds will be eligible for EYPP if the child receives the universal 15 hours entitlement and the eligibility criteria is met.
- v. Disability Access Funding – some three and four year olds will be eligible if they are in receipt of a current Disability Living Allowance letter, and the parent has nominated the school. Providers receive £615 per eligible child per year. The funds could be used, for example, to support providers in making reasonable adjustments to their settings and/or helping with building capacity, be that for the child in question or for the benefit of children as a whole attending the setting.

Additional sources of funding include the following:

- i. EHCP Funding– additional funding that has been allocated for children assessed as having high needs. Adjustments to funding are actioned at the point of change.  
<https://www.gov.uk/government/publications/early-years-national-funding-formula-allocations-and-guidance>
- ii. Inclusion Funding– additional funding that a provider can apply for in order to support children with low need/high incidence special education needs (SEN) This is paid at a standard rate of £3000 per annum for 15 hours per week (pro-rata to hours attended).  
<http://cyps.northyorks.gov.uk/inclusion-funding-element-2>
- iii. Sparsity - Additional funding is available to ensure that providers remain viable where they are operating in areas where there is limited early years’ provision. The following eligibility criteria applies:
  - There must be no other similar provision within three miles; and
  - 50 percent of the funded children who attend are attending their nearest similar provider.

A financial assessment is undertaken to confirm eligibility for funding and to consider whether the school is projecting a loss over the next 12 months without the additional funds. This assessment will take into consideration additional costs the school has incurred as a result of operating a nursery class/pre-reception class or having nursery aged children as part of a foundation unit. A condition of funding is an agreed action plan. There is a maximum award per provider in any one year, please contact the financial enquiries service for confirmation of the current maximum award level, and to confirm the process for submitting an application for sparsity funding.

The Financial Enquiries Service can be contacted by completing the following webform:

<http://cyps.northyorks.gov.uk/finance-enquiry-service-fes>

Financial Enquiries Service, 01609-797601 or by e-mail [finance.enquiries@northyorks.gov.uk](mailto:finance.enquiries@northyorks.gov.uk)

### 15.2.7 Payment Arrangements

Funding is paid to schools in monthly instalments based on the termly funding in the same way as for their Section 251 funding.

A timetable of payment dates is provided at the beginning of the financial year, and an Early Years indicative budget statement is sent out prior to the start of each new Financial Year that summarises the level of funding that schools can expect to receive each term. Funding is initially based on the prior years Early Years funding for each term, and is paid on a monthly basis. The month after the finalising of the Early Years termly headcount the next monthly payment is adjusted to reflect this current terms funding.

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#### 15.2.8 Overpayments

As payments are based, initially, on the previous year's funded hours, it is possible that once payments are adjusted to reflect the actual termly headcount hours, a school will have received more funding to date than that to which they are entitled. Any overpayments of this nature will be offset against future monthly payments until the amount has been fully recovered. Unless the amount is over £2k in which case this will be recovered.

### **PART 2: Accounting Arrangements**

#### 15.2.9 Early Years Budget Statement

Prior to the start of the financial year all schools who offer funded nursery provision receive indicative budget statements for 2 year olds, and 3 and 4 year old nursery children. The indicative budgets are based on the funded hours in the corresponding terms of the prior financial year for all funding types (2 year old and 3 and 4 year olds universal and extended hours), adjusted for the number of weeks in the current financial year. The termly hours are multiplied by the current funding rates to provide an indication of the level of funding schools can expect to receive in each term. The statement also indicates the percentage of funded hours that schools can expect to receive in each of the deprivation bandings. If your funded hours are significantly different, please contact the Early Years Funding Team to enable your payments to be amended.

#### 15.2.10 Sparsity Funding

Sparsity funding, where applicable, is paid in three termly instalments to schools via Oracle Financials on subjective code 9225.

#### 15.2.11 Free School Meals

Current guidance on free school meal eligibility can be accessed on the NYCC website. <https://www.northyorks.gov.uk/free-school-meals>

#### 15.2.12 Other Income & Charges

The CFR code list details the correct CFR and subjective codes that should be used for other income and charges <https://cyps.northyorks.gov.uk/cfr-code-list>

#### 15.2.13 Audit

Early Years data and funding is subject to normal Audit arrangements.

**PART 3: Charging Parents for Early Years Provision Over and Above the Funded Entitlement**

## 15.2.14 Introduction

The Statutory Guidance is clear that Early Years provision must be “free at the point of delivery” and therefore no charge must be made for any part of the funded entitlement of up to 15 hours (30 hours for eligible three and four year olds) per week. Parents should receive the hours free (up to 15 per week (30 hours for eligible three and four year olds) and this should be reflected on their bill and not the amount of funding received for that child from the Local Authority.

Schools who charge for any goods or services, for example, meals, optional extras or additional hours of provision outside of the funded entitlement, should not do so as a condition of children accessing their funded entitlement.

It is important to distinguish between the rate of funding paid to the school by the Local Authority and the rate at which the school charges the parent. The level of funding is determined by the Local Authority and is paid to the school to deliver the Early Years Provision. This funding must not be passed on to the parents, but used by the school to deliver the early years funded provision of hours (dependant on eligibility). If a child at the school attends more than their funded entitlement, then the parents should only be charged for those hours claimed in excess of the funded entitlement. The bill should not deduct the amount of funding received from Local Authority.

## 15.2.15 Charging Policies

The Schools and Early Years Team have produced the following guidance for schools to assist in the development of their own charging policy for early years’ provision.

A fee policy should detail the areas relevant to the session and/or any other items that are being offered. This should include the following:

- i. Cost of sessions (see section below on what can and cannot be charged for)
- ii. Payment terms
- iii. Cancellation policy (i.e. if you will charge for sessions even if a parent cancels)
- iv. Notice period
- v. Late payment fees/debt collection policy
- vi. Late collection policy (i.e. if a parent is late to pick up a child)
- vii. Refundable deposit

It is the school’s responsibility to ensure that parents are aware of the charging policy they adopt. This can be done by the production of an information booklet for parents and/or the Parental Agreement/Contract. The information can also be uploaded to the school’s website as part of the school’s Charging and Remissions Policy.

<https://www.gov.uk/government/publications/charging-for-school-activities>

## 15.2.16 Out of School Provision (breakfast and after school care, holiday clubs)

Schools are able to offer childcare provision outside the normal hours of school which parents will be charged for. The sessions will be offered only where enough demand exists as this has to be a self-sustaining element of the school. It is recommended that a parental agreement is drawn up between parent and school; this will also include a copy of the current fee policy.

### 15.2.17 Early Years

- i. Nursery Charges for Additional Sessions over the Funded 15 hours (30 hours for eligible three and four year olds)

All eligible two, three and four year old children are entitled to 15 funded hours and this entitlement must always be completely free at the point of delivery. A parental agreement will be required in relation to the funded 15 hours provision (30 hours for eligible three and four year olds); this can also include any additional chargeable sessions

Additional sessions over the 15 hours per week (30 hours for eligible three and four year olds) entitlement may be available but this is dependent upon the number of children who are attending for funded sessions and to whom priority will be given. The additional sessions should only be guaranteed for the duration of 1 term with a variation to the agreement being put into place each term to define requirements, again dependent upon availability.

- ii. Lunchtime Sessions

Children should be able to take up their funded hours as part of continuous provision and providers should avoid artificial breaks in the day wherever possible. The lunchtime session should form part of the funded provision where the child is attending a morning and afternoon session.

If parents choose to purchase a school meal for their child, parents should expect to pay for this meal. However, providers must offer alternative options to parents e.g. allowing parents to provide their own packed lunch where the meal is not suitable for children with specific dietary needs or the parent prefers a lower cost option.

- iii. Free School Meals

Children in a maintained Nursery Class or maintained Nursery School can receive free school meals if they meet the DfE criteria, available on the NYCC website.

<https://www.northyorks.gov.uk/free-school-meals>

The Business Support Team can provide support in developing or reviewing a draft policy; contact details can be found in Chapter 1: Contacts.

### 15.2.18 What can be charged for

Providers can charge for meals and snacks as part of a funded entitlement place and they can also charge for consumables such as nappies or sun cream, and for services such as trips and specialist tuition. Parents can therefore be expected to pay for these, although these charges must be voluntary for the parent. For further information on charging, please contact the schools and early years finance team.

### 15.2.19 Booking Procedure and Billing

Any policy should be as clear and transparent as possible so that parents understand the obligations of what it is that they are signing up for.

Schools need to ensure that they have a booking form. The current Parental Agreement form for funded children can be adapted to be used as a booking form detailing the following information:



- i. Parents' name and address
- ii. Child/Children's details, i.e. name, date of birth
- iii. Details of additional sessions required

The fees for any additional sessions booked should be clearly relayed to the parents as should the payment terms.

Monthly in advance payment terms are more affordable for parents than termly. It is recommended that you offer various payment methods such as cheque, parent pay, bank transfer, cash etc.

Parents should be supplied with an invoice that clearly differentiates between the free entitlements and paid for sessions.

A system to manage payments received should also be introduced.

Important note: any sums payable by parents for optional extras such as unpaid nursery fees, extended school provision etc to which they have agreed in writing, or for board and lodging shall be recoverable as a civil debt and may also be subject to late payment charges.

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**PART 4: Other Information Sources**

Government Childcare Choices website: information for Childcare providers / childcare choices

The Early Years and Childcare area of the cyps.info website:

<http://cyps.northyorks.gov.uk/early-years-and-childcare>

Statutory Guidance for Local Authorities on the delivery of Funded Early Education for three and four year olds and securing sufficient childcare – June 2018:

<https://www.gov.uk/government/publications/early-education-and-childcare--2>

Quality First – Guidance on providing for children in the Early Years Foundation Stage (December 2012):

[http://cyps.northyorks.gov.uk/sites/default/files/Early\\_years/Early\\_Years\\_Guidance\\_for\\_Headteachers\\_and\\_Governors.pdf](http://cyps.northyorks.gov.uk/sites/default/files/Early_years/Early_Years_Guidance_for_Headteachers_and_Governors.pdf)

Please contact: Helen Smith    Helen.Smith@northyorks.gov.uk

### 15.3 Pupil Premium

#### 15.3.1 Introduction

The Pupil Premium grant (PPG) provides funding to support two DfE policies:

- i. Raising the attainment of disadvantaged pupils of all abilities to reach their potential; and
- ii. Supporting children and young people with parents in the regular armed forces.

The Pupil Premium is allocated to the following eligible groups of pupils:

- i. Reception to year 11 and recorded as Ever 6 free school meals; and
- ii. Looked after Children who have been in the care of an English or Welsh Local Authority for one day in the previous year to March; and
- iii. Children who have ceased to be looked after in an English or Welsh authority because of adoption, special guardianship, child arrangement order or a residence order; and
- iv. Reception to year 11 and recorded as Ever 6 service child or in receipt of an MOD child pension.

Funding is allocated to eligible pupils in year groups Reception to 11.

- v. Children with no recourse to public funds (NRPF). Please see guidance under further information.

#### 15.3.2 Eligible Expenditure

Local authorities are responsible for Looked after Children (LAC) in care and make payments to maintained schools and academies for these eligible children.

The grant may be spent in the following ways:

- for the purposes of the school; that is, for the educational benefit of pupils registered at that school
- for the benefit of pupils registered at other maintained schools or academies
- on community services whose provision furthers the benefit of pupils at the school

The grant does not have to be completely spent by schools in the financial year beginning 1 April 2021; some or all of it may be carried forward to future financial years. Any funding that is carried forward must be spent according to the conditions in this document.

However, schools will be held accountable for how they have used the additional funding to support eligible pupils.

#### 15.3.3 Publication of School Data

To comply with School Information regulations, maintained schools are required to publish an updated pupil premium strategy annually. All schools must use the templates available on GOV.UK to publish their 2021 to 2022 pupil premium strategy, by the end of December 2021. The Department for Education will undertake monitoring checks on a sample of schools' published reports.

Given their role in ensuring schools spend funding appropriately and in holding schools to account for educational performance, governors and trustees should scrutinise schools' plans, including their plans for and use of their pupil premium funding. Schools are held accountable for the outcomes they achieve with all their funding, including through Ofsted inspections and by governors and trustees, and this will be no exception.

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From the academic year 2021 to 2022, schools must demonstrate how their spending decisions are informed by research evidence, making reference to a range of sources including the Education Endowment Foundation's toolkit. In line with the EEF's pupil premium guide, activities should include those that:

- support the quality of teaching, such as staff professional development;
- provide targeted academic support, such as tutoring; and
- tackle non-academic barriers to success in school, such as attendance, behaviour and social and emotional support.

#### 15.3.4 Looked After Children – LAC

The DfE will allocate local authorities funding for children who have been in the care of the LA for one day as recorded on the SSDA903 census in March and are aged 4 to 15 in the previous August, i.e. March 2019 SSDA903 and children age 4 to 15 by 31<sup>st</sup> August 2019. The PPG is administered by the Local Authorities VSH (virtual school head). It should be used to benefit the pupil's educational needs as described in their personal education plan. There should be arrangements in place to discuss how the child will benefit from PP with the designated teacher or similar person.

Schools are also able to apply to the VSH for additional top up funding paid to schools from the annual PPG allocation.

#### 15.3.5 Accounting Arrangements

The PPG for Ever 6 FSM, Service Ever 6 and Post LAC is transferred to schools by journal during the first quarter of the year. The full year grant is paid in one instalment. The PPG is based on the October schools census for mainstream and special schools and January for pupil referral units. PPG is only adjusted for school closures and academy conversions and where a school received FSM for a child who later becomes LAC.

The Looked After grant is paid termly as children are more likely to move between schools. Those pupils who become year 11 in September will only receive 2 terms of PPG. (Autumn and spring). The LAC funding is based on the SSDA903 census in March and funding is updated in December each year.

Pupil Premium grant is code to subjective code 9300 (I05)

Any unspent current year PPG balances at financial year should be coded to 9093 (B01 – Committed Revenue Balances)

#### 15.3.6 Further Information

Conditions of Grant 2021-22 – full information for all educational institutions

<https://www.gov.uk/government/publications/pupil-premium-allocations-and-conditions-of-grant-2021-to-2022/pupil-premium-conditions-of-grant-2021-to-2022-for-local-authorities>

<https://www.gov.uk/education/pupil-premium-and-other-school-premiums> - access to templates and wider guidance for schools that may be helpful for 15.3.3 Publication of School Data

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#### 15.4 Universal Infant Free School Meals

15.4.1 Information relating to Universal Infant Free School Meals is available on the gov.uk website. There is an update each year.

<https://www.gov.uk/government/publications/universal-infant-free-school-meals-uifsm-2021-to-2022/universal-infant-free-school-meals-uifsm-conditions-of-grant-2021-to-2022>

#### 15.5 PE and Sports Grant

15.5.1 Information relating to the PE and Sport Premium for Primary Schools is available on the Gov.uk website.

<https://www.gov.uk/government/publications/pe-and-sport-premium-conditions-of-grant-2020-to-2021/pe-and-sport-premium-conditions-of-grant-2020-to-2021-local-authorities-and-maintained-schools>

#### 15.5.2 Sport Grants

Strategic Planning will alert schools when grant opportunities arise.

i. Smaller Grants

Smaller grants tend to be available for schools to apply direct for. The grant, if awarded, is then paid directly to the school.

Full guidance on these smaller grants can be found on the Sport England website.

ii. Larger Capital Grants

Larger capital programmes tend to be managed in “rounds” and local authorities are permitted to make a single application per round. As a result, maintained schools are not permitted to apply direct.

Again, full guidance can be found on the Sport England website.

If your school is interested in applying for such a grant, you should contact Julie Temple Strategic Planning Team to discuss your proposal. If the County Council receives interest from more than one school, it will have to evaluate each proposal before determining which to support as their application for the grant that round.

Schools are reminded of the need to express their interest at the earliest opportunity so as to allow officers of the County Council to be able to evaluate all of the proposals received and to follow the corporate grants process.

Further information can be sought from CYPS Finance or Strategic Planning.

Schools must ensure from the offset that they are clear as to who has the authority to submit a grant application, i.e. the school or the local authority.

Please refer to 15.8 Grants Procedure for more information.

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## 15.6 Post-16 Funding (including High Needs)

### 15.6.1 Background

Post-16 funding for school sixth forms is calculated and funded by the Education Funding Agency (EFA). Allocations are made for the academic year that runs from August to July. Annual allocations are released to schools in the March prior.

### 5.6.2 Funding Formula

Information on the funding formula for post 16 funding can be found here:

<https://www.gov.uk/government/publications/funding-rates-and-formula>

### 15.6.3 High Needs Funding

<https://www.gov.uk/government/publications/high-needs-funding-arrangements-2021-to-2022>

One of the major aspects of the funding reforms is to bring together all funding for pupils and students with high-cost additional needs using common principles, in which local authorities (LAs) will be both commissioner and funder.

This gives LAs an enhanced role with a single high-needs budget to cover their education funding responsibilities for all high-needs children and young people aged 0 to 25 resident in their area.

The new system for funding post 16 High Needs students is set out below:

Element 1 - the value of the post-16 national funding formula as set out in 15.6.2

Element 2 - in addition where the LA has notified that they wish to commission high needs places from that institution the ESFA will allocate a further £6,000 per annum for additional support costs per place.

Elements 1 and 2 will be funded by the ESFA via the Local Authority (or direct from the ESFA for academies)

Students who require more than £6k of additional education support, i.e. where they need support to access and achieve their course of study over and above the core programme costs of that course, are treated as High Needs students.

Element 3 - top-up funding payable by the student's home local authority in, or close to, the real-time movement of the student; this is over and above elements 1 and 2 and is based on the student's assessed needs based on a banded value pro-rata to 16 hours education.

Element 3 funding will flow direct from the Local Authority's High Needs budget to the institution.

### 15.6.4 Other Post-16 Grant Funding

#### 15.6.4.1 The 16-19 Bursary Fund was introduced by the DfE in 2011-12 to replace the Education Maintenance Allowance (EMA) Scheme.

There are two elements to the 16-19 Bursary Fund:

- A £1,200 annual bursary for young people in one of the following defined priority or vulnerable groups:
  - those in the care of the local authority
  - local authority care leavers
  - those receiving income support in their own right

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- you are in receipt of both Employment Support Allowance and Disability Living Allowance or Universal Credit
- you are in receipt of Personal Independence Payment and either Employment Support allowance or Universal Credit.
- Discretionary awards to be targeted at those young people who face the greatest financial barriers to participation to meet the costs of, for example, transport, meals, books and equipment.

### 15.6.4.2 Administration of Bursary Schemes

Schools are expected to administer their own scheme in line with guidance as set out by the EFA. Allocations are notified to schools but the grant is payable direct to the Local Authority as is the case with the school sixth form funding. Grant is received in August (2/3<sup>rd</sup>) and April (1/3<sup>rd</sup>) and is transferred to schools upon receipt.

The Special School Bursary Scheme is administered by the Local Authority. The criteria and administration arrangements are in line with EFA guidance.

<https://www.gov.uk/guidance/16-to-19-bursary-fund-guide-2021-to-2022-academic-year>

### 15.6.5 Payment of Post 16 Funding

All post 16 funding, with the exception of the 16-19 Bursary funding, is included in the school's Section 251 budget allocation and is paid in line with the school's other Section 251 funding. It is coded to subjective code 9004 (102).

The 16-19 Bursary Funding is paid to the school in two instalments that align with the receipt of the funding from the EFA. Payment is made by journal transfer to subjective code 9004 (102) in August and April.

### 15.6.6 Further Information

The DfE website:

<https://www.gov.uk/guidance/16-to-19-education-funding-allocations>

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## 15.7 Non-Specific Earmarked Funds

### 15.7.1 Introduction

Where schools wish to attract additional funding for specific projects there are a number of issues that should be addressed including (but not exhaustively):

- The terms and conditions of any grant funding;
- The timescales of the funding availability and its “fit” with any project;
- The observance of LMS Procedure Rules;
- Who must submit the bid; and
- The many complexities encountered in legal, contractual, building and ICT related issues.

It is strongly advised that schools seek advice prior to applying, and certainly the signing of, any contracts/agreements with funding agencies.

Some grant bodies only accept bids from Local Authorities on behalf of their schools and so schools are reminded to ensure that they check who is eligible to make a bid before submitting an application. In some cases, bids are limited to one per applicant per funding round, as is the case with Sport England.

Further advice can be sought from Veritau (the Internal Audit Service), the Legal Services Helpline, the FMS Helpline or the Financial Enquiry Service.



## 15.8 Grants Procedures

### 15.8.1 Introduction

Grant applications come in various forms including the following:

- Invitation to Bid
- Expressions of Interest
- Response to Public Advertisements

There are two procedures relating to grant applications that schools need to be aware and take account of:

- LMS Financial Procedure Rules
- Corporate Grant Application and Acceptance Procedures

The two do overlap and the purpose of this guidance is to summarise the key procedures for schools when considering whether and how to apply for a grant.

### 15.8.2 LMS Financial Procedure Rules (Annex to the LMS Financing of Schools Scheme)

Section 7 of the LMS Procedure Rules covers grant applications and claims.

In summary, should a school wish to submit a grant or external funding application that is in excess of £175,000 in value, the Corporate Director – Strategic Resources (CD-SR) must be consulted. Schools are advised to consult the Assistant Director – Management and Resources, Children and Young People’s Service (AD-CYPS) in the first instance. The school must comply with any requirements the Corporate Director stipulates in relation to the application. This also applies where you are accepting a grant where an application is not required.

For grants or external funding that is less than £175,000 in value, schools are not required to follow this route and can submit the application themselves UNLESS the local authority is required to submit the application on the schools behalf (see Sport Grants above).

For grant and external funding in excess of £175,000, the Corporate Grant Application and Acceptance Procedures apply as determined by the Corporate Director – Strategic Resources. They also apply where the local authority is required to submit the application on the school’s behalf. The details of this are not included in the LMS Finance Procedure Rules but are referred to; they are set out in the following section.

### 15.8.3 Corporate Grant Application and Acceptance Procedures

This procedure is taken from the County Council’s Finance Procedure Rules (Section 8).

If the grant application is to be submitted by the County Council on behalf of a school (see section on Sports Grants below), then the requirements of this procedure apply.

For grants in excess of £175,000 in value, the application will require Executive Member approval as larger grants may be linked to initiatives that have wider policy and budget implications.

### 15.8.4 Grant Application Procedure

- i. If the terms and conditions of the grant are available at this stage, the advice of the Assistant Chief Executive – Legal and Democratic Services (ACE-LDS) will be sought. Any concerns or clarifications can then be addressed with the awarding body before the application is submitted. It is more difficult to address the terms and conditions at a later stage, i.e. at the point a grant offer is forthcoming.

- ii. Officers will complete an internal document, the Grant Application Form, following submission of the proposal from the school. This is essentially a checklist that covers the consideration of potential areas of risk.
- iii. If Executive Member approval is required as a result of the value of the grant being in excess of £175,000, the AD-CYPS will obtain this.
- iv. The Grant Application Form is then signed by the Corporate Director - Children and Young People's Service (CD-CYPS) and the CD-SR. The latter can delegate this responsibility to the AD-CYPS who is acknowledged to have a deeper understanding of the school's financial position.
- v. The Grant Application Form is retained by CYPS Finance and the grant application can be submitted to the awarding body.

### 15.8.5 Grant Acceptance Procedure

- i. Following receipt of an award letter from the awarding body, the terms and conditions appertaining to the grant will be forwarded to the ACE-LDS if this was not done at the application stage or the terms and conditions accompanying the award letter have changed since the application stage..
- ii. If the ACE – LDS is satisfied that the terms and conditions of the grant do not suggest any financial or legal risk to the County Council or the school concerned, officers will complete internal document Grant Acceptance Form.
- iii. The Grant Acceptance Form will be signed by the CD-CYPS, ACE-LDS, a Head of Finance and the CD-SR. The latter may delegate this responsibility to the AD-CYPS who is acknowledged to have a deeper understanding of the school's financial position.
- iv. The awarding body's acceptance of award form can then be signed and returned.

### 15.8.6 Grant Payment

Where the local authority has applied on behalf of the school, the awarding body will make payment of the grant to the County Council. All interim and final claims must be submitted by the County Council as the award recipient. Officers in CYPS Finance will liaise directly with the school in the setting up of these arrangements once the acceptance of award has been signed and returned.

### 15.8.7 Audit

The LMS Financial Procedure Rules refer to the auditing of grant claims at section 7. It states:

*Certain grant claims are required to be audited, and an opinion provided on the accuracy of the expenditure being claimed, by the Head of Internal Audit. Each Headteacher shall ensure that records are retained to enable the Head of Internal Audit to complete the work and provide explanations, as necessary, for any matters raised.*

## CHAPTER 15

## Earmarked Funds

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### 15.9 Administration of Funds from Third Parties

15.9.1 There may be incidences where the school is in receipt of funds from third parties in respect of particular members of staff who are undertaking further training or qualifications such as bursaries from the National College for School Leadership. Such funding is intended to be used towards tuition fees, associated travel and subsistence, learning resources and supply cover for when the member of staff involved is expected to attend meetings or to be released from school to work on their research. As the funding is paid direct to the school, the funding body often intends that any items purchased such as learning resources or IT equipment is then the property of the school and not the individual member of staff.

15.9.2 Schools are advised to seek the advice of the Financial Enquiry Service with regard to the administrative treatment of such funds in school.

15.9.3 The following is the minimum requirement expected of schools:

- i. Reimbursement of expenses to the school staff member should only be made on the production of receipts or paid invoices by the member of staff involved. Funds should not be paid over to a member of staff without proof that they have incurred the initial expenditure.
- ii. Alternatively, the member of staff should pass the unpaid invoice(s) to the school for payment direct from the delegated budget. The invoice should be addressed to the member of staff.
- iii. VAT can be recovered on purchases made by members of staff provided that they submit a valid VAT receipt or invoice addressed to them as a member of staff.
- iv. Any equipment that has been purchased from the funding should be recorded in the school's own inventory of equipment as belonging to the school as well as being recorded as equipment that is being kept off the school premises on loan to the member of staff.

### 15.10 Teacher's Pay Grant Methodology (TPG)

A link to the Department for Education conditions of grant for 2021-22:

<https://www.gov.uk/government/publications/teachers-pay-grant-allocations-for-2021-to-2022-financial-year/teachers-pay-grant-conditions-of-grant-for-local-authorities-april-2021-payments>

From April 2021 the Teacher's Pay Grant (TPG) is paid to the school via the National Funding Formula (NFF).

- i. Maintained nursery schools
- ii. School nurseries
- iii. 6<sup>th</sup> Form Schools
- iv. 16 – 19 schools

The above schools will be funded by grant paid to the LA which will be transferred in a timely manner. Any new special schools or alternative provision free schools opened after 1<sup>st</sup> September 2020 will be funded via the LA.

### 15.11 Teacher's Pension Employer Contribution Grant (TPECG)

A link to the Department for Education conditions of grant 2021-22:

<https://www.gov.uk/government/publications/teachers-pension-grant-2021-to-2022-allocations/teachers-pension-employer-contribution-grant-tpecg-conditions-of-grant-for-local-authorities-april-2021-payments>

From April 2021 the Teacher's Pay Grant (TPG) is paid to the school via the National Funding Formula (NFF).

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### CHAPTER 15

#### Earmarked Funds

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- i. Maintained nursery schools
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