

Schools Forum

Title:	Changes to the Scheme for Financing Schools
Date:	10 th June 2016
Author:	Emma Wilding
Contact officer:	Emma Wilding 01296 382012
Local members affected:	Maintained School members only

Summary

This paper details changes to the Scheme for Financing Schools to bring it into line with the latest guidance from the Department for Education. The scheme sets out the financial relationship between the authority and the maintained schools which it funds. It contains requirements relating to financial management and associated issues, binding on both the authority and on schools.

Recommendation

At this stage, this paper is for information only. The new scheme and changes to the scheme, as summarised below, have been sent to all schools and all governors via Schools Bulletin for consultation in line with part 1.4 of the scheme. The closing date for the consultation is 21st July 2016. Once comments have been received from schools and governors these will be summarised and submitted to the next Schools Forum meeting. Final changes to the document will be agreed, and the new document published on the Buckinghamshire County Council website.

Background

The current "Scheme for Financing Schools and Defining Working Relationships between Governing Bodies, Headteachers and the Local Authority" is found on SchoolsWeb.

<https://schoolsweb.buckscc.gov.uk/finance-zone/scheme-of-financial-delegation/>

This has not been updated for a number of years and there are many aspects of it that are out of date. Therefore the proposed new scheme is based on the DfE Statutory guidance for having a Scheme for Financing Schools found at the following link.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/486440/Scheme_for_Financing_Schools_Dec_2015.pdf

The proposed new scheme is attached. This paper aims to set out the main changes between the proposed new scheme and the original scheme.

Changes to the Scheme

1. The format has changed. The new scheme format is now in line with the DfE scheme.
2. The new scheme is only finance related. The old scheme also included the working relationship with schools. In order to keep in line with the DfE scheme, it was felt the scheme should stick to the topics in the DfE scheme. The other topics have been removed and compiled as a separate document to be reviewed in due course.
3. It has now been clarified that Community Facilities are treated as if they were amounts spent for the purposes of the school
4. Copies of the scheme will be available on the BCC website. Hard copies will now not be sent to schools.
5. **2.1.6 Writing off of debt:** This section has changed to be in line with financial regulations of the authority.
6. **2.3 Submission of budget plans:** It has been decided that only the governing body can approve the formal annual budget plan, previously it could be a committee of the governing body.
7. **2.3.1 Submission of Financial Forecasts:** Clarified from multiyear to at least 3 years and removed the notification of budget shares beyond the current year.
8. **2.4 Efficiency and Value for Money:** a new point has been added requiring benchmarking required by the latest DfE scheme.
9. **2.6 Audit:** General: wording changed from Audit Commission to External Audit.
10. **2.9 Register of business interests:** added relationships between staff and governors and the fact that the register has to be published required by the latest DfE scheme.
11. **2.10 Purchasing, tendering and contracting requirements:** taken out the detail and said must abide by the authority's financial rules and standing orders in purchasing, tendering and contracting matters (These will be contained within the LMS Handbook).
12. **2.11 Application of contracts to schools:** Updated for Ed act 2002
13. **2.12 Central funds and earmarking:** now includes examples of earmarked funds required by the latest DfE scheme.
14. **2.13 Spending for the purposes of the school:** Updated for Ed Act 2002 and updates in 2011.
15. **2.14 Capital spending from budget shares:** clarification of when notification to the authority must be made regarding capital spend.
16. **2.16 Schools Financial Value Standard (SFVS):** referred to Schoolsweb for submission timetable.
17. Sections **3.1 to 3.3** have been clarified

18. **4.2 Controls on surplus balances** – Excessive surpluses are now defined as 15% or more (on all the school's income) for the last 5 years and at least £10,000 each year.
19. **4.8 Balances of closing and replacement schools:** The fact that academies can take their surpluses with them has been added
20. **4.9 Licensed deficits:** The part about School Standards fund has been removed and information about external bank accounts being taken into account has been added
21. **4.10 Loan schemes and 4.10.1 Credit union approach** are new sections added to the scheme required by the latest DfE scheme.
22. **5.2 Income from fees and charges:** Clarification and an addition about boarding required by the latest DfE scheme.
23. **Section 6** now contains all the circumstances in which charges may be made as required by the latest DfE scheme.
24. **7.2 CIS (Construction Industry Taxation Scheme)** is a new section added to the scheme required by the latest DfE scheme.
25. **10.2 Indemnity for School Governors and Governing Bodies** and **10.3 Information to the authority** have been removed as they are outside the scope of the scheme required by the latest DfE scheme.
26. **11.2 Liability of governors:** removal of Annex I about the Indemnity of Governors as it is outside the scope of the scheme required by the latest DfE scheme.
27. **11.5 Early Warning Protocol and 11.6 Contingency for Legal Expenses and 11.7 Disputes between schools and authority, or governing bodies and Headteachers** have been removed as they are outside the scope of the scheme required by the latest DfE scheme.
28. **11.8 Health and Safety:** Removed the detail from the scheme and signposted to the authorities policy on Schoolweb
29. **11.11 Optional Delegated funding** has been removed as it is outside the scope of the scheme required by the latest DfE scheme.
30. **11.8 Interest on late payments** is a new section added to the scheme required by the latest DfE scheme.
31. **11.14 School Vehicles** has been removed as it is outside the scope of the scheme required by the latest DfE scheme.
32. **11.17 Staff Disciplinary matters and 11.18 School Meals and 11.19 Intervention by local authority where school causing concern and 11.20 Notification to Children's Services re school attendance of looked after children** have been removed as they are outside the scope of the scheme required by the latest DfE scheme.
33. **13.4 Employment of Community staff** has been removed as it is outside the scope of the scheme required by the latest DfE scheme.